



**RISK MANAGEMENT COMMITTEE**

Meeting of the Committee  
Chairman's Office Boardroom, Crown Towers  
Friday, 9 August 2019 at 9.00am



## Risk Management Committee

Meeting of the Committee to be held on Friday, 9 August 2019 at 9.00am  
at Level 3, Crown Towers, 8 Whiteman Street, Southbank

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### Attendees

*Committee:* Geoff Dixon (Chair)  
Andrew Demetriou  
Jane Halton  
  
Mary Manos (Secretary)

*By Invitation:* John Alexander (Crown Resorts)  
Ken Barton (Crown Resorts)  
Barry Felstead (Australian Resorts, CEO)  
Sasha Grist (Crown Perth GM Risk & Corporate Projects)  
Lauren Harris (Crown Resorts)  
Alan McGregor (Australian Resorts, CFO)  
Josh Preston (Australian Resorts, CLO)  
Anne Siegers (Crown Resorts, GM Risk & Audit)  
David Skene (Betfair)

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### AGENDA

1. [Minutes of Meeting held on 29 May 2019](#)
2. [Matters Arising](#)
3. [AML/CTF Joint Program – PRIVILEGED AND CONFIDENTIAL](#)
4. **Risk Reporting**
  - 4.1. [Report Against Material Risks](#)
  - 4.2. [Emerging Risks](#)
  - 4.3. [VIP International Operations Update](#)
5. **Compliance Matters**
  - 5.1. [Compliance Report](#)
  - 5.2. [ILGA Notices – PRIVILEGED AND CONFIDENTIAL](#)

**6. Insurance Matters**

6.1. [Insurance Broker](#)

6.2. [Cyber Insurance](#)

**7. Other Business**

7.1. [Executed Contracts Register](#)

7.2. [Directors' Statutory Report – Risk Disclosure – PRIVILEGED AND CONFIDENTIAL](#)

7.3. [Future Meetings](#)



**AGENDA ITEM 1:**  
Minutes of Committee Meeting  
held on 29 May 2019



## Risk Management Committee

Minutes of a Meeting of the Committee held at  
Level 3, Crown Towers, 8 Whiteman Street, Southbank, Victoria on  
29 May 2019 at 9.00am

**Members Present:**

Geoff Dixon (Chair) (by telephone)  
Andrew Demetriou  
Jane Halton

Mary Manos (Secretary)

**By Invitation:**

John Alexander (Executive Chairman)  
Ken Barton (Crown Resorts Limited)  
Sasha Grist (Crown Perth) (by telephone)  
Lauren Harris (Crown Resorts Limited)  
Alan McGregor (CFO – Australian Resorts)  
Josh Preston (CLO – Australian Resorts)  
Anne Siegers (Group GM Risk & Audit)  
David Skene (Betfair) (by telephone)

**Apologies:**

Barry Felstead (CEO – Australian Resorts)

**BUSINESS**

**Minutes of Committee Meetings:**

It was **RESOLVED** that the Minutes of the Risk Management Committee Meetings held on 11 February 2019, 25 February 2019 and 8 May 2019 be approved.

**Matters Arising:**

The Matters Arising paper was taken as read.

The Committee noted the Crown Melbourne self-insurance impacts of the increased number of common law claims and that management would continue to monitor the impacts.

It was also noted that management was progressing a number of VIP Operating Model proposals in other jurisdictions and would put these proposals to the Committee for consideration at the appropriate time.

**Risk Reporting:*****Report Against Material Risks***

The Report Against Material Risks was taken as read.

Anne Siegers advised the Committee that since the February meeting of the Committee, a number of new matters had arisen which were included in the Report Against Material Risks, none of which had an impact on the risk ratings of the reported risks.

In addition to other matters, management provided the Committee with updates on the following:

- the ASIC Corporate Governance Taskforce review, noting that John Alexander had been interviewed by ASIC and that Geoff Dixon's interview had been postponed to mid-June.
- The Cannery taxation matter was scheduled to go to trial on 11 June 2019.
- Mediation for the class action was scheduled to commence on 18 June 2019.
- In relation to the Black Economy Taskforce, management would re-engage with the Assistant Treasurer's office having regard to the recently announced replacement of Stuart Robert with Michael Sukkar.

It was **RESOLVED** that the Report Against Material Risks be noted.

***Annual Review of Risk Profile***

The paper with respect to this item was taken as read.

Anne Siegers advised the Committee of the work that had been undertaken to update the Company's Risk Profile, including the benchmarking exercise and consideration of reports and findings related to the recent Banking Royal Commission.

Amongst other matters, the Committee discussed the "major reputational damage" risk and requested that management consider both the scope and associated controls, including the positive promotion of the Company's businesses, and update the risk accordingly.

It was **RESOLVED** that the updated Risk Profile, as presented to the Committee, be approved with the "major reputational damage" risk to be reconsidered at the next meeting of the Committee.

### ***Delegations Policy***

The Delegations Policy paper was taken as read.

Anne Siegers advised the Committee that, in enhancing the Company's risk management framework, delegated authority of the Board was reviewed having regard to the recently approved Risk Appetite.

The Committee discussed the proposed increase in delegated authority from the Board to management from \$5 million to \$10 million.

Having regard to the increase in the proposed delegation, the Committee requested that it be provided with an executed contracts register at each of its meetings for contracts between the value of \$5 million and \$10 million so that the Committee can monitor the change in delegated authority.

It was **RESOLVED** that the Delegations Policy presented to the Committee be recommended to the Board for approval.

### ***Emerging Risks***

The Emerging Risks paper was taken as read.

It was noted that emerging risks were considered as part of the Annual Risk Profile Review and no new emerging risks were identified for the Company.

### **Risk Management Strategy:**

The Risk Management Strategy paper was taken as read.

Anne Siegers advised the Committee that, although the Company had an embedded undocumented risk management strategy, as part of the enhancements being made to the Company's risk management framework, a documented Risk Management Strategy had been prepared in the form presented to the Committee.

It was noted that the Risk Management Strategy:

- had been reviewed by Deloitte and incorporated feedback received regarding the articulation of the risk culture and roles and responsibilities of management; and
- would be reviewed annually by management with any amendments presented to the Committee for consideration.

It was **RESOLVED** that the Risk Management Strategy presented to the Committee be recommended to the Board for approval.

**Cyber Insurance Proposal:**

The paper with respect to this item was taken as read.

Anne Siegers advised the Committee that:

- the cyber insurance market had significantly matured since 2017 when the Company began investigating the relevance and appropriateness of cyber insurance;
- the Company's insurance broker, JLT, performed a review of the Company's existing insurance program cover to identify gaps in the cyber cover; and
- JLT obtained indicative quotes across the market to help enable the Company to make an informed decision on its cyber insurance cover.

It was noted that management had considered the work undertaken by JLT, the available cyber insurance offerings and the Company's cyber enhancement program of work. Based on these factors, management was recommending that the Company purchase

The Committee requested that management review the cyber insurance offerings on an ongoing basis and the appropriate level of cover for the Company.

Having regard to the above, it was **RESOLVED** that the Company

**Compliance Report:**

The Compliance Report was taken as read.

Josh Preston highlighted the updated format of the Compliance Report which includes material non-compliances, each of which had been incorporated in the Report Against Material Risks at Agenda Item 3.1.

It was **RESOLVED** that the Compliance Report be noted.

**Other Business:*****Review of Committee Charter:***

The Review of Committee Charter paper was taken as read.

Having reviewed the proposed amendments to the Committee Charter, the Committee **RESOLVED** that the revised Charter be recommended for approval by the Board.



***Future Meetings:***

The future meeting dates were noted.

**Closure:**

There being no further business, the meeting was declared closed at 9.50am.

Signed

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Geoff Dixon  
Chairperson

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**AGENDA ITEM 2:**  
Matters Arising



## Risk Management Committee

### Memorandum

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**To:** Risk Management Committee  
**From:** Mary Manos  
**Date:** 6 August 2019  
**Subject:** **Matters Arising**

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Dear Committee Members

At the last meeting of the Committee, as part of the annual review of the Crown Risk Profile, the Committee requested that the scope and associated controls of the “major reputational damage” risk be updated to include the positive promotion of Crown’s businesses.

The proposed amendments to the key controls are highlighted below for discussion.

Kind Regards

Mary Manos  
**General Counsel and Company Secretary**

#	Risk	Definition	Key controls and Residual Risk Rating
4	<p>Major reputational damage</p> <p><i>Prior risks:</i></p> <ul style="list-style-type: none"> <li>- Brand reputation/Image</li> <li>- Bribery and corruption</li> <li>- Anti-social behaviour</li> </ul>	<p>Negative publicity/image of Crown and/or its affiliate businesses which may adversely impact Crown's reputation and/or performance and potentially jeopardise gaming licences, including:</p> <ul style="list-style-type: none"> <li>• inappropriate associations</li> <li>• inappropriate conduct</li> <li>• breach of confidentiality</li> <li>• adverse media attention</li> </ul>	<p><u>Positive promotion of Crown's businesses which will include, but is not limited to raising awareness of Crown's breadth of business activity, responsible gaming commitments, employee inclusion programs and employee training to key stakeholders such as government representatives, regulators and key community leaders.</u></p> <p><u>Engagement of external advisers to assist with communications strategies and proactive management of negative media attention.</u></p> <p><u>Consideration of community expectations.</u></p> <p>Adherence to, and awareness of, relevant legislative and/or regulatory policy, adoption of group wide and property level Anti-bribery and Corruption and other integrity related Policies and training of relevant employees/contractors where applicable.</p> <p>Employee/contractor/supplier probity checks and performance monitoring and regulator licensing for relevant staff.</p> <p>Maintenance of close and productive relationships with key stakeholders, including with key law enforcement agencies and other authorities in relevant jurisdictions.</p> <p>Focus on corporate social responsibility function and reporting.</p> <p>Business continuity management and planning.</p> <p>Corporate crisis planning.</p> <p>Development and adherence to Media Protocols and policy.</p> <p>Monitoring all customer facing online channels and advertising for disruptions or events that may be damaging to reputation.</p> <p>Privacy program and strict confidentiality protocols in place and staff training on privacy awareness.</p> <p>Cyber security program in place and staff training on cyber security awareness.</p>

High Risk



**AGENDA ITEM 3:**  
AML/CTF Joint Program  
PRIVILEGED AND CONFIDENTIAL



## Risk Management Committee

### Memorandum

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Attachment 1

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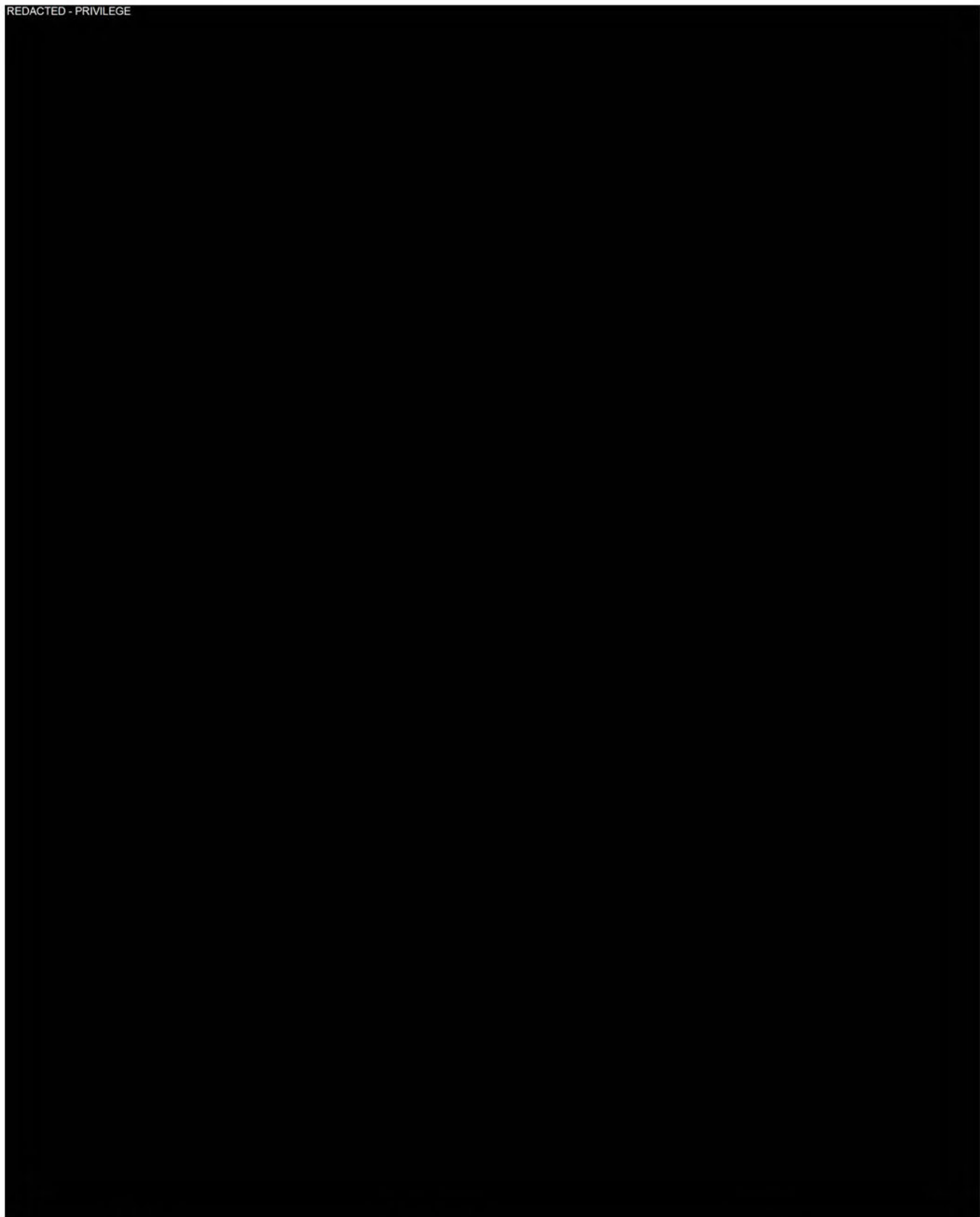


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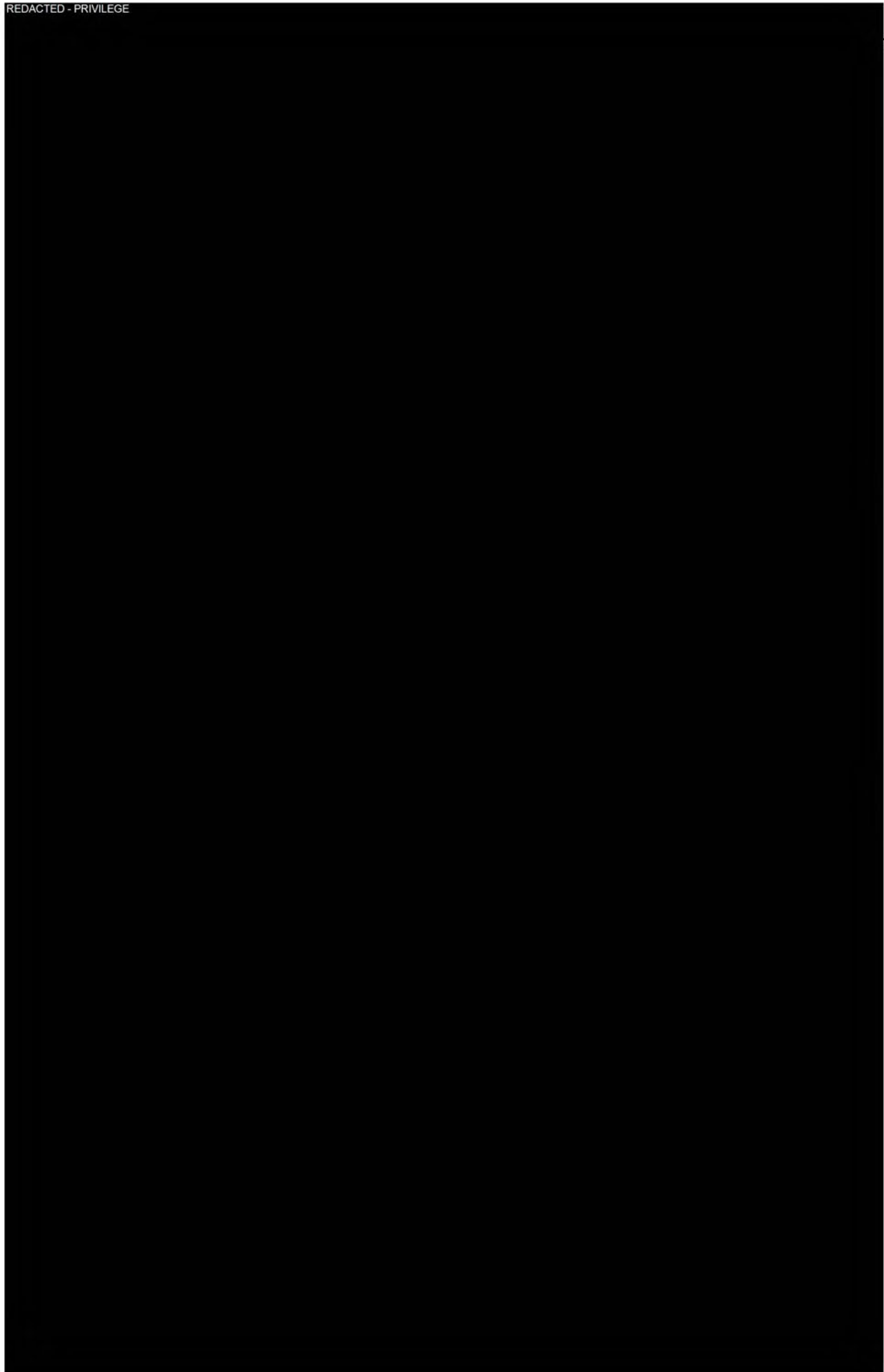
**1. Revision History**

Issue Date	Version	Author Initials	Section changed	Change Details

**2. Certification**

Responsibility	Name	Business Unit	Signature	Date

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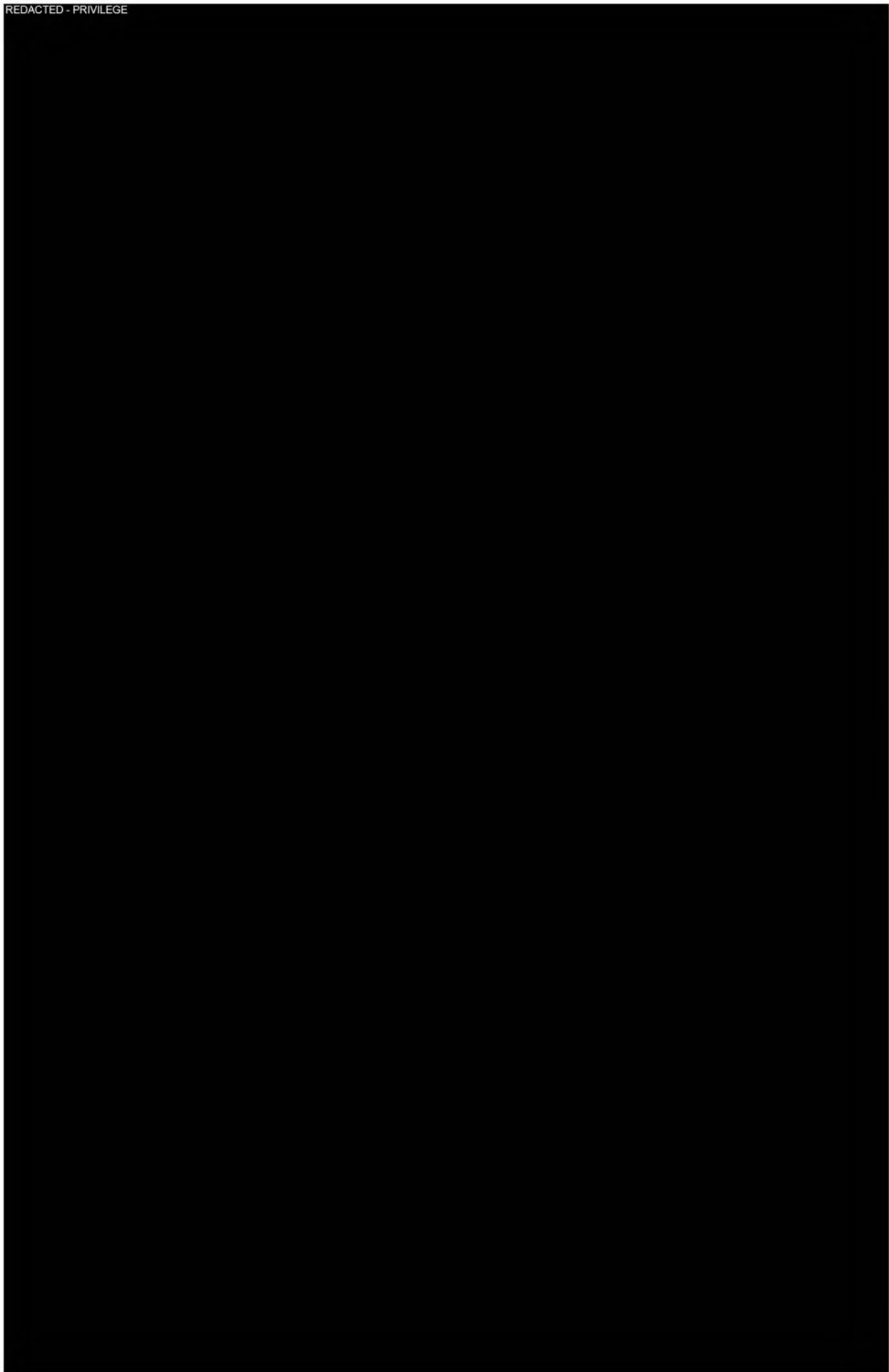
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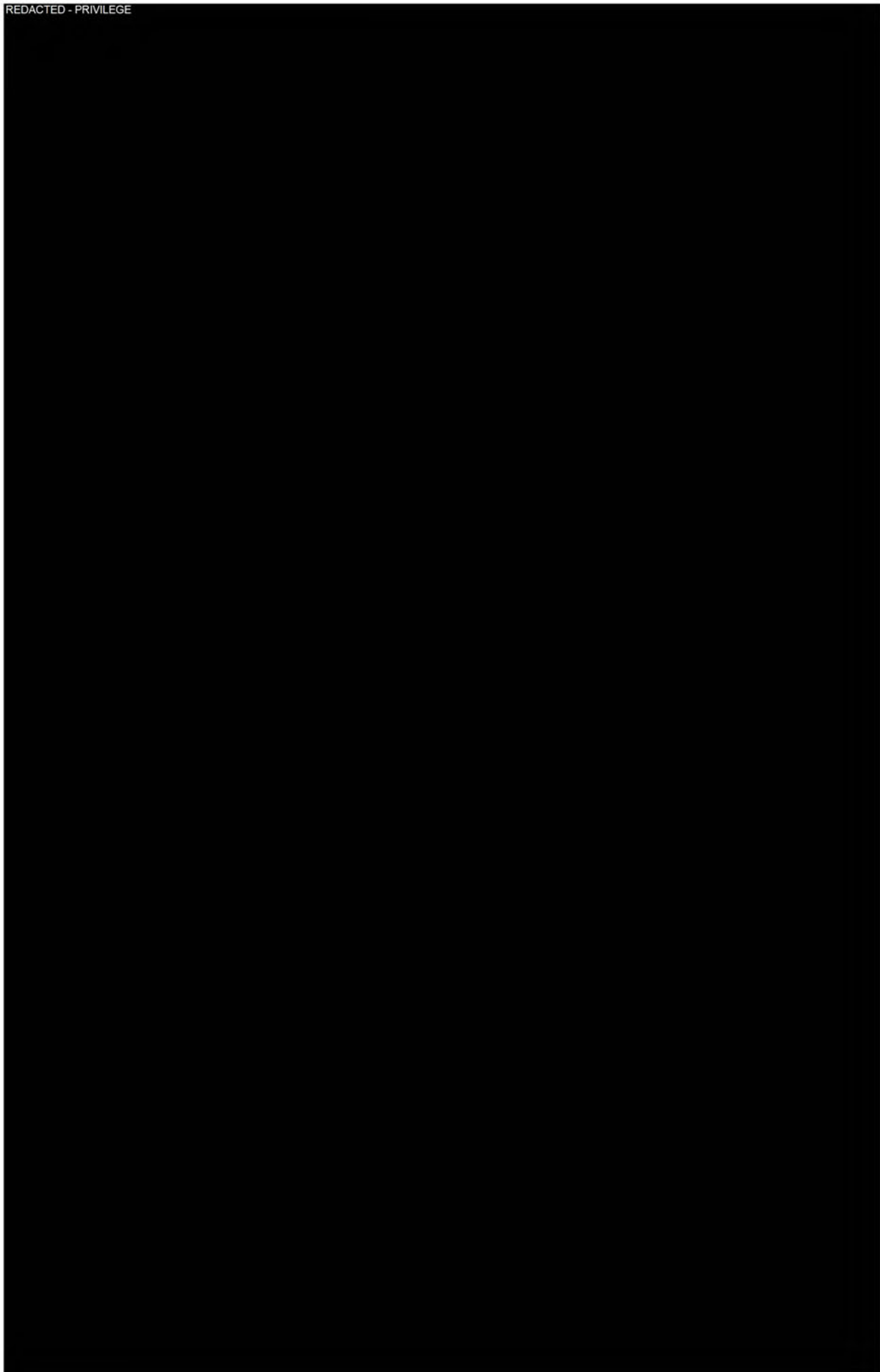
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## AML

## 2 PART A - GENERAL

### 2.1 Overview

The primary purpose of Part A of a joint anti-money laundering and counter-terrorism financing program is to identify, mitigate and manage the risk each of the Crown Entities may reasonably face that the provision by each Crown Entity of Designated Services might (whether inadvertently or otherwise) involve or facilitate money laundering or the financing of terrorism.

This **Part A** establishes Crown's approach to the identification, mitigation and management of ML/TF Risk in respect of the provision of Designated Services at each Crown Entity.

This **Part A** is designed to enable each Crown Entity to, amongst other matters:

- understand the ML/TF Risks presented by Patrons and Customers to a Crown Entity and how these risks (and the Program generally) is overseen by Senior Management;
- identify changes in ML/TF Risks arising from the factors listed at [section 2.6](#); and
- identify, mitigate and manage any ML/TF Risk arising from:
  - the Designated Services each Crown Entity provides;
  - how those Designated Services are delivered;
  - any new or developing technology used or contemplated to be used by a Crown Entity for the provision of a Designated Service; and
  - a change in the nature of a business relationship with a Customer, or a change to the control structure or Beneficial Ownership of a Customer, in respect of the Designated Services provided by a Crown Entity;
- train its staff on ML/TF risks each Crown Entity might reasonably face;
- screen its employees referable to the positions that they hold (and the potential that those roles may place an employee in a position to facilitate the commission of a money laundering or financing of terrorism offence in connection with the provision of a Designated Service); and
- appropriately incorporate feedback and guidance from AUSTRAC when developing and updating this Program, and report transactions to AUSTRAC as required by the AML/CTF Act and AML/CTF Rules.

## 2.2 Program Management – Governance and Oversight

### 2.2.1 Governance Structure

This Program ensures that each Crown Entity Board and Senior Management have appropriate oversight of compliance with this Program and relevant AML/CTF matters referable to the nature, size and complexity of the business of the Crown Entities and the types of ML/TF risk that might reasonably be faced.

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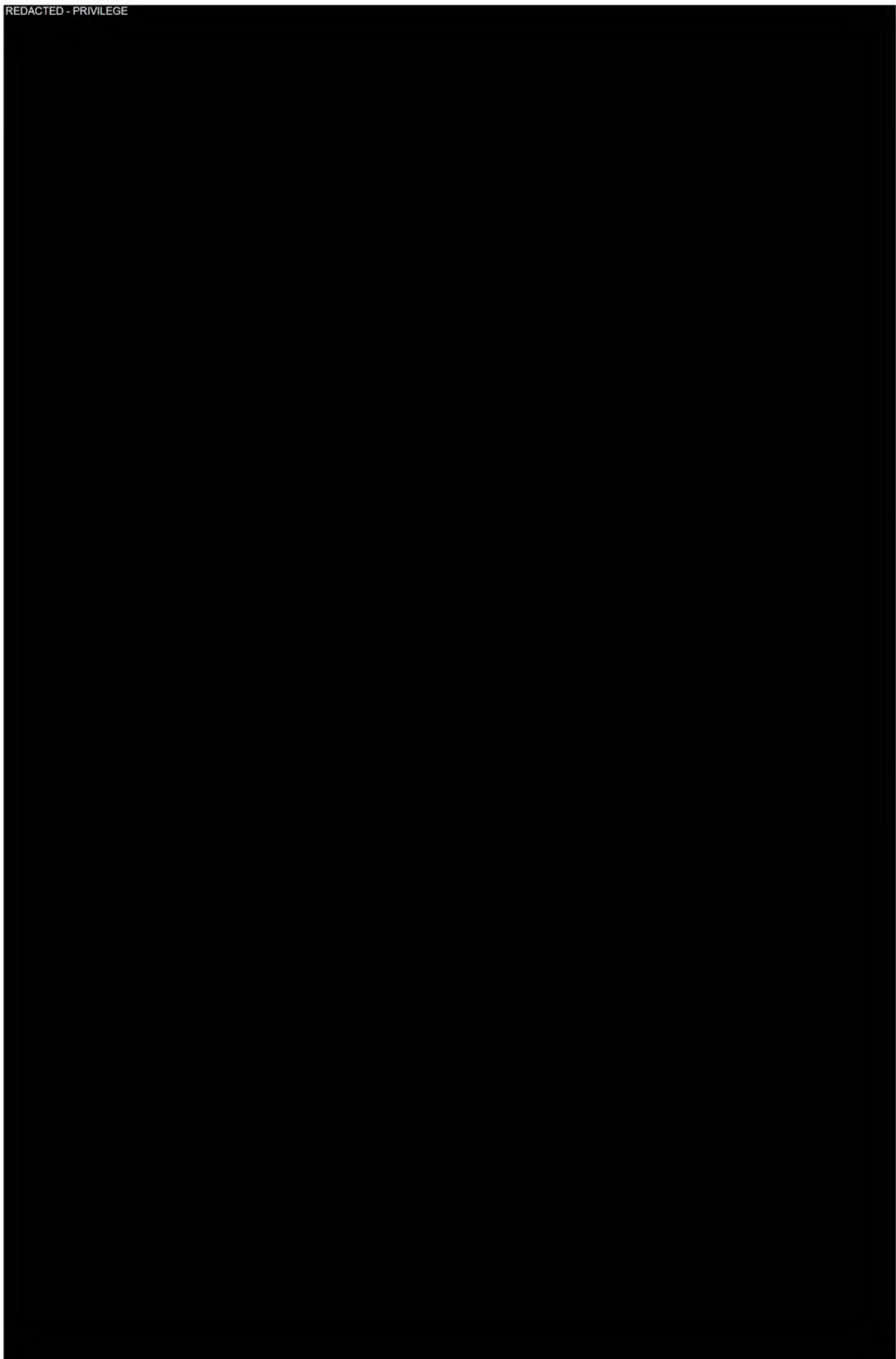




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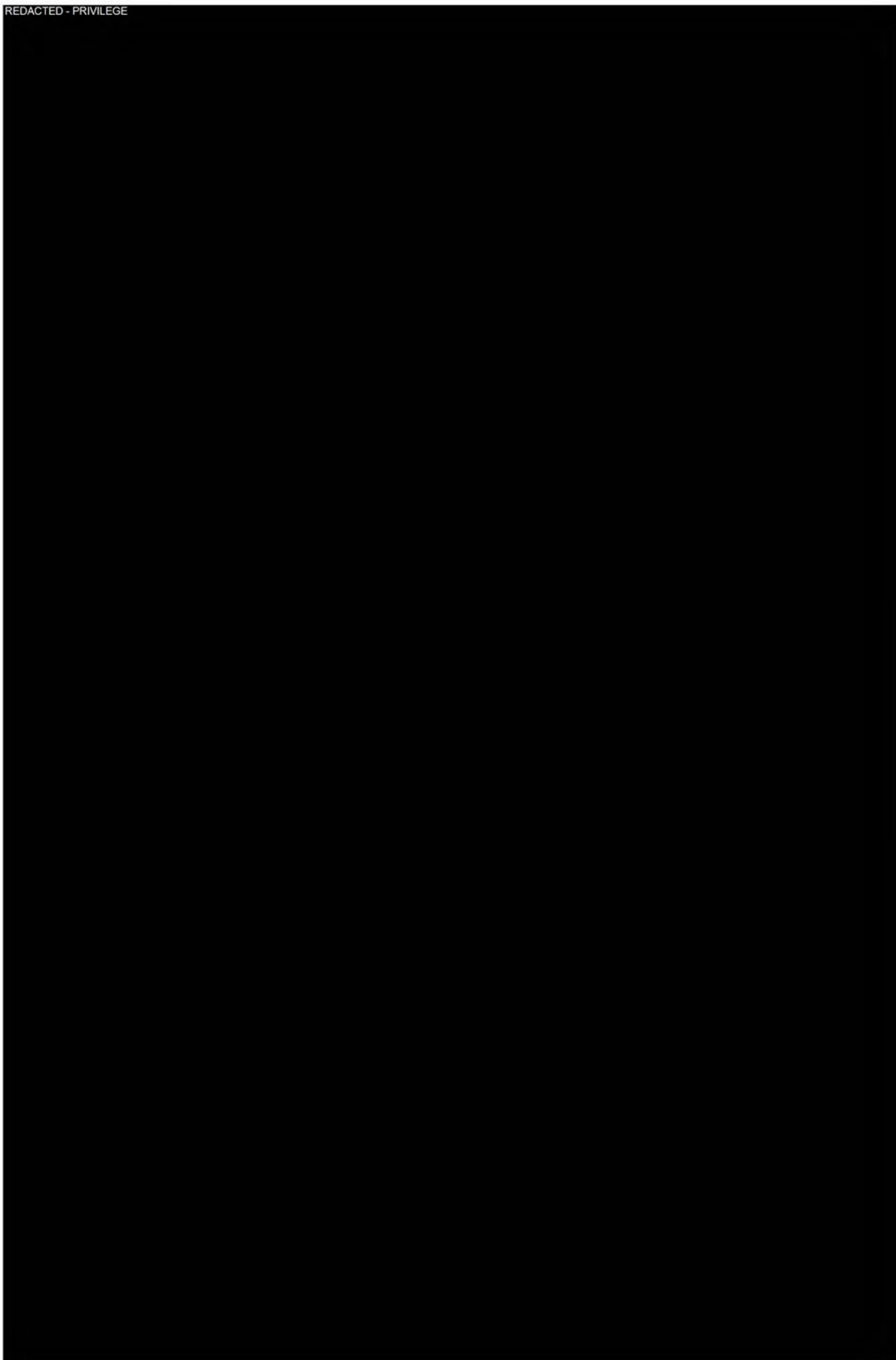
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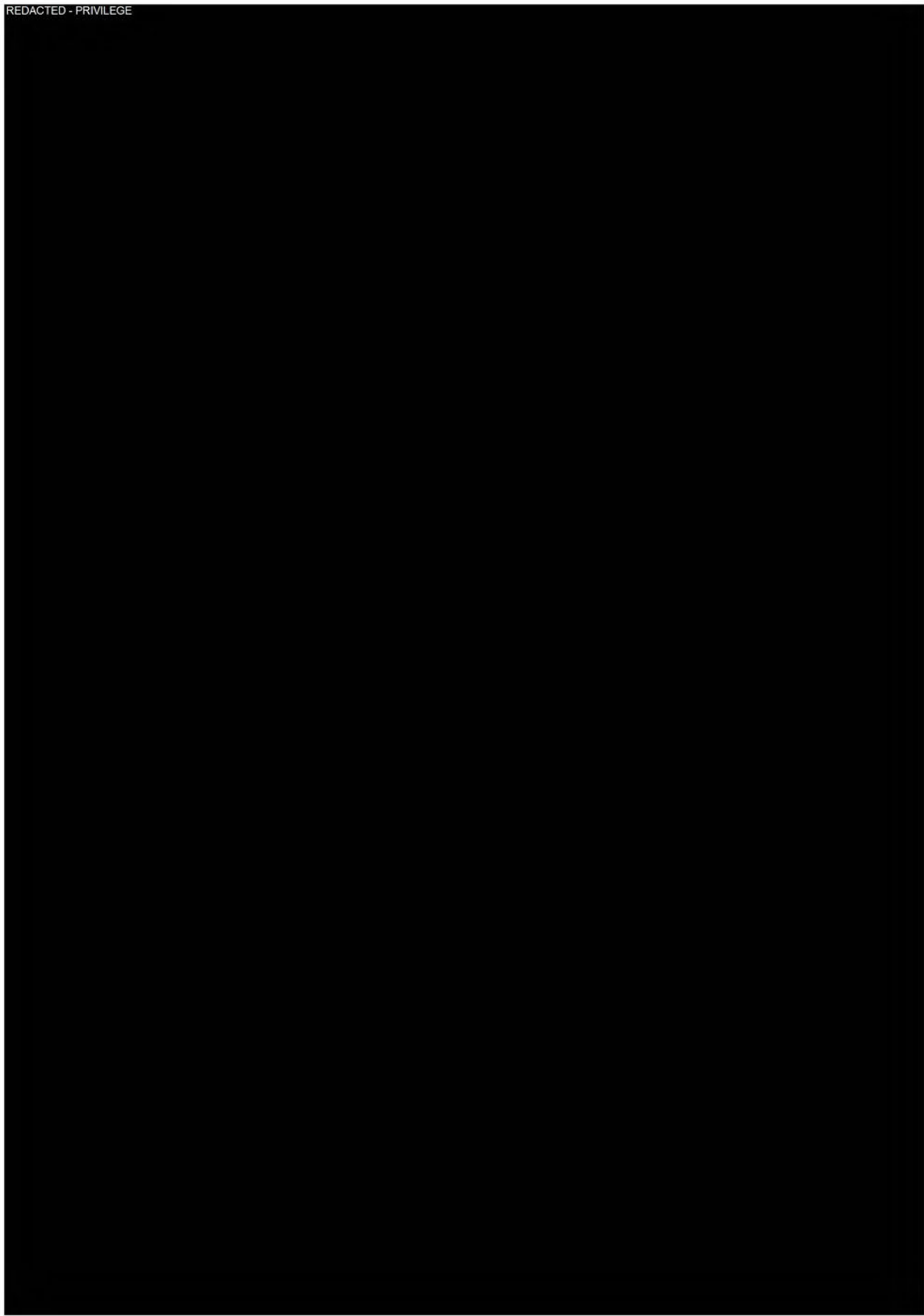


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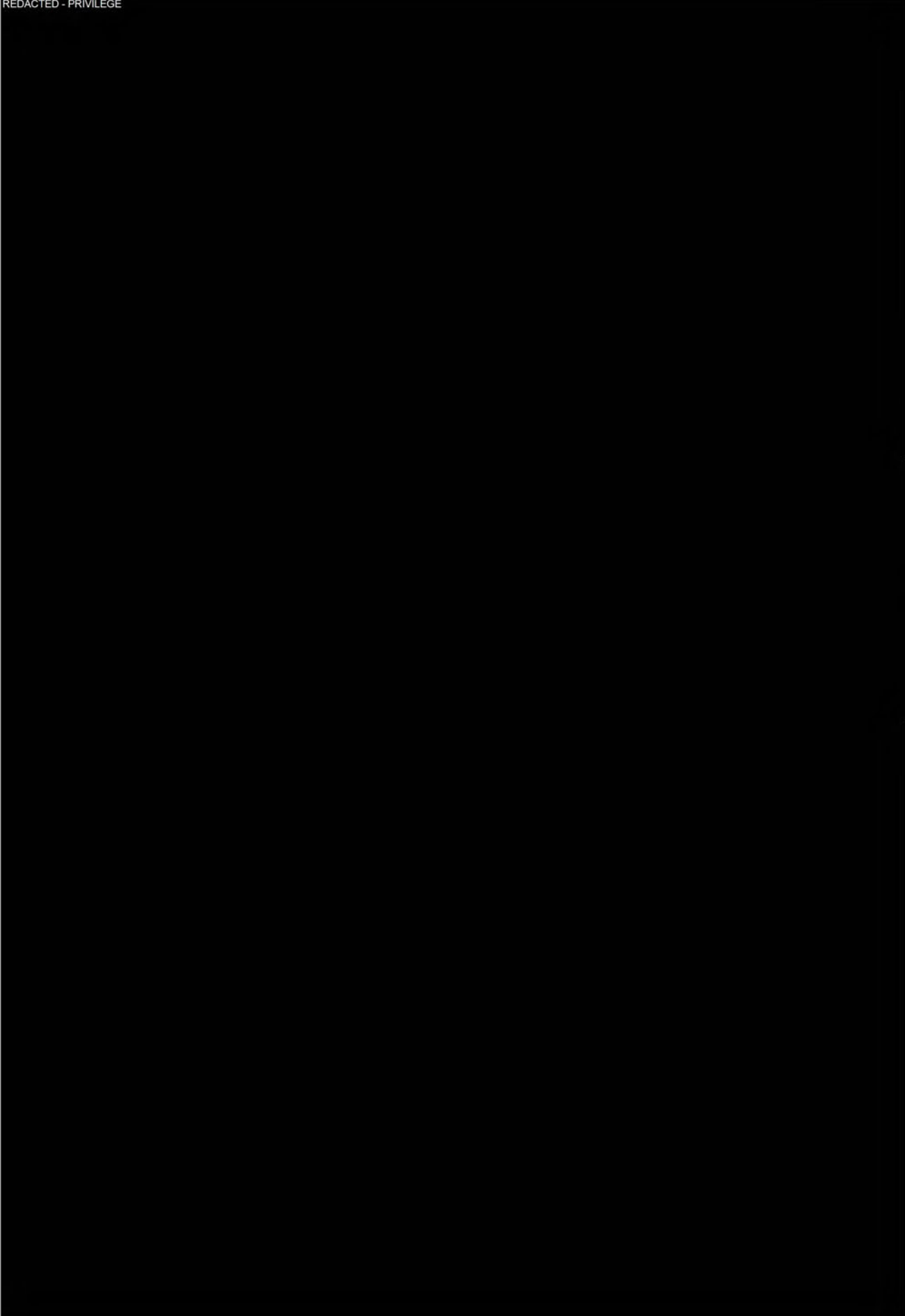
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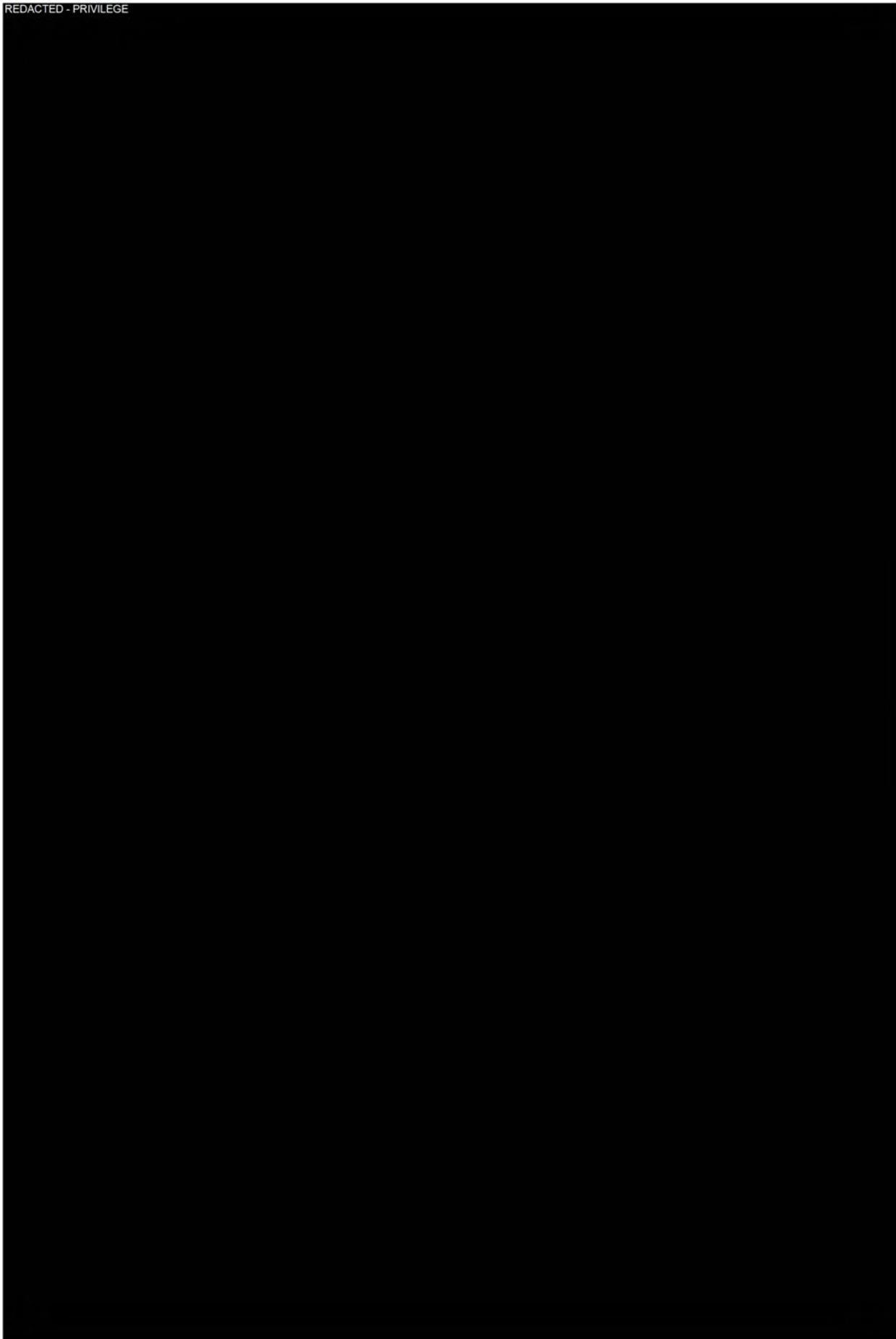


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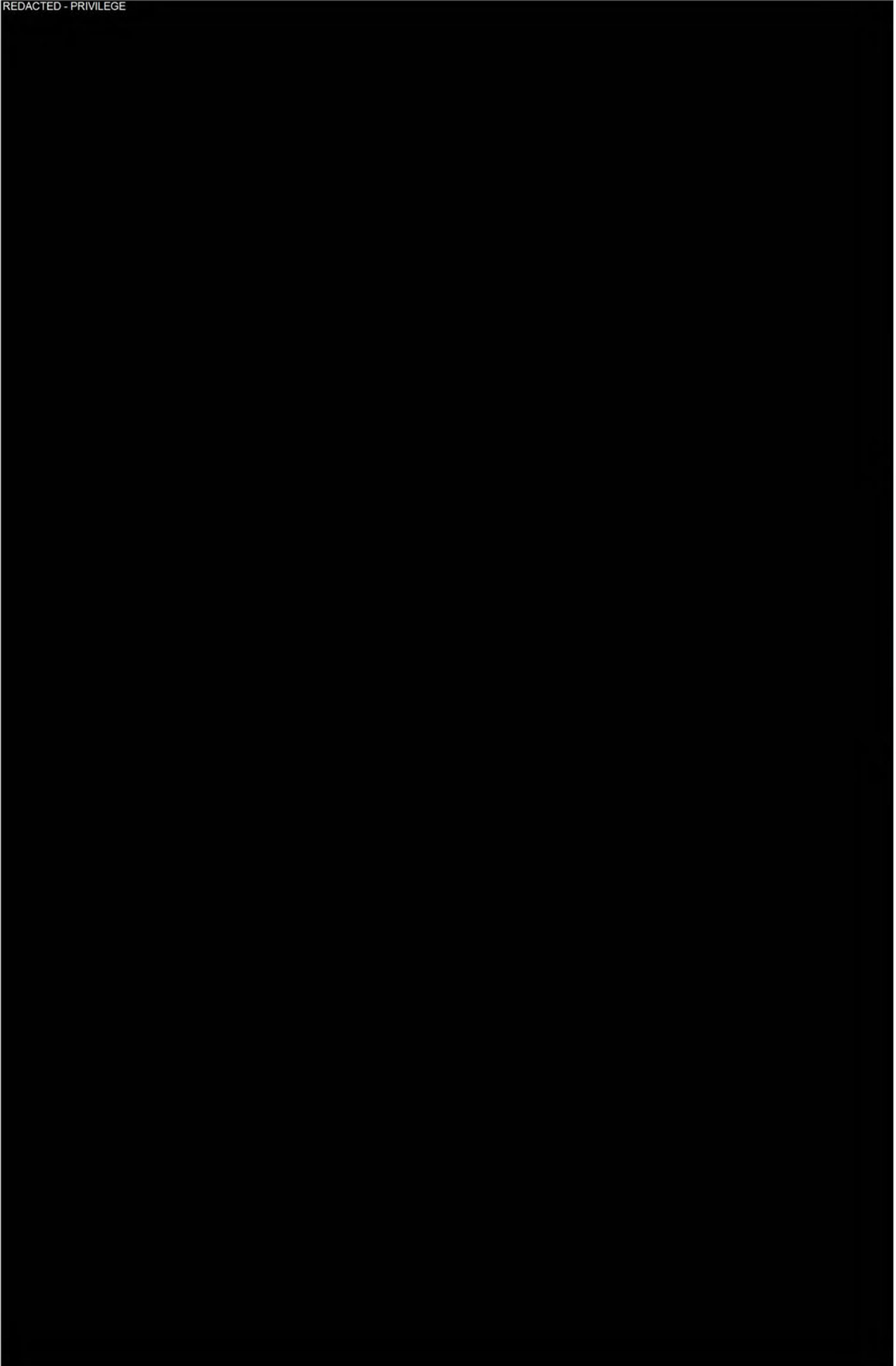
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**AGENDA ITEM 4:**  
Risk Reporting



## Crown Resorts Limited

### Material Risk Update: 12 August 2019

This Material Risk Update reports on the 'critical' and selected 'high' risks in the updated Crown Resorts risk profile (depicted as "material risks" in the Crown Resorts Risk Map set out on page 4 of this report).

#### Executive Summary

Since the last report in May 2019, a number of internal and external events have materialised which have the potential to impact the overall risk profile of the organisation, and particularly its material risk exposures. At this stage, none of these events have triggered a change to the risk profile.

The key events that have taken place over the period include:

- On 30 May 2019, Crown was informed that CPH Crown Holdings Pty Limited, a wholly-owned subsidiary of Consolidated Press Holdings Pty Limited, had entered into an agreement in relation to the sale of 19.99% of the issued capital of Crown to Melco Resorts & Entertainment Limited (**Melco**). Subject to obtaining requisite regulatory approvals, Melco has publically indicated an intention to increase its ownership in Crown and to pursue board representation on Crown's board of directors commensurate with its ownership position. Discussions have been had with the New South Wales, Victorian, Western Australian, and Northern Territory gaming regulators, as well as the UK regulator, regarding next steps.
- On 26 July 2019, the Government released the exposure draft legislation and explanatory material for the introduction of an economy-wide cash payment limit of \$10,000 for payments made or accepted by businesses for goods and services (Black Economy Taskforce). Under the exposure draft legislation, transactions equal to or in excess of \$10,000 will need to be made using the electronic payment system or by cheque.

The cash payment limit is expected to commence from 1 January 2020. However, for certain AUSTRAC reporting entities, including casinos, the expected commencement date is 1 January 2021.

Submissions are due on Monday, 12 August 2019. Responses to this consultation draft will inform the final Bill to implement the economy-wide cash payment limit.

- Channel 9's *60 Minutes* programme ran a story featuring Crown on Sunday, 28 July focusing on the China detentions and the VIP business. Nine/Fairfax have also run various articles with a range of related allegations both prior to the 60 Minutes programme and subsequently. On 31 July 2019, the Crown Board responded in the form an ASX release and full page newspaper advertisements. Following the allegations made by Nine/Fairfax, the Attorney General announced that he had referred the allegations involving border security and immigration matters to the Australian Commissioner for Law Enforcement Integrity, the role of which is to support the Integrity Commissioner to provide independent assurance to government about the integrity of prescribed law enforcement agencies and their staff members. Further, the Victorian Gaming Minister instructed the VCGLR to "re-examine the allegations raised as a

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matter of priority” noting that the “Justice Department and the VCGLR would examine the regulatory arrangements concerning junkets”.

- Mr Wilkie has called on the Independent Broad-based Anti-corruption Commission to investigate claims of corruption in relation to the Victorian Police, the VCGLR and Crown, which have received media attention.
- Crown’s share price fell by approximately 7% over three trading days following the Nine/Fairfax allegations dropping from \$12.67 at close on Friday, 26 July to a low of \$11.78 on Wednesday, 31 July. Crown received and responded to an ASX price query in relation to this matter.
- 12 of the 20 Recommendations made by the VCGLR in its Section 25 Review Report have been responded to by Crown by the relevant due dates.
- Following the occurrence of a number of events regarding Dinner by Heston Blumenthal, Crown has formally written to Topsy Cake (the contractual counterparty) notifying it of Crown’s termination right, however has also presented an option for a revised contractual relationship which Topsy Cake is currently considering (see **Other Matters** section for further details).
- Local economic conditions in WA continue to be challenging with certain indicators continuing to show a downward trend.
- Approximately \$200m in Melbourne and \$140M in Perth of fully provisioned international gaming debts were written off at 30 June 2019 from an accounting and tax perspective (the debts were not written off from a regulatory perspective meaning they can still be recovered at a later stage should the patrons return to Crown). This brings Crown Melbourne’s and Crown Perth’s gross and net debt balances to historically low levels with doubtful debt amounts having materially reduced over the past two years.
- Crown Melbourne and Crown Perth conducted their ML/TF risk assessments under their AML/CTF Programs during the period. The overall assessment of AML/CTF risk for Crown Melbourne and Crown Perth on an inherent basis of “Critical” remains unchanged (albeit the definition has changed in line with the update to the Risk Management Strategy). The overall residual risk, taking account of the controls in place, remains unchanged at “Low”.
- Crown Melbourne and Crown Perth have responded to a formal AUSTRAC s 167 notice requesting detailed information (including funds flow and customer due diligence information) about Junket Operators, Junket Representatives and Junket Players for Junket Programs for the period 1 April 2018 to 31 March 2019. These notices were issued casino industry wide, with AUSTRAC indicating in its notice that its aim is to provide our sector with insights into the potential threats and vulnerabilities we (the casino industry) might face with respect to junkets.
- Regarding the VCGLR’s China investigation, the VCGLR has confirmed in writing to Crown that it will not issue the full draft report to the Minister but rather will provide the Minister with a summary of its findings in due course.
- A number of tax related matters are still in dispute with the ATO, including the Cannery matter and a potential GST refund related to commissions paid to junkets.
- The new Crown Melbourne Limited (**CML**) Table Games and Cage Area Managers Enterprise Agreement (**EA**) was recently finalised. The main CML United Voice EA 2016 and the CML Property Services and Technicians EA 2015, which nominally expired on 1/7/19 and 30/6/19 respectively, are currently under negotiation. In Perth, negotiations with United Voice for a new Enterprise Agreement have commenced. The current agreement expires on 30 September 2019. There has been no adverse action to date in either properties.

4.1

Below is a table summarising trends for each material risk.

MATERIAL RISKS	CURRENT TREND
1. Legislative / Regulatory Changes	<i>Increased</i> ↑
2. Volatility of Premium Gaming	<i>Unchanged</i> →
3. Act of Terrorism on Property	<i>Unchanged</i> →
4. Major Reputational Damage	<i>Increased</i> ↑
5. Litigation	<i>Unchanged</i> →
6. VIP Bad Debts	<i>Decreased</i> ↓
7. Material Breaches of Gaming and other Relevant Legislation/ Regulations	<i>Unchanged</i> →
8. Data Misuse	<i>Increased</i> ↑
9. Breakdown in relationships with key government, legislative or regulatory bodies	<i>Increased</i> ↑

## Risk Appetite Dashboard

Category	Quantitative Metrics – RMC Reporting Triggers		New reportable Events	Ref
<b>Financial</b>	Outside normal trading EBITDA losses (per event), and/or adverse to the current (normalised) forecast	>\$10M	No	
<b>Brand / Reputation</b>	Internal event creating a sustained share price loss	>5%	Yes	Page 1: 60 Minutes
	Sustained negative national or international media coverage	Any event	Yes	Page 1: 60 Minutes
<b>Regulatory/ Legal</b>	Significant breaches that may have a financial or reputational impact	Any event	No	
	Material legal action or class action	Any event	No	
	Significant breach or event that has the potential to damage the relationship	Any event	No	
	Material RSG issues including adverse media	Any event	No	
	Integrity of liquor licences	Any loss of licence and/or points	No	
<b>People</b>	Significant notifiable incidents under the Workplace Health and Safety Act	Any event	No	
	Sustained staff turnover and/or unplanned absences above average	Any event	No	
	Loss or potential loss of key management personnel	Any event	No	
	Imminent industrial action	Any event	No	
<b>Customer/ Patrons</b>	Negative event affecting segment of patrons (e.g. VIP, F&B, Hotel)	Over 20% or 20,000 patrons of segment type, or \$100M revenue	No	
<b>Infrastructure</b>	Security incident that threatens people or property	Any event	No	
	Loss of other core IT infrastructure or multiple key systems	>24hrs	No	
	External or internal security breaches resulting in unauthorised access to, or loss of, customer data likely to result in serious harm	Any event	Yes	Page 1: 60 Minutes leaked documents
	Loss of critical physical infrastructure	>24hrs	No	
	Unplanned loss of gaming floor in one property	>10% for up to 24 hrs	No	
	Unplanned loss of non-gaming front of house facilities in one property	> 1 hotel or 50% F&B > 24hrs	No	
<b>Strategy / Business Sustainability</b>	Critical event requiring mobilisation of resources and CMT/EMT activation	Any event	No	
	Key strategic project delayed by 12 months or more	Any event	No	
	Change in ownership share of related or third party entity	Any Event	Yes	Page 1: Melco

4.1

**Crown Resorts Corporate Risk Map – July 2019**

		<i>MATERIAL RISKS</i>				
<b>Likelihood</b>	<b>Almost certain</b>	Harm to persons on property (15)				
	<b>Likely</b>			Litigation (5) Major reputational damage (4)		
	<b>Possible</b>		Responsible business model (14)	External disruptors out of our control (10) System business disruption (11) Major Criminal Activity (12) Responsible provision of gambling (13) Responsible provision of alcohol (15) Poor people and safety management practices (16) Physical business disruption (19) Industrial Action (20)	Legislative/regulatory changes (1) VIP bad debts (6) Material breaches of gaming and other relevant legislation / regulations (7) Data misuse (8) Breakdown in relationships with government, legislative or regulatory bodies (9)	Volatility of gaming revenue (2) Act of terrorism on Crown property (3)
	<b>Unlikely</b>			Breakdown in strategic partnerships with third party providers (18)		
	<b>Rare</b>					Suboptimal investment decisions (17)
		<b>Insignificant</b>	<b>Minor</b>	<b>Moderate</b>	<b>Major</b>	<b>Severe</b>
		<b>Consequence</b>				

Legend:

Critical Risk	Oversight by the RMC/Board
High Risk	Managed by CEO and relevant EGMs
Moderate Risk	Managed by BOT members
Low Risk	Managed as part of BAU

## 1. LEGISLATIVE / REGULATORY CHANGES


*Changes to legislation, regulation or Government policy covering the conduct of, and access to, gaming or broader operational and compliance processes in any jurisdiction in which Crown operates*

*Examples of changes include, but are not limited to:*

- *Increases in tax or additional levies and taxes*
- *Changes to restrictions (where applicable) on the number, type, speed and location of gaming machines*
- *Changes to mandatory minimum "return to player" on gaming machines*
- *Changes to approved table games and approved rules of the games (where applicable)*
- *Changes to restrictions on advertising and marketing, including online advertising (where applicable)*
- *Changes in laws or changes in interpretation of laws dealing with promotion of gambling in foreign countries*
- *Visa restrictions (where applicable)*
- *Changes to online wagering regulations, affecting product offering (including exchange betting)*
- *Changes to pre-commitment system*
- *Changes to smoking exemptions*

### CROWN MELBOURNE

#### Black Economy Taskforce - \$10,000 cash transaction limit (and CROWN PERTH)

TREND: Increased 

As the Committee is aware, Crown prepared a joint submission with The Star Group and Sky City to the Treasury Department seeking an exemption to the proposed \$10,000 proposal on the basis they are already major reporters (with the banks and payment providers who are to be exempt) to AUSTRAC.

On 26 July 2019, the Government released exposure draft legislation and explanatory material for the introduction of an economy-wide cash payment limit of \$10,000 for payments made or accepted by businesses for goods and services. Under the exposure draft legislation, transactions equal to or in excess of \$10,000 will need to be made using the electronic payment system or by cheque.

The cash payment limit is expected to commence from 1 January 2020. However, for certain AUSTRAC reporting entities, including casinos, the expected commencement date is proposed to be 1 January 2021.

Submissions on the exposure draft legislation are due on Monday, 12 August 2019. Responses to the consultation draft will inform the final Bill to implement the economy-wide cash payment limit.

#### **POTENTIAL IMPACT TO CROWN:**


The gaming regulations in Victoria only allow the Casino to accept cash as a form of payment for gambling by patrons. Many Junkets and most VIP/premium players at times bring materially larger amounts of cash to play at Crown. This will no longer be possible.

The impacts of the imposition of a \$10,000 cash limit are not certain and would be based on a number of factors outside of the control of Crown.

#### **CURRENT ACTION PLAN:**

Submissions are being made to seek an exemption for casinos as AUSTRAC reporting entities.

#### Anti-Money Laundering / Counter-Terrorism Financing (AML / CTF) Statutory Review (and CROWN PERTH)

TREND: Unchanged 

We understand from discussions with AUSTRAC, that the Financial Action Task Force (FATF) will visit Australia at the end of Q1, beginning of Q2 FY20 to complete an assessment of Australia's compliance with international AML standards (as well as, we expect, Australia's progress on the matters raised by FATF in its 2015 report). We should expect that FATF's review will have flow on effects.

Crown Melbourne and Crown Perth have received and responded to formal AUSTRAC s 167 notices requesting detailed information (including funds flow and customer due diligence information) about Junket Operators, Junket Representatives and Junket Players for Junket Programs during the period 1 April 2018 to 31 March 2019. These notices were issued casino industry wide, with AUSTRAC indicating in its notice that its aim is to provide our sector with insights into the potential threats and vulnerabilities we (the casino industry) might face with respect to junkets.





#### **POTENTIAL IMPACT TO CROWN:**

Tightening of regulatory framework and increased expectations of Crown as a reporting entity.

#### **CURRENT ACTION PLAN:**

Crown will respond to any enquiries and actions from the regulator.

4.1

<p><b><u>Section 25 Licence and Operator Review</u></b></p> <p>Crown is working with the VCGLR to address each of the 20 Recommendations. Twelve of the Recommendations which had deadlines on or before 30 June 2019 have been actioned and Crown responded to the VCGLR within the agreed timeframes. Crown is awaiting the VCGLR's feedback to its responses.</p> <p><b>POTENTIAL IMPACT TO CROWN:</b></p> <p>Reputational damage and media coverage of any new issues arising from the resolution of the matters.</p> <p><b>CURRENT ACTION PLAN:</b></p> <p>Crown is working through the recommendations internally and engaging with the VCGLR on the progress of the Recommendations.</p>	<p>TREND: <i>Unchanged</i> </p>						
CROWN PERTH							
<p><b><u>Review of Regulation 43 – Gaming and Wagering Commission Regulations</u></b></p> <p>Following its recent review of Regulation 43, the GWC issued its amendments to Regulation 43 of the <i>Gaming and Wagering Commission Regulations</i>, which came into effect on 1 March 2019.</p> <p>Further clarification was sought from the GWC on the application of the changes to Crown Perth due to certain inconsistencies between the guideline and the Regulation, and ambiguity in the drafting of the regulatory changes.</p> <p>Effective 1 June 2019, the GWC released updated guidelines to clarify these inconsistencies.</p> <p><b>POTENTIAL IMPACT TO CROWN:</b></p> <p>The updated guidelines to Regulation 43 have a negligible impact to Crown Perth marketing activities.</p> <p><b>CURRENT ACTION PLAN:</b></p> <p>Not applicable. This matter will be removed from this report.</p>	<p>TREND: <i>Unchanged</i> </p>						
<p><b><u>Trackside and TAB Sale</u></b></p> <p>There is no material update with respect to this matter. Applicable legislation is currently being debated in WA Parliament.</p> <p><b>POTENTIAL IMPACT TO CROWN:</b></p> <p>Although Trackside is not a material component of gambling revenue for Crown Perth, this will be first instance of gambling of this nature to be offered outside of the Crown Perth casino. Therefore, it is not known what the exact impact of this change on Crown Perth's gambling revenue and also, more generally on the discretionary spending patterns of customers.</p> <p><b>CURRENT ACTION PLAN:</b></p> <p>As stated above, terms have been structured and agreed with the State Government to manage the impact of this change on Crown Perth. Once implemented, the impact will be closely monitored.</p>	<p>TREND: <i>Unchanged</i> </p>						
CROWN ASPINALLS							
<p><b><u>The Gambling Commission's Money laundering and Terrorist Financing Risk Assessment</u></b></p> <p>In June 2019, The Gambling Commission (<b>the Commission</b>) released its assessment of Money Laundering and Terrorist Financing (ML/TF) Risk Assessment within the British gambling industry. Overall risk ratings after assessment has not changed in comparison to the previous March 2018 risk assessment, terrorist financing is being assessed separately for the first time.</p> <p>The purpose of the risk assessment is to: act as a resource for the industry in informing their own ML/TF risk assessments; meet the Commission's statutory AML supervisor responsibilities; advise HM Government on risks in the industry; and inform and prioritise the Commission's compliance activity to raise standards in the industry.</p> <p>The risk ratings for each gambling sector are shown below:</p> <table border="1" data-bbox="228 1715 1329 1877"> <thead> <tr> <th data-bbox="228 1715 579 1749">High</th> <th data-bbox="579 1715 962 1749">Medium</th> <th data-bbox="962 1715 1329 1749">Low</th> </tr> </thead> <tbody> <tr> <td data-bbox="228 1749 579 1877"> <ul style="list-style-type: none"> <li>• Betting (non - remote) Off-course</li> <li>• Casinos (non-remote)</li> <li>• Remote (casinos, betting and bingo)</li> </ul> </td> <td data-bbox="579 1749 962 1877"> <ul style="list-style-type: none"> <li>• Arcades (non-remote)</li> <li>• Bingo (non-remote)</li> <li>• Gaming Machines technical gambling software (remote and non-remote)</li> <li>• Lotteries (remote and non-remote)</li> </ul> </td> <td data-bbox="962 1749 1329 1877"> <ul style="list-style-type: none"> <li>• Family Entertainment Centres (FECs)</li> <li>• Betting (non-remote) On-course</li> </ul> </td> </tr> </tbody> </table>	High	Medium	Low	<ul style="list-style-type: none"> <li>• Betting (non - remote) Off-course</li> <li>• Casinos (non-remote)</li> <li>• Remote (casinos, betting and bingo)</li> </ul>	<ul style="list-style-type: none"> <li>• Arcades (non-remote)</li> <li>• Bingo (non-remote)</li> <li>• Gaming Machines technical gambling software (remote and non-remote)</li> <li>• Lotteries (remote and non-remote)</li> </ul>	<ul style="list-style-type: none"> <li>• Family Entertainment Centres (FECs)</li> <li>• Betting (non-remote) On-course</li> </ul>	<p>TREND: <i>NEW</i> </p>
High	Medium	Low					
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4.1



The current overall risk rating for Terrorist financing is Medium.

**POTENTIAL IMPACT TO CROWN:**

Crown Aspinall's is required to have in place an effective governance framework. Not considering the Commission's risk assessment, may impact the casino's operator licence. Furthermore, if found to be in breach of the Licence Conditions and Codes of Practice, the Gambling Commission may impose conditions on the casino operator licence and/or a financial penalty.

**CURRENT ACTION PLAN:**

Crown Aspinall's AML & CTF Risk Assessments are being updated in line with the report and will reflect risk mitigation measures in its policies and procedures as required. Crown Aspinalls will continue to monitor and report.

**The Commission's Raising Standards for Consumers Enforcement Report**

TREND: **NEW**



On 27 June 2019, the Commission released their 'Raising Standards for Consumers Enforcement Report 2019' which provides an overview of the enforcement work the regulator has undertaken over the past year and sets out future lessons for operators.

A summary of the overview is as follows:

- Over the last 12 months, the Commission carried out more than 160 investigations.
- Enforcement action resulted in a variety of sanctions against operators and their senior management.
- The Commission is requesting increased initial and ongoing due diligence from the Casino operators in assessing the level of disposable income of any patron, including obtaining such documents as payslips, earnings from their business, bank statement, etc.

Operators have paid £19.6m in penalty packages because they failed to follow Commission rules aimed at making gambling fairer, safer and free from crime.

The Gambling Commission's chief executive Neil McArthur said: "I want gambling consumers in Britain to be able to enjoy the fairest and safest gambling in the world and I want gambling operators to work with us to put customer enjoyment and safety at the top of their corporate agenda."

**POTENTIAL IMPACT TO CROWN:**

Crown Aspinall's is required to have in place an effective governance framework that mitigates risks associated with the gaming and ancillary or indirect activities conducted on its premises. This includes, referring to and incorporating the Commission's guidance, including but not limited to 'learning' from the failings of other operators. If found to be in breach of the Licence Conditions and Codes of Practice, the Gambling Commission may impose conditions on the casino operator licence and/or a financial penalty.

**CURRENT ACTION PLAN:**

Crown Aspinall's AML/CTF and Social Responsibility Risk Assessments are being updated in line with the report and will reflect risk mitigation measures in its policies and procedures as required. Crown Aspinalls will continue to monitor and report.

**BETFAIR**

**Implementation of National Consumer Protection Framework for Online Wagering (NCPF) measures**

TREND: **Unchanged**



In late November 2018, the NCPF, which consists of 10 consumer protection measures, was formally announced.

The States/Territories (except NSW) published their draft NCPF requirements between February 2019 and April 2019, allowing the online wagering operators (including Betfair) to provide feedback on the draft requirements. In late May 2019, the requirements were implemented via changes to legislation, the issuing of Ministerial orders and amendments to licence conditions. Betfair made changes to its websites and processes to ensure compliance with the new requirements.

NSW only provided its draft requirements (set out in the draft *Gambling Legislation Amendment (Online and Other Betting) Bill 2019*) on 12 July 2019. It is noted that:

- in several respects, the draft NSW requirements are different to the requirements implemented by the other jurisdictions (including the Northern Territory, where Betfair is licensed). In short, NSW have not taken a consistent approach;
- if the draft NSW requirements are implemented, Betfair will need to make further changes to its websites and processes; and
- NSW is proposing to implement stricter requirements in relation to 'inducements'.

On 16 July 2019, Betfair provided feedback on the draft NSW Bill to Responsible Wagering Australia (RWA). On 22 July 2019, after collating feedback from its members (including Betfair), RWA lodged a detailed submission with Liquor and Gaming NSW, seeking amendments to the draft NSW Bill. In addition, the RWA met with the relevant NSW Minister (the Hon. Victor Dominello MP) on 25 July

4.1

2019, and convey our concerns in relation to the draft NSW Bill.

**POTENTIAL IMPACT TO CROWN:**

If the proposed NSW requirements are implemented, Betfair will need to liaise with Paddy Power Betfair Plc (PPBF) and arrange for its desktop and mobile websites to be modified to meet the new requirements. This would be expensive and time consuming.

Should Betfair fail to comply with the NSW requirements, this could lead to fines and potentially licence suspension/cancellation. In addition, a failure to comply could result in negative publicity for Betfair and Crown.

**CURRENT ACTION PLAN:**

As noted above, RWA has lodged a detailed submission with Liquor and Gaming NSW, and will be meeting with the relevant NSW Minister. We are seeking amendments to the draft NSW Bill so that the NSW requirements are consistent with the requirements in the other jurisdictions.

**Point of Consumption (POC) Taxes**

TREND: *Unchanged* ➡

Betfair has customers in Australia and New Zealand. As previously reported, POC Taxes have been introduced in South Australia (15% of revenue), Victoria (8% of revenue), NSW (10% of revenue), A.C.T. (15% of revenue), Western Australia (15% of revenue) and Queensland (15% of revenue).

It is noted that:

- the Tasmanian Government has now announced that a POC Tax will be introduced in Tasmania, with a commencement date of 1 January 2020. The applicable tax rate has not been determined yet; and
- in late June 2019, the *Racing Reform Bill* (NZ) was passed. This Bill has amended the New Zealand *Racing Act 2003*, introducing new provisions which seek to implement a New Zealand POC Tax regime. We note that the members of the RWA (including Betfair) are in the process of obtaining legal advice on this new legislative scheme.

**POTENTIAL IMPACT TO CROWN:**

POC Taxes have a financial impact on Betfair.

**CURRENT ACTION PLAN:**

Betfair, along with the RWA, has lodged detailed submissions with the Tasmanian Government in relation to the proposed POC Tax. Betfair is working hard to ensure that the Tasmanian POC Tax rate is as low as possible.

As noted above, legal advice is being sought in relation to the amendments to the New Zealand *Racing Act 2003*.

**CROWN RESORTS LIMITED**

**Crown Sydney Development**

TREND: *Unchanged* ➡

We continue to engage with the NSW regulator and recently met with L&GNSW to liaise on licensing requirements, numbers and timing.

Crown was contacted by L&GNSW in May and invited to make submissions on a review of the *Casino Control Regulations*, which sunset in September 2019. Crown made a preliminary submission in May and a further formal submission in June.

4.1

## 2. VOLATILITY OF PREMIUM GAMING

*Sustained unfavourable variations from theoretical win rates applicable to the gaming business (local and international). Whilst short term fluctuations are expected to occur, due to 'luck', reporting of theoretical over actual has normalised results over time. Sustained deviations, particularly negative, challenges the financial reporting model and the ongoing performance of the business.*

### AUSTRALIAN BUSINESSES

#### Premium Gaming Volumes

TREND: **Unchanged** ➡

Premium Gaming volumes must be maintained to mitigate the risk of prolonged negative deviations from theoretical win rates. Overall turnover is lower than the same period last year, but up from June 2017. Turnover in other jurisdiction has also been impacted. Macau saw a 15.6% VIP baccarat gross gaming revenue drop in Q2/19, year on year, compensated by an increase in general gaming revenue. The Las Vegas strip saw a 2.49% decline in the first 11 months of F19 (11.07% decline in May - year on year).

Year on year variations in turnover volumes and win rates are recorded as follows:

CROWN MELBOURNE	June 2017	December 2017	June 2018	December 2018	June 2019
YTD International and Interstate Turnover (\$b)	25.2	19.5	43.8	15.4	32.7 (Budget 42.1)
Win Rate (%)	1.59	1.21	1.29	0.99	1.39 (Budget 1.40)

CROWN PERTH	June 2017	December 2017	June 2018	December 2018	June 2019
YTD International and Interstate Turnover (\$b)	8.1	3.2	7.6	2.5	5.3m (budget 7.7)
Win Rate (%)	1.83	1.91	1.32	2.16	1.58 (budget 1.40)

#### POTENTIAL IMPACT TO CROWN:

Increased deviation between theoretical and actual win rates has the potential to impact overall business performance. Turnover for Melbourne is 22% under budget (or \$9.4b), and win rate is currently almost at budget, thanks to a large turnaround during the second half of the year. Turnover for Perth was 31% under budget, but win rate was over budget by 0.18 percentage points, lessening the overall financial impact.

#### CURRENT ACTION PLAN:

Management is to continue to monitor trends, and action as appropriate.

#### CROWN ASPINALLS

TREND: **Unchanged** ➡

No further development since the May 2019 report.

#### BETFAIR

TREND: -

Not applicable.

#### CROWN RESORTS LIMITED

TREND: -

See above.

4.1

### 3. ACT OF TERRORISM ON PROPERTY

*The calculated use of violence (or the threat of violence) against employees and / or customers in order to attain goals of a political, religious or ideological nature.*

#### AUSTRALIAN BUSINESSES

TREND: **Unchanged** ➡

In Melbourne, Victoria Police Executive Command has advised that the PSO proposal for Crown Melbourne has been raised with the Police Minister by the Chief Commissioner of Police as part of a broader proposal for PSO's and currently rests with her for consideration and decision.

There has been no further development since the May report.

#### CROWN ASPINALLS

TREND: **Unchanged** ➡

No further development since the May 2019 report.

#### BETFAIR

TREND: **Unchanged** ➡

No further development since the May 2019 report.

#### CROWN RESORTS LIMITED

TREND: **Unchanged** ➡

No further development since the May 2019 report.

#### 4. MAJOR REPUTATIONAL DAMAGE

*Negative publicity / image of Crown and/or its affiliate businesses which may adversely impact Crown's reputation and/or performance and potentially jeopardise gaming licences, including:*

- *inappropriate associations*
- *inappropriate conduct*
- *breach of confidentiality*
- *adverse media attention*

##### CROWN MELBOURNE

###### LEGALLY PRIVILEGED - April and May 2018 Allegations by Mr Andrew Wilkie MP

TREND: *Increased* ↑

On Wednesday 24 July 2019, Mr Wilkie called on the Independent Broad-based Anti-corruption Commission to investigate claims of corruption in relation to the Victorian Police, the VCGLR and Crown, which have received media attention.

###### **POTENTIAL IMPACT TO CROWN:**

Reputational impact as well as increased regulatory pressure from the VCGLR to reinforce their strength as an independent regulator of Crown as well as other additional regulatory inquiries.

###### **CURRENT ACTION PLAN:**

Crown Melbourne is continuing to monitor the report and the fall-out, and respond to any related inquiries where appropriate.

###### 60 minutes report (also for CROWN RESORTS, CROWN PERTH and CROWN SYDNEY)

TREND: *NEW* ↑

Channel 9's *60 Minutes* programme ran a segment on Crown on Sunday, 28 July focusing on the China detentions and the VIP business. Nine/Fairfax have also run various articles with a range of related allegations both prior to the 60 Minutes programme and subsequently. These media reports continue.

On 31 July 2019, the Crown Board responded in the form an ASX release and full page newspaper advertisements. Following the allegations made by Nine/Fairfax, the Attorney General announced that he had referred the allegations involving border security and immigration matters to the Australian Commissioner for Law Enforcement Integrity, the role of which is to support the Integrity Commissioner to provide independent assurance to government about the integrity of prescribed law enforcement agencies and their staff members. Further, the Victorian Gaming Minister instructed the VCGLR to "re-examine the allegations raised as a matter of priority" noting that the "Justice Department and the VCGLR would examine the regulatory arrangements concerning junkets".The full Board has been briefed in relation to the matter.

###### **POTENTIAL IMPACT TO CROWN:**

Reputational impact as well as increased regulatory inquiries from the VCGLR and other regulatory and enforcement agencies.

###### **CURRENT ACTION PLAN:**

Crown Melbourne to continue to monitor the report and the fall-out, and respond to any related inquiries where appropriate.

A Crown Resorts Board Sub-committee has been established to oversee the matter.

##### CROWN PERTH

TREND: *Unchanged* →

No further development since the May 2019 report.

##### CROWN ASPINALLS

TREND: *Unchanged* →

No further development since the May 2019 report.


##### BETFAIR

TREND: *Unchanged* →

No further development since the May 2019 report.

4.1

CROWN RESORTS LIMITED

TREND: *Unchanged* 

No further development since the May 2019 report.

4.1


## 5. LITIGATION

*Crown is exposed to potential material litigation by:*

- *Employees*
- *Customers*
- *Regulators*
- *Shareholders including potential class action as a result of not properly correcting the market regarding consensus forecast performance*
- *Other third parties particularly gaming related litigation.*


*To the extent that material litigation is not covered by insurance, an adverse outcome or cost of responding to potential or actual litigation may have an adverse impact on the performance of Crown.*

### AUSTRALIAN BUSINESSES

TREND: *Unchanged* 


Significant legal matters have been reported to the Crown Melbourne and Crown Perth Boards throughout the reporting period via litigation updates in the CEO's Report.

### CROWN ASPINALLS

TREND: *Unchanged* 

No further development since the May 2019 report.

### BETFAIR

TREND: *Unchanged* 

No further development since the May 2019 report.

### CROWN RESORTS LIMITED

Significant legal matters (including the Cannery and GST taxation matters, class action and Crown Sydney sight lines) have been reported to the Crown Resorts Board throughout the reporting period via litigation updates.



## 6. VIP BAD DEBTS

*Crown is exposed to the risk of default by customers across its affiliate businesses, resulting in financial loss.*

### AUSTRALIAN BUSINESSES

TREND: *Unchanged* 

At end of year, approximately \$200M of Melbourne's and \$140M of Perth's older debts were written off. This was reviewed by E&Y as part of the end of year sign-off. Both Crown Melbourne and Crown Perth have continued to suspend the extension of credit to Chinese domiciled players with credit granted to remaining players on a selected basis only.

The debt positions over the past 24 months for Crown Melbourne and Crown Perth are tabled below:

CROWN MELBOURNE	31 Dec 16 \$m	30 Jun 17 \$m	31 Dec 17 \$m	30 Jun 18 \$m	31 Dec 18 \$m	30 Jun 19 \$m
Gross debtors balance (net of safekeeping)	280.1	293.0	319.9	272.8	264.8	64.2
Provision for doubtful debts	(165.2)	(171.6)	(183.1)	(202.0)	(215.0)	(19.3)
Provision as a % of gaming debtors	59.0%	58.6%	57.2%	74.0%	81.1%	30.0%
Net debtors balance	114.9	121.4	136.8	70.7	49.8	44.9

CROWN PERTH	31 Dec 16 \$m	30 Jun 17 \$m	31 Dec 17 \$m	30 Jun 18 \$m	31 Dec 18 \$m	30 Jun 19 \$m
Gross debtors balance (net of safekeeping)	172.9	176.9	167.4	160.5	167.9	16.5
Provision for doubtful debts	(93.2)	(96.6)	(99.5)	(145.0)	(146.8)	(10.4)
Provision as a % of gaming debtors	53.9%	54.6%	59.4%	90.4%	87.4%	63.0%
Net debtors balance	79.7	80.3	67.9	15.5	21.1	6.1

#### POTENTIAL IMPACT TO CROWN

All bad debts were over 12 months old, with 59% over 5 years old and 98% pre-China for Melbourne, and 100% over 30 months old in Perth. The write off, for accounting purposes only, has led to a 30% tax deduction benefit.

#### CURRENT ACTION PLAN

The appetite for credit risk has materially decreased across the Australian Businesses, and measures have been taken to reduce high exposure areas. Challenges with regards to processing of overseas transactions remain an issue.

### CROWN ASPINALLS

TREND: *Unchanged* 

The debt positions over the past 4 years for Crown Aspinalls are tabled below:

CROWN LONDON ASPINALLS - Debtors	30 Jun 16 £m	31 Dec 16 £m	30 Jun 17 £m	31 Dec 17 £m	30 Jun 18 £m	31 Dec 18 £m	30 Jun 19 £m
Gross debtors balance (net of safekeeping)^	44	62	59	53	59	61	44
Provision for doubtful debts*	(20)	(25)	(27)	(31)	(33)	(34)	(34)
Provision as a % of gaming debtors	45%	40%	46%	58%	55%	56%	76%
Net debtors balance	24	37	32	22	27	27	10

^(after discounts & recoveries) / \*(includes provision & bad debt w/off)

#### POTENTIAL IMPACT TO CROWN:

The UK operating environment is highly regulated compared to Crown's other jurisdictions, particularly in relation to third party money lending and SoF which can restrict acceptance of remitted funds and prohibits the business from engagement of junkets.

REDACTED - PRIVILEGE

#### CURRENT ACTION PLAN:

Crown Aspinalls' un-provided net debt exposure is predominantly due to Far Eastern customers (£8m), this includes £3m remitted to Crown Melbourne. There is ongoing legal action against a number of debtors including Lim Han Joeh, Cheung Fa Wu and Lester Hui as the business continues to proactively try to collect outstanding debts. The debt committee continue to meet bi-monthly to determine the most appropriate action towards collecting from each debtor.



### BETFAIR

TREND: -


### CROWN RESORTS LIMITED






TREND: -



7. MATERIAL BREACHES OF GAMING AND OTHER RELEVANT LEGISLATION/REGULATIONS	
<p><i>Crown and its affiliate businesses operate in a highly regulated industry. Systemic and/or serious breaches of regulatory requirements (including gaming, anti-money laundering, liquor, promotion of gaming and liquor, taxation or other regulatory/mandatory reporting requirements) may adversely impact Crown's reputation and performance via the imposition of financial and non-financial penalties including the potential loss of operating licences, prosecution, litigation, and arrest/detention of employees and contractors.</i></p>	
<b>CROWN MELBOURNE</b>	
<p><b>EGM Continuous Play</b></p> <p>No further updates since the last report.</p> <p><b>POTENTIAL IMPACT TO CROWN:</b></p> <p>It is possible that the VCGLR may take disciplinary action against Crown under s 62AB.</p> <p><b>CURRENT ACTION PLAN:</b></p> <p>As a result of this issue, a range of audits and reviews of similar machines were undertaken and enhanced checking processes have been implemented.</p>	<p>TREND: <i>Unchanged</i> </p>
<b>CROWN PERTH</b>	
<p><b>IGT Advantage System Jackpots</b></p> <p>As previously reported, in May 2018 there was an IGT Advantage System upgrade to address issues with respect to various jackpot and bonus features. Crown was requested by the Regulator to provide a further report as to the intended operations of Carded Lucky Rewards before referring Crown's request to recommence operation of this jackpot to the Gaming and Wagering Commission of Western Australia (Commission).</p> <p>Crown has since implemented, with the Regulator's approval, a system upgrade to correct the software faults, and the Lucky Number Jackpot is now operational. Carded Lucky Rewards remains suspended from use, and Crown is now working with IGT to facilitate the required system changes.</p> <p><b>POTENTIAL IMPACT TO CROWN:</b></p> <p>If further issues are identified with the operations of the IGT Advantage System or its associated jackpots, this may require further system upgrades or in more extreme circumstances cessation of the operations of various jackpots and increased Regulator scrutiny.</p> <p><b>CURRENT ACTION PLAN:</b></p> <p>There has been no further progress with respect to the Regulator's intention to initiate an independent review of the IGT Advantage System by an Authorised Testing Facility.</p> <p>At the request of the Regulator, this item has been removed from the agenda of the monthly meeting held between Crown Perth and the Regulator. Therefore, this item will now be removed from this report.</p>	<p>TREND: <i>Decreased</i> </p>
<b>CROWN ASPINALLS</b>	
No further development since the May 2019 report.	
<b>BETFAIR</b>	
No further development since the May 2019 report.	
<b>CROWN RESORTS LIMITED</b>	
See above.	

4.1

8. DATA MISUSE	
<p><i>Sensitive information may be leaked or sold to external parties adversely impacting Crown's reputation. In the case of sensitive customer information visitation may be affected, adversely impacting Crown's performance.</i></p> <p><i>Loss of confidential customer or commercially sensitive data is a growing risk as the online businesses expand and the use of 3rd parties and data volume increases.</i></p> <p><i>Unauthorised and inappropriate disclosure of sensitive information can result in adverse reputational, financial and regulatory implications.</i></p>	
<b>CROWN MELBOURNE</b>	TREND: <b>NEW</b> 
The 60 Minutes report mentioned as a source of their information over 10,000 internal Crown documents. Crown is investigating the matter and its options. The source and all of the content are yet to be confirmed.	
<b>CROWN PERTH</b>	TREND: -
There have been no material accidental or intentional leaks of patron or other business sensitive data in the reporting period.	
<b>CROWN ASPINALLS</b>	TREND: -
There have been no material accidental or intentional leaks of patron or other business sensitive data in the reporting period.	
<b>BETFAIR</b>	TREND: -
There have been no material accidental or intentional leaks of patron or other business sensitive data in the reporting period.	
<b>CROWN RESORTS LIMITED</b>	TREND: -
As above.	

9. BREAKDOWN IN RELATIONSHIPS WITH KEY GOVERNMENT, LEGISLATIVE OR REGULATORY BODIES	
<p><i>Crown operates in many jurisdictions, and has to engage with a large number of government, legislative and regulatory bodies. A breakdown in these relationships could lead to targeted reviews, investigations, or actions by these bodies that could materially affect Crown's operations and reputation.</i></p>	
<b>CROWN MELBOURNE</b>	<b>TREND: Unchanged</b> 
<p>Crown Melbourne's key government, legislative and regulatory bodies include the VCGLR, AUSTRAC, ATO, and Law Enforcement agencies.</p> <p>Crown's work stream with the VCGLR is considerable, taking into account the recommendations from the s 25 Review and other matters that the VCGLR is formalising.</p> <p>Further, Crown is aware that the Auditor General has re-engaged with the VCGLR to measure its progress against the matters identified in its 2017 Report. The Auditor General's Report triggered the significant change in the VCGLR's approach when dealing with Crown.</p> <p>Recent Nine/Fairfax allegations reported in the media regarding the China detentions and VIP business have unfairly attempted to damage Crown's reputation and in the process have the potential to affect relationships between Crown and its state and federal regulators.</p> <p>Crown continues to focus on engagement with the VCGLR in a positive manner. Crown also remains in close contact with its other key stakeholders to continue to develop and enhance those relationships.</p>	
<b>CROWN PERTH</b>	<b>TREND: Unchanged</b> 
<p>The relationship with the WA gaming regulator remains constructive and healthy, although a number of restructures within Crown's casino Regulator (the Department of Local Government, Sport and Cultural Industries) have been challenging for staff and it is expected that further organisation restructure activities will be undertaken in the coming months.</p> <p>We understand that the WA regulator, along with all other state based gaming regulators, are considering the recent media activity and discussing a relevant regulatory response.</p>	
<b>CROWN SYDNEY</b>	<b>TREND: NEW</b> 
<p>Please refer to Agenda Item 5.2 regarding notices received from ILGA in relation to the sale of shares by CPH to Melco.</p>	
<b>ASPINALLS</b>	<b>TREND: Increased</b> 
<p>Conversations with government and regulatory bodies continue in order to keep in focus UK land based casino initiatives (including the high-end sector of which Crown London operates). The high-end strategy is driven by Managing Director Ejaaz Dean and is partially driven and represented by the UK National Casino Forum.</p> <p>The change in share ownership has also triggered regulatory requirements for both Aspinalls and Asperts, with further requirements triggered after the 10% change is reached. This process requires the entity to submit a Change of Corporate Control form, which in effect is an application to be allowed to keep the casino licence.</p> <p>Engagement is ongoing. Crown London will continue to monitor and report.</p>	
<b>BETFAIR</b>	<b>TREND: Unchanged</b> 
<p>Betfair is the holder of a Northern Territory Betting Exchange Licence, and is regulated by the NTRC.</p> <p>Since obtaining its NT Licence in September 2016, Betfair has worked hard to ensure that it maintains a strong and positive relationship with the NTRC and Licensing NT. Betfair's CEO and Head of Legal have regular meetings with representatives of these bodies.</p> <p>Betfair pays 'product fees' to racing and sporting bodies in Australia. Betfair must maintain strong relationships with these bodies, to ensure that onerous product fees are not imposed and Betfair retains the right to take bets on their products. Betfair's Commercial Director has regular meetings with the racing/sporting bodies and, with the exception of Racing NSW, strong and positive relationships are being maintained.</p> <p><b>POTENTIAL IMPACT TO CROWN</b></p> <p>A breakdown in relationships could lead to unfavourable regulatory requirements being imposed by Betfair's regulator or onerous product fees being imposed by a racing/sporting body.</p> <p><b>CURRENT ACTION PLAN</b></p> <p>Betfair will continue to meet regularly with representatives of the NTRC, Licensing NT and the racing/sporting bodies, to ensure that any</p>	

4.1

potential issues are addressed and favourable outcomes are achieved.

*CROWN RESORTS LIMITED*

TREND: *Unchanged*



Note that the issues raised under *Crown Melbourne* have extended to the whole Group. The Full Board has been briefed and consulted in relation to the strategy and response.

**Sydney**

Crown is engaging with the NSW government in setting up Crown Sydney. This relationship requires co-engagement with the gaming regulator, who has an established and long-standing relationship with Star.

Senior management is significantly involved in setting the foundations for an effective engagement going forward.

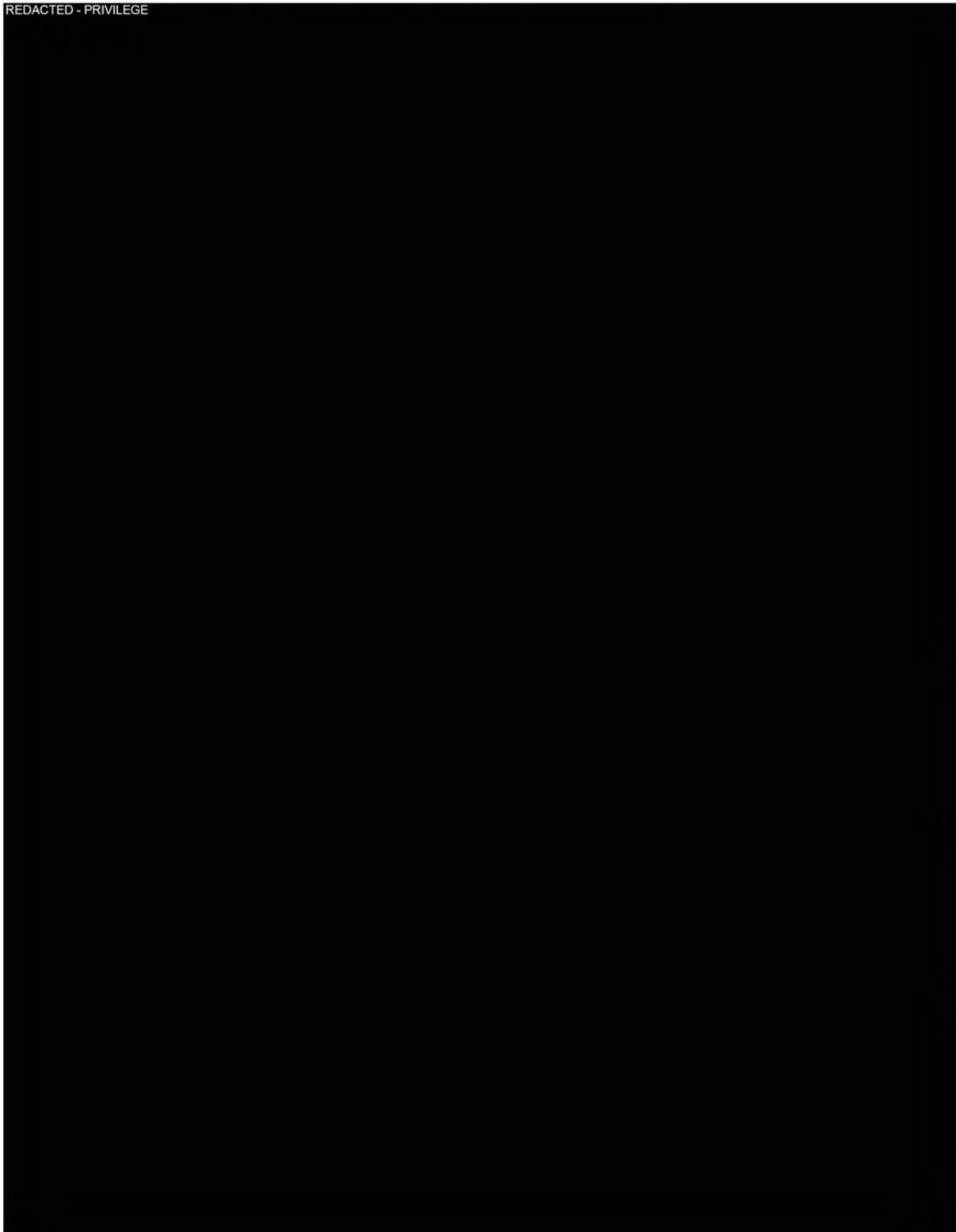
**ATO**

A number of key matters are in progress with the ATO.

## Other Matters

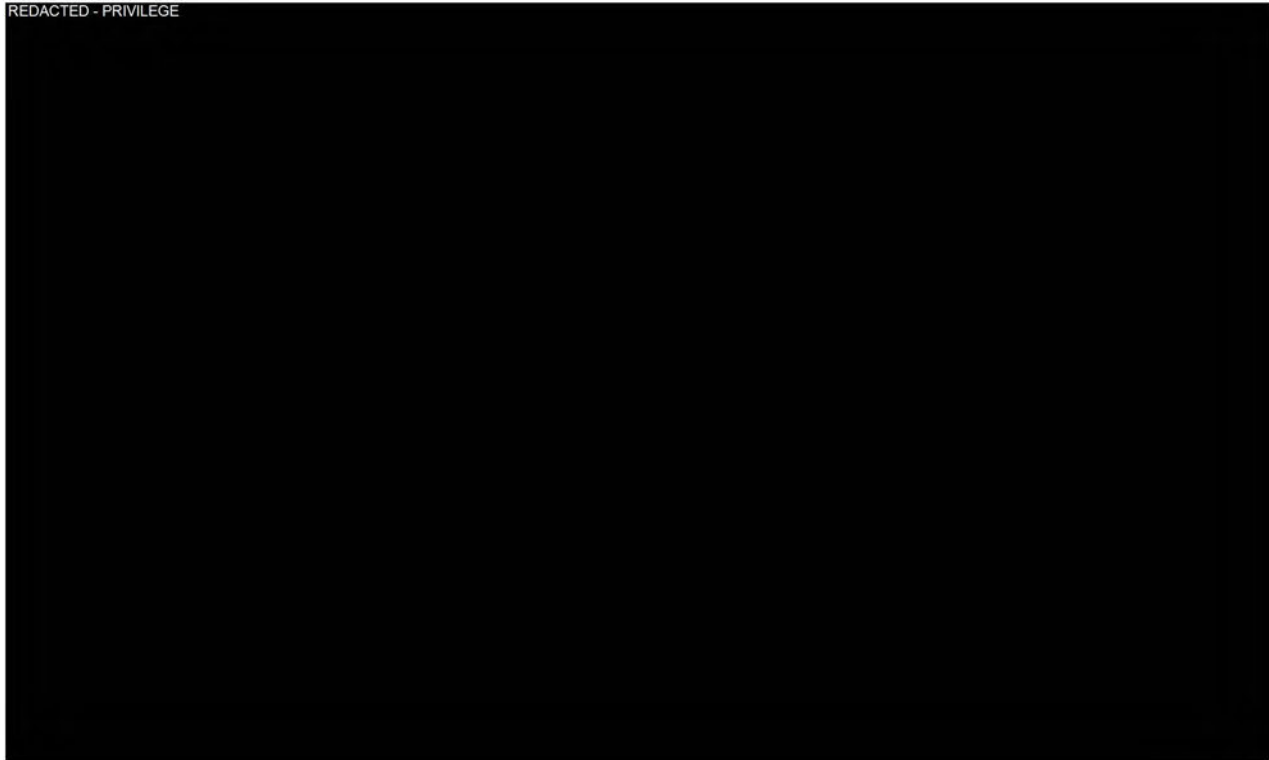
(Legally Privileged and Commercial in Confidence)

REDACTED - PRIVILEGE



4.1

REDACTED - PRIVILEGE



4.1



## Risk Management Committee

### Memorandum

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**To:** Risk Management Committee  
**From:** Anne Siegers  
**Date:** 6 August 2019  
**Subject:** **Emerging Risks**

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Dear Committee Members

No emerging risks have been identified by Management for consideration by the Committee.

Kind Regards

Anne Siegers  
**Group General Manager – Risk & Audit**



## Risk Management Committee

### Memorandum

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**To:** Risk Management Committee

**From:** Joshua Preston / Anne Siegers

**Date:** 8 August 2019

**Subject:** **VIP Operating Model – Malaysia and Singapore Risk Assessments - UPDATE**

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Dear Committee Members,

#### Background

In February and May 2019, the Board approved revised VIP Operating Models for our operations in Singapore and Malaysia respectively (**Malaysia and Singapore VIP Operating Model**).

In light of the recent events related to the allegations aired by Nine/Fairfax (from 27 July 2019 and continuing) (**the allegations**), the Crown Melbourne Audit Committee, at its meeting on 5 August 2019, requested that the Malaysia and Singapore VIP Operating Model be revisited from a risk perspective by the Crown Resorts Risk Management Committee.

In this respect, to assess the risk, and specifically any changes to it in light of the allegations, Management has:

1. requested that our external risk advisory consultancy provide an update on the environment in both Malaysia and Singapore in relation to the allegations. In this respect, Management has now been advised as follows:

#### Malaysia

- there has been no media coverage in English or local languages of the allegations in Australia; and
- no public comments have been made about Crown or on the topic of junket operators by Malaysian government officials or regulators since the allegations arose.

#### Singapore

- there has been coverage on the allegations in Singapore media with the following outlets reporting on it: The Business Times, The Straits Times, CNA, Today Online;
- the articles appear to be direct syndications of coverage from Reuters, New York Times or Washington Post;



- the articles do not include any commentary from a Singapore perspective; and
- no public comments have been made about Crown or on the topic of junket operators by Singaporean Government officials or regulators since the allegations arose.

#### **Other**

As Singaporean and Malaysian governments are typically slower to publicly respond to issues than in Australia, should any commentary or developments emerge, our external risk advisory consultancy will flag them with us as a priority.

2. contacted the Australian High Commissions in Malaysia and Singapore to seek updated advices or comments on any issues in the current environment. Management has not, as at 8 August 2019, heard back from either High Commission.

#### **Risk Assessments**

Once Management receives commentary from the relevant High Commissions, Crown will finalise updated Risk Assessments for both Malaysia and Singapore and circulate them to the Committee.

#### **Management Recommendation**

Management notes that, subject to any adverse commentary from the High Commissions that affects the level of risk, taking into account the advices from our external risk advisory consultancy, the overall risk position associated with the Malaysian and Singaporean VIP Operating Model remains LOW.

Management also notes that our external risk advisory consultancy is keeping a watching brief on this matter and will escalate any issues as a priority to Crown for it to assess.

Subject to the above (no change in the Risk Assessments and resulting risk rating), Management seeks the endorsement of the Committee to continue operations in accordance with the Malaysian and Singaporean VIP Operating Model.

Kind regards

Joshua Preston / Anne Siegers  
**Chief Legal Officer – Australian Resorts / Group GM – Risk & Audit**

**4.3**



**AGENDA ITEM 5:**  
Compliance Matters



## Crown Resorts Limited

### Compliance Report: 9 August 2019

#### COMPLIANCE FRAMEWORK STATUS

There have been no material changes since the last report provided to the Committee in May 2019.

During the period, the Executive Risk and Compliance Committees of Crown Melbourne and Crown Perth met on the following dates:

	Compliance Committee	Executive Risk and Compliance Committee
Crown Melbourne	20 June 2019 18 July 2019	30 July 2019
Crown Perth	20 June 2019	2 August 2019

#### MATERIAL CHANGES IN COMPLIANCE OBLIGATIONS

There were no material changes to compliance obligations during the period.

#### MATERIAL NON COMPLIANCES

Non-compliances across Crown's Australian Resorts are reported to the respective Compliance departments and discussed at each property's Compliance Committee as well as the Executive Risk and Compliance Committees.

Material non-compliances have been reported at Agenda Item 4.1 in the Material Risk Update, in particular within the risk "Material Breaches of Gaming and Other Relevant Legislation/Regulations". As noted in the previous report, below are the main high-level items for noting.

##### Crown Melbourne

- Poker Tax – the VCGLR claims that Crown is required to pay Gross Gaming Revenue gaming tax on the entry fee component of poker tournaments held at Crown. Crown has disputed that entry fees are subject to gaming tax. There has been no further development since the previous report.
- The VCGLR served Crown Melbourne with a Notice to answer questions and provide data concerning EGM C8308, which the VCGLR allege was operating in 'Unrestricted Mode', without Your Play functionality activated. There has been no further development since the previous report.

### **Crown Perth**

- The IGT Advantage System has recently been upgraded to address issues with respect to various jackpot and bonus features. The Department of Local Government Sports and Cultural Industries (**Department**) has requested that Crown Perth provide a further report as to the intended operations of Carded Lucky Rewards before referring Crown Perth's request to recommence operation of this jackpot to the Commission. As a result, Crown Perth is in continued discussions with IGT, who has advised that IGT intends to develop a further software upgrade in relation to Carded Lucky Rewards, which will be presented to the Department in due course.

No adverse non-compliance trends or concerns were noted by the Committees.

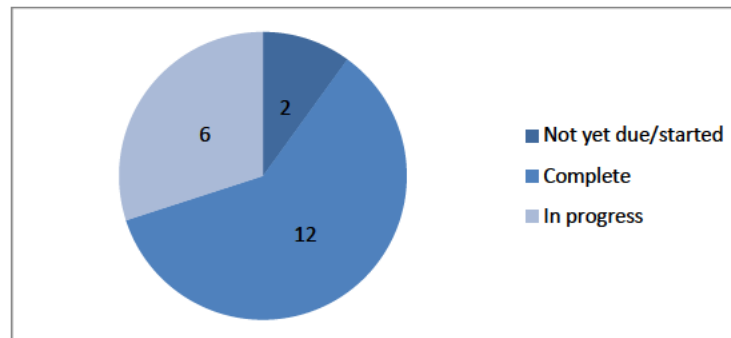
### **OTHER COMPLIANCE RELATED MATTERS**

Other compliance related matters which may result in regulatory intervention or monitoring, include the following:

- China matter: Refer Agenda Item 4.1: Material Risk Update.
- Further to Crown's implementation of an enhanced Compliance Framework in Melbourne, as detailed in our comprehensive letter to the Commission of the VCGLR (associated with the Blanking Button matter) the VCGLR has now requested copies of minutes, papers and compliance reports in relation to Crown Melbourne's compliance activities and committees. Crown Melbourne has been required to make the papers available by the first week of August.
- Adverse media – Andrew Wilkie has again raised concerns in Parliament regarding the VCGLR and Victoria Police's handling of his complaints regarding the operation of Gaming Machines at Crown Melbourne. He also confirmed that he has lodged a formal complaint with IBAC to have the VCGLR investigated, as he claims (amongst other matters) they have been corrupt in their delays in investigating the matters raised.
- Adverse media – Channel 9's 60 Minutes Program ran a report on 28 July 2019 concerning Crown's junket operations and the China matter, which has been subsequently reported on by Fairfax Media (predominately the Age and Sydney Morning Herald). Crown has released ASX / Media Statements responding the allegations and will assist with any regulatory and government agency investigations.
- Roulette Wheels – Crown Melbourne had Cammegh produced Mercury Roulette Wheels approved for operation 14 years ago and subsequently ordered the wheels. It has recently come to note that Cammegh have supplied Mercury 2 wheels in response to Crown's orders for Mercury Wheels. The VCGLR is aware of the matter.
- Crown has engaged Deloitte Risk Advisory Pty Ltd (under legal privilege) to undertake an assessment of Crown's payroll compliance including a review of its process/controls. The assessment has not been required as a result of any compliance related incidents or regulatory engagement, but rather a proactive action taken by Crown.

## SECTION 25 RECOMMENDATION STATUS

As previously reported, the VCGLR's Sixth Review of the Casino Operator and Licence had a significant focus on Responsible Gaming and Crown's Risk, Governance and Compliance processes/frameworks. The VCGLR's Report contained 20 Recommendations, which Crown has accepted and is currently working through and is engaging with the VCGLR on. The graph below presents Crown's status with respect to the implementation of the recommendations:



Crown Melbourne continues to work through the Recommendations which require considerable resources and attention. Timelines are tight but Crown has responded to each Recommendation when due. Crown will continue to engage with the VCGLR where deadlines become problematic.

## REGULATORY REPORTING AND CONTACT

Various matters have been reported as required to the applicable Regulatory Authorities, with no material matters to note.

### Crown Melbourne

#### *Section 167 Notices (Risk Assessment of Junkets)*

Crown Melbourne and Crown Perth have received and responded to formal AUSTRAC s 167 notices requesting detailed information (including funds flow and customer due diligence information) about Junket Operators, Junket Representatives and Junket Players for Junket Programs during the period 1 April 2018 to 31 March 2019. These notices were issued casino industry wide, with AUSTRAC indicating in its notice that its aim is to provide our sector with insights into the potential threats and vulnerabilities we (the casino industry) might face with respect to junkets. Crown has received further notices on 15 July 2019 seeking additional information as to AUSTRAC reporting on Junket Operators (TTRs, SMRs, IFTIs), amongst other matters. Crown is preparing a response to these notices in accordance with AUSTRAC's deadline.

#### *Technical Requirements – Gaming Machines*

Crown Melbourne is currently engaged with the VCGLR on its proposed draft of the Technical Requirements Document for Gaming Machines, which has the potential to also capture Electronic Table Games.

## **Crown Sydney**

### *Casino Regulations*

Crown recently made its formal submission regarding a review of the NSW *Casino Control Regulations*, which is expected to be made public.

### *ILGA Notices*

On 5 August 2019, we received two notices issued pursuant to section 32 of the *Casino Control Act 1992* (NSW) by the Independent Liquor and Gaming Authority. Please refer to Agenda Item 5.2 in relation to this matter.

## **Crown Perth**

### *Cashless – Use of EFTPOS*

On 28 May 2019, the Gaming and Wagering Commission of Western Australia (**Commission**) resolved to approve the use of EFTPOS (debit only) for patrons to:

- purchase chips from designated areas within the casino or at a gaming table; and
- purchase tickets at ticket redemption terminals (or similar type facilities) for use on an electronic gaming machine.

As part of the approval, Crown Perth is required to provide a report to the Commission relating to the use, take up and any issues from the conduct of EFTPOS (debit only) at gaming tables for the first three (3) months of operation within one (1) month after the completion of that period.

Additionally, as originally proposed by Crown Perth, the Commission has imposed a transaction limit to debit account transactions (no credit transactions permitted) up to a maximum withdrawal of \$400 per transaction with the understanding that the daily cash withdrawal limit as permitted by the patron's financial institution will also apply.

Crown Perth has developed a comprehensive risk assessment and phased implementation plan of the use of EFTPOS (debit only) within the casino. This implementation plan will allow Crown Perth to closely monitor and evaluate the impact on patron behaviour, particularly relating to RSG, together with gaming operations prior to any full implementation of the service. The EFTPOS (debit only) service is expected to be commenced towards the end of September 2019.

### *Western Australian Appendix to the Australian/New Zealand Gaming Machine National Standards 2016*

At its July meeting, the Commission granted approval for the amendment of Western Australian Appendix to the Australian/New Zealand Gaming Machine National Standards 2016 (in particular clause WA4.2 of the WA Appendix) and to the Commission's EGM Policy. This will now allow Crown Perth to operate gaming machines similar to Crown Melbourne including reducing game speed from 5 seconds to 3 seconds (subject to features being incorporated within the game). Crown Perth remains prohibited from offering spinning reel machines.

The Commission did not provide its "in principle" support for the amendment of Return to Player from 90% to 87.5% and requested that the Department seek preliminary views from the Minister for Racing and Gaming on this amendment. The Department, together with Crown Perth representatives, will now progress this matter directly with the Minister's Office.

**Crown Aspinalls***Change in Corporate Control*

As a result of the Melco share sale, once 10% of the share value of Crown Resorts passes, Crown Aspinalls will have 5 weeks to file a Change of Corporate Control Form with the UK Gambling Commission. The Form is effectively an application to retain the Casino Licence and the consequence is either an approval or the cancellation of the licence, no requests for clarification etc. can be made. Accordingly, UK solicitors are assisting with the completion and submission process.

*Gambling Commission – Source of Income / Affordability*

The UK Gambling Commission released its Raising Standards for Consumers Enforcement Report 2019. In the Report, the Gambling Commission has indicated that operators need to now take into account the level of disposable income that any person who gambles has available to them after cost of living items have been considered. Further, the Gambling Commission has made it clear that customer spend must be monitored and evidenced by way of payslips, earnings from their business and bank statements etc.



## Risk Management Committee

### Memorandum

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**To:** Risk Management Committee  
**From:** Mary Manos  
**Date:** 6 August 2019  
**Subject:** ILGA Notices – PRIVILEGED AND CONFIDENTIAL

REDACTED - PRIVILEGE





Our Ref: 4019924 NPI-001

5 August 2019

John Henry Alexander  
Crown Sydney Gaming Pty Ltd  
'Crown Towers'  
Level 3, 8 Whiteman Street  
Southbank Vic 3006

Sent by post

Dear Mr Alexander

**Notice issued under section 32 of the Casino Control Act 1992 (NSW)**

We enclose a notice issued pursuant to section 32 of the *Casino Control Act 1992* (NSW) (**Control Act**) (**Notice**) by the Independent Liquor and Gaming Authority (**Authority**).

The Notice seeks information and/or records regarding Crown Sydney Gaming Pty Ltd.

As set out in the Notice, the information and/or records are required to be provided by Crown Sydney Gaming Pty Ltd by 4pm on 22 August 2019.

Yours faithfully

Philip Crawford  
for and on behalf of the **Authority**

5.2



## SECTION 32 of the CASINO CONTROL ACT 1992 (NSW)

Independent Liquor and Gaming Authority

### NOTICE REQUIRING THE PRODUCTION OF INFORMATION AND RECORDS (NOTICE) Ref: 4019924 NPI-001

To: Crown Sydney Gaming Pty Ltd  
ACN 166 326 843  
'Crown Towers'  
Level 3, 8 Whiteman Street  
Southbank Vic 3006

#### Background

1. The Independent Liquor and Gaming Authority (**Authority**) has functions under the gaming and liquor legislation identified in section 4 of the *Gaming and Liquor Administration Act 2007* (NSW) (**Gaming Act**).
2. One of the relevant Acts that the Authority has functions under is the *Casino Control Act 1992* (the **Control Act**).
3. The Authority is required to have regard to the primary objects of the Control Act in exercising its functions. Those primary objects of the Control Act are identified in section 4A of the Control Act. They are:
  - (a) *ensuring that the management and operation of a casino remain free from criminal influence or exploitation, and*
  - (b) *ensuring that gaming in a casino is conducted honestly, and*
  - (c) *containing and controlling the potential of a casino to cause harm to the public interest and to individuals and families.*
4. Without being exhaustive, under the Control Act, the Authority is to investigate a casino from time to time and at any time that the Authority thinks it desirable.
5. The Authority has determined to require provision of information and production of documents relating to:
  - a. the matters set out in section 30(2) of the Control Act;



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- b. whether there has been a breach of the VIP Gaming Management Agreement by one of the parties to that agreement; and
- c. whether there has been a breach of a condition of the Casino licence in that Crown Sydney Gaming Pty Limited (**GamingCo** or **Licensee**) did not do one or more of things required of it under section 35(2) of the Control Act.

In accordance with section 32 of the Control Act, I require Crown Sydney Gaming Pty Ltd to provide to me the following information and records:

- 1. All information and records described in the Schedule attached to the Notice.

#### **Compliance with this Notice**

The information and records required to be provided by this Notice must be provided by sending written correspondence to the following address within the following timeframe:

to: The Independent Liquor and Gaming Authority

at: 4pm

on: 22 August 2019

at: c/- Norton Rose Fulbright, Level 18, 225 George Street, Sydney (ref: SAA/MKS)

Philip Crawford  
Chairperson  
Independent Liquor & Gaming Authority

5 August 2019



## SCHEDULE TO NOTICE

### Interpretation

For the purpose of this Schedule, terms and expressions in this Schedule have the meaning given to them in the gaming and liquor legislation unless otherwise defined.

<b>Buyer</b>	means Melco Resorts & Entertainment Limited and/or MCO (KittyHawk) Investments Limited;
<b>CPH Companies</b>	includes, but is not limited to, the following companies: <ul style="list-style-type: none"> <li>• CPH Crown Holdings Pty Limited (ACN 603 296 804),</li> <li>• CPH Gaming I Pty Limited (ACN 603 295 674),</li> <li>• CPH Gaming II Pty Limited (ACN 603 295 923),</li> <li>• CPH Gaming III Pty Limited (ACN 603 296 162),</li> <li>• CPH Gaming IVA Pty Limited (ACN 603 296 537), and</li> <li>• CPH Gaming IVB Pty Limited (ACN 603 296 546);</li> </ul>
<b>Crown Companies</b>	includes, but is not limited to, the following companies: <ul style="list-style-type: none"> <li>• Crown Entertainment Group Holdings Pty Ltd (ACN 126 028 822),</li> <li>• Crown Resorts Limited (ACN 125 709 953),</li> <li>• Crown Sydney Gaming Pty Ltd (ACN 166 326 843), and</li> <li>• Crown Sydney Holdings Pty Ltd (ACN 166 326 781);</li> </ul>
<b>Crown Resorts</b>	means Crown Resorts Limited (ACN 125 709 953);
<b>Disposal</b>	means the proposed or effected disposal of share capital in Crown Resorts by the Seller to the Buyer;
<b>GamingCo</b>	means Crown Sydney Gaming Pty Ltd (ACN 166 326 843);
<b>Licensee</b>	means GamingCo as the holder of a Restricted Gaming Licence as granted by the Authority;
<b>Melco Companies</b>	means the companies listed in Annexure A to the ASX Notice of initial substantial holder (Form 603) dated 3 June 2019 and MCO (KittyHawk) Investments Limited and Melco Resorts & Entertainment Limited;
<b>Relevant Period</b>	means 1 April 2019 to the date of this Notice;
<b>Restricted Gaming Licence</b>	has the same meaning as in the VIP GMA;
<b>Seller</b>	means CPH Crown Holdings Pty Ltd (ACN 603 296 804);
<b>Share Sale Agreement</b>	means the share sale agreement between the Seller and the Buyer dated 30 May 2019; and

**VIP GMA**

means the VIP Gaming Management Agreement between the Authority, Crown Resorts, GamingCo, Crown Sydney Holdings Pty Ltd (ACN 166 326 781) and Crown Sydney Property Pty Ltd (ACN 166 326 861) dated 8 July 2014.

**Information**

1. Provide the names of the persons or entities which hold a relevant financial interest in the business of the Licensee.
2. Provide the names of the persons or entities which are or will be entitled to exercise any relevant power in the business of the Licensee.
3. Provide the names of the persons or entities which hold or will hold any relevant position in the business of the Licensee.
4. Provide the names of the persons or entities identified in response to 1 or 2 which exercise a significant influence over or with respect to the management or operation of the business of the Licensee.
5. In the Relevant Period, have any of the Crown Companies or any of its directors or executive officers or any person otherwise identified in response to 1 to 4 entered into any agreement with any of the Melco Companies or any director or executive officer of the Melco Companies during the Relevant Period?
6. If yes to 5, provide the following information in relation to any agreement:
  - a. the date of the agreement;
  - b. the parties to the agreement;
  - c. whether the agreement is oral or in writing; and
  - d. if oral the substance and effect of the agreement.
7. On what date did any of the Crown Companies or any of its directors or executive officers or any person otherwise identified in response to 1 to 4 become aware of the likelihood the Share Sale Agreement would be entered into and how did they become aware?
8. On what date did any person involved in the conduct of the businesses of the Crown Companies become aware of the likelihood the Share Sale Agreement would be entered into and how did they become aware?
9. In the Relevant Period, did any person involved in the businesses of the Crown Companies meet with persons involved in the businesses of the Melco Companies?



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10. If yes to 9, provide the following in relation to each meeting:
  - a. the date of the meeting;
  - b. the attendees of the meeting; and
  - c. the substance of the content of those meeting.
11. In the Relevant Period, did any person involved in the businesses of the Crown Companies meet with any persons involved in the businesses of the CPH Companies?
12. If yes to 11, did any part of the meeting relate to the subject matter of the sale of any shares held by the CPH Companies in any of the Crown Companies?
13. If yes to 11 and 12, provide the following information in relation to each meeting:
  - a. the date of the meeting;
  - b. the attendees of the meeting; and
  - c. the substance of the content of those meeting.

#### **Records**

14. Records relating to the responses to the requests for information contained in the section headed "information".
15. All documents that record or evidence or refer to the content of the meetings referred to in the section headed "information".
16. All documents (including correspondence) that record or evidence discussion or contemplation of the Disposal during the Relevant Period.
17. All documents that record or evidence negotiation and preparation of the Share Sale Agreement during the Relevant Period.
18. All correspondence between the Crown Companies and Melco Companies in relation to the Share Sale Agreement or Disposal during the Relevant Period.
19. All correspondence between the Crown Companies and CPH Companies in relation to the Share Sale Agreement or the Disposal during the Relevant Period.
20. All correspondence between the Crown Resorts and GamingCo in relation to the Share Sale Agreement or the Disposal during the Relevant Period.

**5.2**



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21. All documents that record or evidence the contemplation or discussion of the proposed takeover or share sale transaction between CPH Companies or Crown Companies and Wynn Resorts Limited by the executives, officers or directors of Crown Companies during 2019.
22. All documents responding to or referring to the letter dated 8 July 2019 from the Authority to the Crown Companies.
23. All documents referring to the Crown Resorts ASX/Media Release dated 10 April 2019 or the matters referred to in that ASX/Media Release.
24. All documents referring to the Crown Resorts ASX/Media Release dated 31 May 2019 or the matters referred to in that ASX/Media Release.
25. Any reports to the Board, any Executive Committee, the Chief Risk Officer or any risk committee in the Relevant Period which discuss:
  - a. the matters referred to in the letter dated 8 July 2019 from the Authority to the Crown Companies;
  - b. the Share Sale Agreement;
  - c. the matters referred to in the document referred to in paragraph 23; and/or
  - d. the matters referred to in the document referred to in paragraph 24.
26. Any minutes or notes of any meeting of the Board, any Executive Committee or any risk committee which discuss the matters referred to in 25(a), 25(b), 25(c) or 25(d).

**Note:** We require that the information and records be produced electronically in their original native format. Please refer to the attached note in relation to method of production.



### **Warning and Information about this Notice**

1. You should read the Notice carefully.
2. A person who fails without reasonable excuse to comply with a requirement of a notice is guilty of any offence for which the maximum penalty is \$5,500 (section 33(1) of the Control Act).
3. A person is not excused from complying with a notice under section 32 on the ground that compliance might tend to incriminate the person. If the person claims in writing to the Authority, before complying with the Notice, that compliance might tend to incriminate the person, information provided in compliance with the Notice is not admissible in criminal proceedings against the person except proceedings for the offence of providing false or misleading information in purported compliance with the Notice.
4. If the Authority is satisfied that a person has, without reasonable excuse, failed to comply with a requirement of the Notice, the Authority may certify the failure to the Supreme Court.
5. The Supreme Court may then inquire into the case and:
  - a. order the person to comply with the requirement within a period specified by the Court; and/or
  - b. if the Court is satisfied that the person failed, without reasonable excuse, to comply with the requirement—punish the person as if the person were in contempt of the Court.
6. The Authority accepts that a valid claim of legal professional privilege is a reasonable excuse for not producing records under the Notice. Accordingly, a person is not obliged to produce under the Notice records that are covered by a valid claim of legal professional privilege. However, the Authority may accept, on a confidential basis, privileged information (or information that is claimed to be privileged) voluntarily.
7. A claim of legal professional privilege may be made by or on behalf of the holder of that privilege.
8. A person who claims legal professional privilege must establish that the privilege exists. If a person claims that the whole or part of any of the information or records that are covered by the Notice contain information which is subject to legal professional privilege, they must provide the Authority with sufficient information to allow its officers to make an informed decision about whether the claim for privilege can be supported. For that purpose, the person should complete a schedule which identifies the documents over which legal professional privilege is claimed, by individually itemising each document and providing the following information in respect of each document:





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- a. the names of all authors and recipients of the document together with their positions and employer, if any;
  - b. the date of the document;
  - c. the type of document e.g. email or letter;
  - d. the category of legal professional privilege claimed (advice privilege or litigation privilege) and the basis on which the privilege is claimed;
  - e. the name of all persons who claim the right to assert the privilege, including any third parties on whose behalf the privilege claim is made;
  - f. whether the form of the document is electronic or hard copy;
  - g. the address of the premises where the document is kept; and
  - h. whether privilege is claimed over the whole or part of the document. Please note, where only part of the document is subject to a claim of privilege, an appropriately masked version of the document must be provided to the Authority.
9. In the case of a claim of legal professional privilege on behalf of another party in respect of a document, you should also provide the following information to the Authority;
- a. the identity of the privilege holder;
  - b. the last known contact details of the privilege holder; and
  - c. an explanation of the circumstances by which the document came to be within your possession or control.
10. Unless the Authority otherwise agrees, you should provide the list to the Authority on or before the due date of the Notice.
11. The Notice should not be construed as an indication by the Authority that a contravention of the law has or has not occurred, nor should it be considered a reflection upon any person or entity.
12. If you do not have any information or records to produce in answer to the Notice, please sign a statutory declaration to that effect and provide the declaration before the due date of the Notice.
13. If you have any questions about the Notice, please contact the Authority via its legal representatives, Scott Atkins on +61 2 9330 8015 or Michael Sullivan on +61 2 9330 8886.



### **Note in relation to method of production**

1. Please note that you may comply with the Notice by producing copies of the information and records set out in the Notice rather than the original documents, unless the original documents are expressly requested.
2. If a record is not in writing, is not written in the English language, or is not decipherable on sight, you must provide a statement written in the English language and decipherable on sight containing the whole of the information in the record.
3. Records in electronic form should be produced as described below.

### **General Instructions**

4. Information or records stored as computer files or data should be provided in their original native format (i.e. the format in which they are ordinarily used and maintained during the normal course of business). **Note:** It is not acceptable to convert electronic records to any other format prior to production without approval by the authority.
5. Computer files need to be provided with all original related metadata intact and also with the original location and name of the file.
6. If the original format is not a commercially or generally available format then the records should, in discussion with the Authority, be converted to a more usable electronic format which can be readily accessed by the Authority.
7. Records should be produced on USB or via email.
8. A production must include all family documents (e.g. email attachments, embedded files and host emails) in order to be complete. Attachments are to remain embedded within their host documents.
9. No content within the production should be encrypted, other than to secure the data in transit to the Authority. Where data is encrypted, passwords to decrypt that data must also be provided to the Authority.

### **Emails and Chats**

10. Where information or records are kept in an email system the records should be exported in that system's native export format or an acceptable intermediate format. For the avoidance of doubt, the following types of emails and chats can be provided as follows:



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- a. Microsoft Exchange emails - PST file (one per "Custodian") or converted into properly formed MSG or EML files;
  - b. Lotus Notes emails - NSF file (one per "Custodian") or individual native EML files;
  - c. Reuters - PST file (one per "Custodian") or individual native MSG files; and
  - d. Bloomberg - Bloomberg materials should always be supplied as a native text dump (including all text/XML files, attachment archives and audit logs) and not in any alternative format.
11. Production of emails and chat from any other systems should be discussed with the Authority prior to production.

#### **Telephone Recordings**

12. Audio files from telephone recording systems should be provided with additional relevant call information metadata in a delimited text format or alternative format acceptable to the Authority.
13. The metadata should include its date, time, length, caller name and phone number, called name and telephone number and filename of audio file.

#### **Audio and Video Files**

14. Audio and video files must be produced in a format that is playable using Microsoft Windows or VLC Media Player. The Authority may call for codecs or other software to enable access to the files.

#### **Document or Content Management Systems**

15. Where records which are stored in a document, content or any other type of electronic system (other than litigation support systems mentioned below in paragraphs 17 and 18) the Authority may call for metadata to be provided from that system which is relevant to the records produced.

#### **Databases**

16. Where records are stored as data in a database, for example, a financial accounting system, it may be appropriate for a copy of the records to be provided by way of an extract of data from the database or in some circumstances, by way of a report. Where that is done, the data or report extracted should be given a meaningful name and folder location which identifies the data content.



### **Litigation Support software**

17. Where records are stored by you electronically in a litigation support system, the Authority may, at its discretion, and in the interests of efficient document management, allow you to produce copy records from that system in place of the native originals referred to above at General Instructions.
18. Production from a litigation support system must be in accordance with a protocol that will be provided by the Authority. The protocol will require that the original metadata requested in paragraph 5 is provided as part of the production. The Authority retains the right to call for those records in their original file format and to limit production via this method if it chooses.

### **Other Applications**

19. If you need to produce electronic records not falling into the above categories, it is invited to discuss the format of production with the Authority.



Our Ref: 4019924 NPI-002

5 August 2019

John Henry Alexander  
Crown Resorts Limited  
'Crown Towers'  
Level 3, 8 Whiteman Street  
Southbank Vic 3006

Sent by post

Dear Mr Alexander

**Notice issued under section 32 of the Casino Control Act 1992 (NSW)**

We enclose a notice issued pursuant to section 32 of the *Casino Control Act 1992* (NSW) (**Control Act**) (**Notice**) by the Independent Liquor and Gaming Authority (**Authority**).

The Notice seeks information and/or records regarding Crown Sydney Gaming Pty Ltd.

As set out in the Notice, the information and/or records are required to be provided by Crown Resorts Limited by 4pm and 22 August 2019.

Yours faithfully

Philip Crawford  
for and on behalf of the **Authority**

5.2



## SECTION 32 of the CASINO CONTROL ACT 1992 (NSW)

Independent Liquor and Gaming Authority

### NOTICE REQUIRING THE PRODUCTION OF INFORMATION AND RECORDS (NOTICE) Ref: 4019924 NPI-002

To: Crown Resorts Limited  
ACN 125 709 953  
'Crown Towers'  
Level 3, 8 Whiteman Street  
Southbank Vic 3006

#### Background

1. The Independent Liquor and Gaming Authority (**Authority**) has functions under the gaming and liquor legislation identified in section 4 of the *Gaming and Liquor Administration Act 2007* (NSW) (**Gaming Act**).
2. One of the relevant Acts that the Authority has functions under is the *Casino Control Act 1992* (the **Control Act**).
3. The Authority is required to have regard to the primary objects of the Control Act in exercising its functions. Those primary objects of the Control Act are identified in section 4A of the Control Act. They are:
  - (a) *ensuring that the management and operation of a casino remain free from criminal influence or exploitation, and*
  - (b) *ensuring that gaming in a casino is conducted honestly, and*
  - (c) *containing and controlling the potential of a casino to cause harm to the public interest and to individuals and families.*
4. Without being exhaustive, under the Control Act, the Authority is to investigate a casino from time to time and at any time that the Authority thinks it desirable.
5. The Authority has determined to require provision of information and production of documents relating to:
  - a. the matters set out in section 30(2) of the Control Act;
  - b. whether there has been a breach of the VIP Gaming Management Agreement by one of the parties to that agreement; and



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- c. whether there has been a breach of a condition of the Casino licence in that Crown Sydney Gaming Pty Limited (**GamingCo** or **Licensee**) did not do one or more of things required of it under section 35(2) of the Control Act.

In accordance with section 32 of the Control Act, I require Crown Resorts Limited to provide to me the following information and records:

1. All information and records described in the Schedule attached to the Notice.

#### **Compliance with this Notice**

The information and records required to be provided by this Notice must be provided by sending written correspondence to the following address within the following timeframe:

to: The Independent Liquor and Gaming Authority

at: 4pm

on: 22 August 2019

at: c/- Norton Rose Fulbright, Level 18, 225 George Street, Sydney (ref: SAA/MKS)

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Philip Crawford  
Chairperson  
Independent Liquor & Gaming Authority

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5 August 2019



## SCHEDULE TO NOTICE

### Interpretation

For the purpose of this Schedule, terms and expressions in this Schedule have the meaning given to them in the gaming and liquor legislation unless otherwise defined.

<b>Buyer</b>	means Melco Resorts & Entertainment Limited and/or MCO (KittyHawk) Investments Limited;
<b>CPH Companies</b>	includes, but is not limited to, the following companies: <ul style="list-style-type: none"> <li>• CPH Crown Holdings Pty Limited (ACN 603 296 804),</li> <li>• CPH Gaming I Pty Limited (ACN 603 295 674),</li> <li>• CPH Gaming II Pty Limited (ACN 603 295 923),</li> <li>• CPH Gaming III Pty Limited (ACN 603 296 162),</li> <li>• CPH Gaming IVA Pty Limited (ACN 603 296 537), and</li> <li>• CPH Gaming IVB Pty Limited (ACN 603 296 546);</li> </ul>
<b>Crown Companies</b>	includes, but is not limited to, the following companies: <ul style="list-style-type: none"> <li>• Crown Entertainment Group Holdings Pty Ltd (ACN 126 028 822),</li> <li>• Crown Resorts Limited (ACN 125 709 953),</li> <li>• Crown Sydney Gaming Pty Ltd (ACN 166 326 843), and</li> <li>• Crown Sydney Holdings Pty Ltd (ACN 166 326 781);</li> </ul>
<b>Crown Resorts</b>	means Crown Resorts Limited (ACN 125 709 953);
<b>Disposal</b>	means the proposed or effected disposal of share capital in Crown Resorts by the Seller to the Buyer;
<b>GamingCo</b>	means Crown Sydney Gaming Pty Ltd (ACN 166 326 843);
<b>Licensee</b>	means GamingCo as the holder of a Restricted Gaming Licence as granted by the Authority;
<b>Melco Companies</b>	means the companies listed in Annexure A to the ASX Notice of initial substantial holder (Form 603) dated 3 June 2019 and MCO (KittyHawk) Investments Limited and Melco Resorts & Entertainment Limited;
<b>Relevant Period</b>	means 1 April 2019 to the date of this Notice;
<b>Restricted Gaming Licence</b>	has the same meaning as in the VIP GMA;
<b>Seller</b>	means CPH Crown Holdings Pty Ltd (ACN 603 296 804);
<b>Share Sale Agreement</b>	means the share sale agreement between the Seller and the Buyer dated 30 May 2019; and
<b>VIP GMA</b>	means the VIP Gaming Management Agreement between the Authority, Crown Resorts, GamingCo, Crown Sydney Holdings Pty Ltd (ACN 166 326 781) and Crown Sydney Property Pty Ltd (ACN 166 326 861) dated 8 July 2014.





## Information

1. Provide the names of the persons or entities which hold a relevant financial interest in the business of the Licensee.
2. Provide the names of the persons or entities which are or will be entitled to exercise any relevant power in the business of the Licensee.
3. Provide the names of the persons or entities which hold or will hold any relevant position in the business of the Licensee.
4. Provide the names of the persons or entities identified in response to 1 or 2 which exercise a significant influence over or with respect to the management or operation of the business of the Licensee.
5. In the Relevant Period, have any of the Crown Companies or any of its directors or executive officers or any person otherwise identified in response to 1 to 4 entered into any agreement with any of the Melco Companies or any director or executive officer of the Melco Companies during the Relevant Period?
6. If yes to 5, provide the following information in relation to any agreement:
  - a. the date of the agreement;
  - b. the parties to the agreement;
  - c. whether the agreement is oral or in writing; and
  - d. if oral the substance and effect of the agreement.
7. On what date did any of the Crown Companies or any of its directors or executive officers or any person otherwise identified in response to 1 to 4 become aware of the likelihood the Share Sale Agreement would be entered into and how did they become aware?
8. On what date did any person involved in the conduct of the businesses of the Crown Companies become aware of the likelihood the Share Sale Agreement would be entered into and how did they become aware?
9. In the Relevant Period, did any person involved in the businesses of the Crown Companies meet with persons involved in the businesses of the Melco Companies?
10. If yes to 9, provide the following in relation to each meeting:
  - a. the date of the meeting;
  - b. the attendees of the meeting; and



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- c. the substance of the content of those meeting.
11. In the Relevant period, did any person involved in the businesses of the Crown Companies meet with any persons involved in the businesses of the CPH Companies?
  12. If yes to 11, did any part of the meeting relate to the subject matter of the sale of any shares held by the CPH Companies in any of the Crown Companies?
  13. If yes to 11 and 12, provide the following information in relation to each meeting:
    - a. the date of the meeting;
    - b. the attendees of the meeting; and
    - c. the substance of the content of those meeting.
  14. In the 12 month period prior to the date of this Notice, what steps were taken by Crown Resorts to ensure that it prevented the matters identified in 2.4(a)-(c) of the schedule 1 to the VIP GMA?
  15. In the 12 month period prior to the date of this Notice, did Crown Resorts conduct the searches and make the requests identified in 2.5 of the schedule 1 to the VIP GMA?

## Records

16. Records relating to the responses to the requests for information contained in the section headed "information".
17. All documents that record or evidence or refer to the content of the meetings referred to in the section headed "information".
18. All documents (including correspondence) that record or evidence discussion or contemplation of the Disposal during the Relevant Period.
19. All documents that record or evidence negotiation and preparation of the Share Sale Agreement during the Relevant Period.
20. All correspondence between the Crown Companies and Melco Companies in relation to the Share Sale Agreement or Disposal during the Relevant Period.
21. All correspondence between the Crown Companies and CPH Companies in relation to the Share Sale Agreement or the Disposal during the Relevant Period.
22. All correspondence between the Crown Resorts and GamingCo in relation to the Share Sale Agreement or the Disposal during the Relevant Period.



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23. All documents that record or evidence the contemplation or discussion of the proposed takeover or share sale transaction between CPH Companies or Crown Companies and Wynn Resorts Limited by the executives, officers or directors of Crown Companies during 2019.
24. All documents responding to or referring to the letter dated 8 July 2019 from the Authority to the Crown Companies.
25. All documents referring to the Crown Resorts ASX/Media Release dated 10 April 2019 or the matters referred to in that ASX/Media Release.
26. All documents referring to the Crown Resorts ASX/Media Release dated 31 May 2019 or the matters referred to in that ASX/Media Release.
27. Any reports to the Board, any Executive Committee, the Chief Risk Officer or any risk committee in the Relevant Period which discuss:
  - a. the matters referred to in the letter dated 8 July 2019 from the Authority to the Crown Companies;
  - b. the Share Sale Agreement;
  - c. the matters referred to in the document referred to in paragraph 25; and/or
  - d. the matters referred to in the document referred to in paragraph 26.
28. Any minutes or notes of any meeting of the Board, any Executive Committee or any risk committee which discuss the matters referred to in 27(a), 27(b), 26(c) or 27(d).

**Note:** We require that the information and records be produced electronically in their original native format. Please refer to the attached note in relation to method of production.



### **Warning and Information about this Notice**

1. You should read the Notice carefully.
2. A person who fails without reasonable excuse to comply with a requirement of a notice is guilty of any offence for which the maximum penalty is \$5,500 (section 33(1) of the Control Act).
3. A person is not excused from complying with a notice under section 32 on the ground that compliance might tend to incriminate the person. If the person claims in writing to the Authority, before complying with the Notice, that compliance might tend to incriminate the person, information provided in compliance with the Notice is not admissible in criminal proceedings against the person except proceedings for the offence of providing false or misleading information in purported compliance with the Notice.
4. If the Authority is satisfied that a person has, without reasonable excuse, failed to comply with a requirement of the Notice, the Authority may certify the failure to the Supreme Court.
5. The Supreme Court may then inquire into the case and:
  - a. order the person to comply with the requirement within a period specified by the Court; and/or
  - b. if the Court is satisfied that the person failed, without reasonable excuse, to comply with the requirement—punish the person as if the person were in contempt of the Court.
6. The Authority accepts that a valid claim of legal professional privilege is a reasonable excuse for not producing records under the Notice. Accordingly, a person is not obliged to produce under the Notice records that are covered by a valid claim of legal professional privilege. However, the Authority may accept, on a confidential basis, privileged information (or information that is claimed to be privileged) voluntarily.
7. A claim of legal professional privilege may be made by or on behalf of the holder of that privilege.
8. A person who claims legal professional privilege must establish that the privilege exists. If a person claims that the whole or part of any of the information or records that are covered by the Notice contain information which is subject to legal professional privilege, they must provide the Authority with sufficient information to allow its officers to make an informed decision about whether the claim for privilege can be supported. For that purpose, the person should complete a schedule which identifies the documents over which legal professional privilege is claimed, by individually itemising each document and providing the following information in respect of each document:



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- a. the names of all authors and recipients of the document together with their positions and employer, if any;
  - b. the date of the document;
  - c. the type of document e.g. email or letter;
  - d. the category of legal professional privilege claimed (advice privilege or litigation privilege) and the basis on which the privilege is claimed;
  - e. the name of all persons who claim the right to assert the privilege, including any third parties on whose behalf the privilege claim is made;
  - f. whether the form of the document is electronic or hard copy;
  - g. the address of the premises where the document is kept; and
  - h. whether privilege is claimed over the whole or part of the document. Please note, where only part of the document is subject to a claim of privilege, an appropriately masked version of the document must be provided to the Authority.
9. In the case of a claim of legal professional privilege on behalf of another party in respect of a document, you should also provide the following information to the Authority;
- a. the identity of the privilege holder;
  - b. the last known contact details of the privilege holder; and
  - c. an explanation of the circumstances by which the document came to be within your possession or control.
10. Unless the Authority otherwise agrees, you should provide the list to the Authority on or before the due date of the Notice.
11. The Notice should not be construed as an indication by the Authority that a contravention of the law has or has not occurred, nor should it be considered a reflection upon any person or entity.
12. If you do not have any information or records to produce in answer to the Notice, please sign a statutory declaration to that effect and provide the declaration before the due date of the Notice.
13. If you have any questions about the Notice, please contact the Authority via its legal representatives, Scott Atkins on +61 2 9330 8015 or Michael Sullivan on +61 2 9330 8886.



### **Note in relation to method of production**

1. Please note that you may comply with the Notice by producing copies of the information and records set out in the Notice rather than the original documents, unless the original documents are expressly requested.
2. If a record is not in writing, is not written in the English language, or is not decipherable on sight, you must provide a statement written in the English language and decipherable on sight containing the whole of the information in the record.
3. Records in electronic form should be produced as described below.

### **General Instructions**

4. Information or records stored as computer files or data should be provided in their original native format (i.e. the format in which they are ordinarily used and maintained during the normal course of business). **Note:** It is not acceptable to convert electronic records to any other format prior to production without approval by the authority.
5. Computer files need to be provided with all original related metadata intact and also with the original location and name of the file.
6. If the original format is not a commercially or generally available format then the records should, in discussion with the Authority, be converted to a more usable electronic format which can be readily accessed by the Authority.
7. Records should be produced on USB or via email.
8. A production must include all family documents (e.g. email attachments, embedded files and host emails) in order to be complete. Attachments are to remain embedded within their host documents.
9. No content within the production should be encrypted, other than to secure the data in transit to the Authority. Where data is encrypted, passwords to decrypt that data must also be provided to the Authority.

### **Emails and Chats**

10. Where information or records are kept in an email system the records should be exported in that system's native export format or an acceptable intermediate format. For the avoidance of doubt, the following types of emails and chats can be provided as follows:



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- a. Microsoft Exchange emails - PST file (one per "Custodian") or converted into properly formed MSG or EML files;
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  - c. Reuters - PST file (one per "Custodian") or individual native MSG files; and
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11. Production of emails and chat from any other systems should be discussed with the Authority prior to production.

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12. Audio files from telephone recording systems should be provided with additional relevant call information metadata in a delimited text format or alternative format acceptable to the Authority.
13. The metadata should include its date, time, length, caller name and phone number, called name and telephone number and filename of audio file.

#### **Audio and Video Files**

14. Audio and video files must be produced in a format that is playable using Microsoft Windows or VLC Media Player. The Authority may call for codecs or other software to enable access to the files.

#### **Document or Content Management Systems**

15. Where records which are stored in a document, content or any other type of electronic system (other than litigation support systems mentioned below in paragraphs 17 and 18) the Authority may call for metadata to be provided from that system which is relevant to the records produced.

#### **Databases**

16. Where records are stored as data in a database, for example, a financial accounting system, it may be appropriate for a copy of the records to be provided by way of an extract of data from the database or in some circumstances, by way of a report. Where that is done, the data or report extracted should be given a meaningful name and folder location which identifies the data content.



### **Litigation Support software**

17. Where records are stored by you electronically in a litigation support system, the Authority may, at its discretion, and in the interests of efficient document management, allow you to produce copy records from that system in place of the native originals referred to above at General Instructions.
18. Production from a litigation support system must be in accordance with a protocol that will be provided by the Authority. The protocol will require that the original metadata requested in paragraph 5 is provided as part of the production. The Authority retains the right to call for those records in their original file format and to limit production via this method if it chooses.

### **Other Applications**

19. If you need to produce electronic records not falling into the above categories, it is invited to discuss the format of production with the Authority.





**AGENDA ITEM 6:**  
Insurance Matters



## Risk Management Committee

### Memorandum

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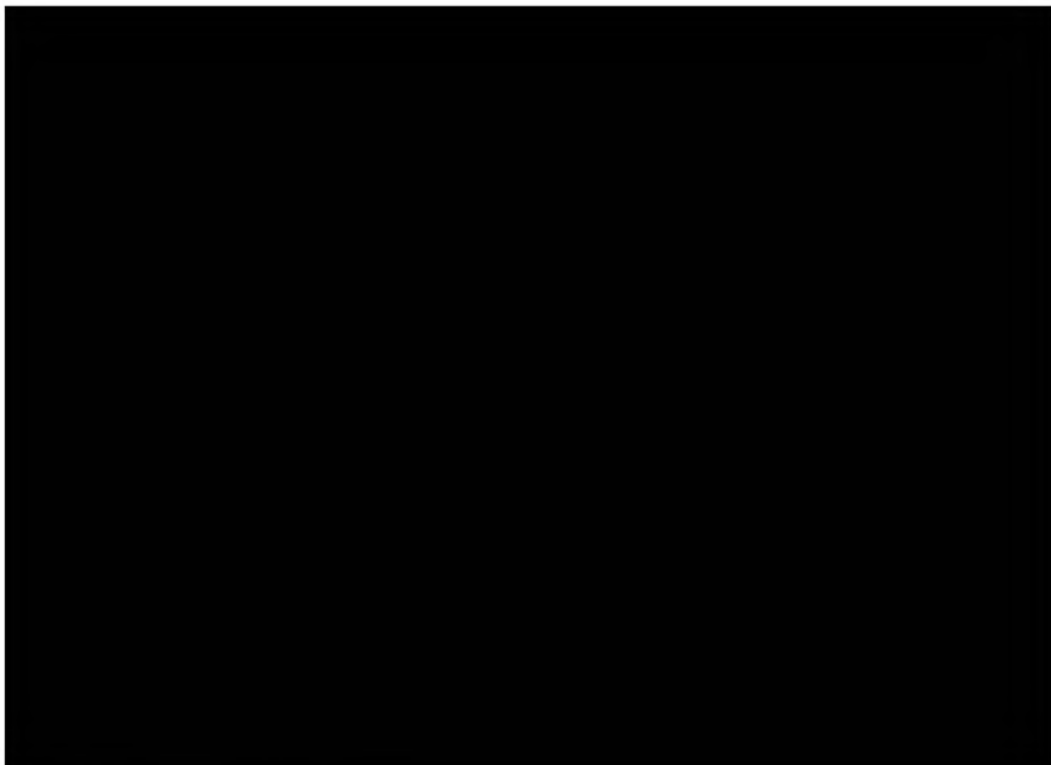
**To:** Risk Management Committee

**From:** Mary Manos

**Date:** 6 August 2019

**Subject:** Insurance Broker

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Mary Manos  
**General Counsel and Company Secretary**

















**AGENDA ITEM 7:**  
Other Business



## Risk Management Committee

### Memorandum

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**To:** Risk Management Committee  
**From:** Mary Manos  
**Date:** 6 August 2019  
**Subject:** Executed Contracts Register

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Dear Committee Members

At the last meeting of the Committee, the Committee considered a formal Delegations Policy for the Company and recommended the Delegations Policy for approval by the Board. The Board subsequently approved the Delegations Policy at its meeting on 12 June 2019.

Having regard to the increase in the delegation, the Committee requested that it be provided with an executed contracts register at each of its meetings for contracts between the value of \$5 million and \$10 million so that the Committee can monitor the change in delegated authority.

There were no contracts executed between 1 June 2019 and 31 July 2019 with a value of between \$5 million and \$10 million.

Kind regards

Mary Manos  
**General Counsel and Company Secretary**

7.1



## Risk Management Committee

### Memorandum

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**To:** Risk Management Committee  
**From:** Mary Manos  
**Date:** 6 August 2019  
**Subject:** Directors' Statutory Report – Risk Disclosure – PRIVILEGED AND CONFIDENTIAL

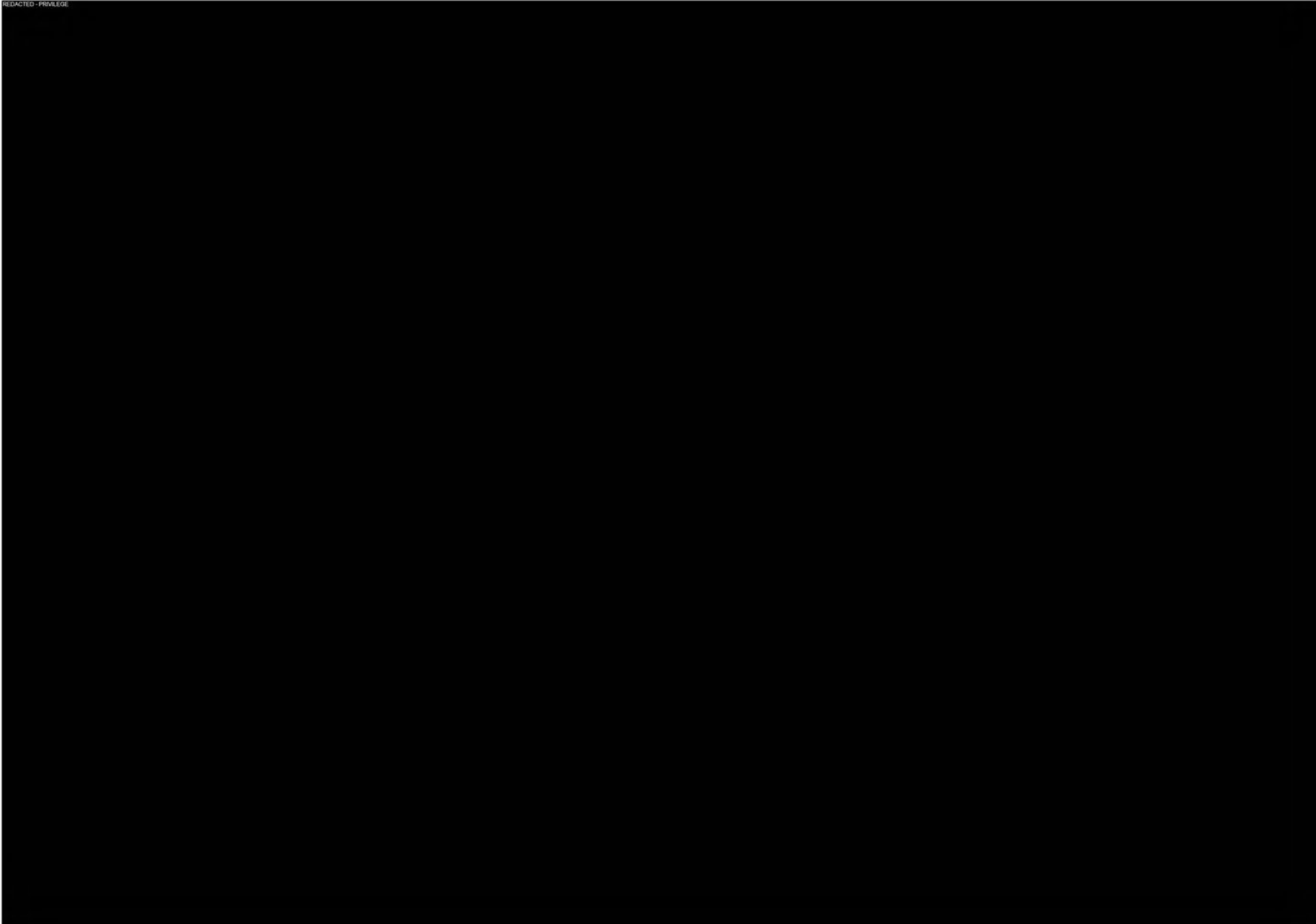
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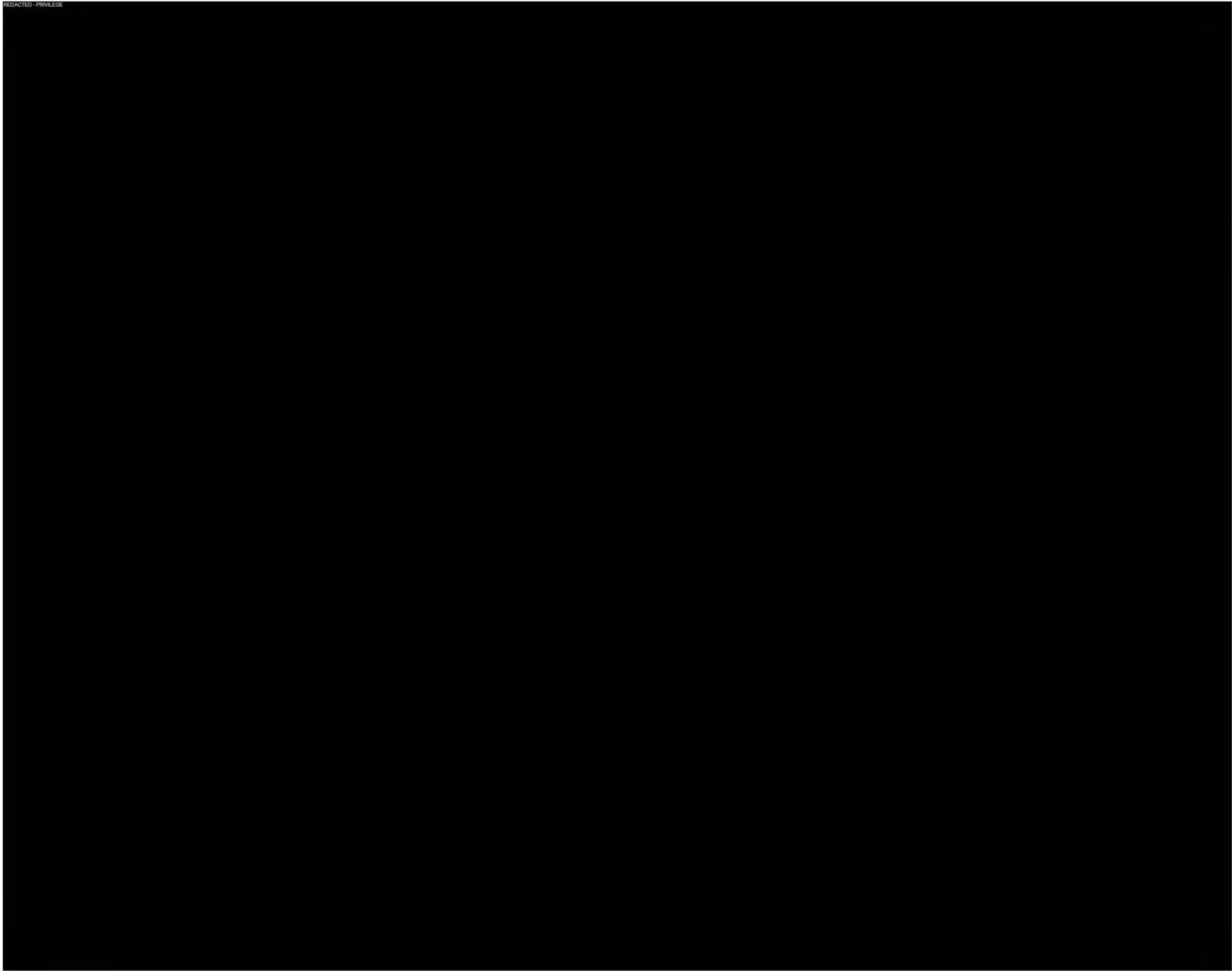
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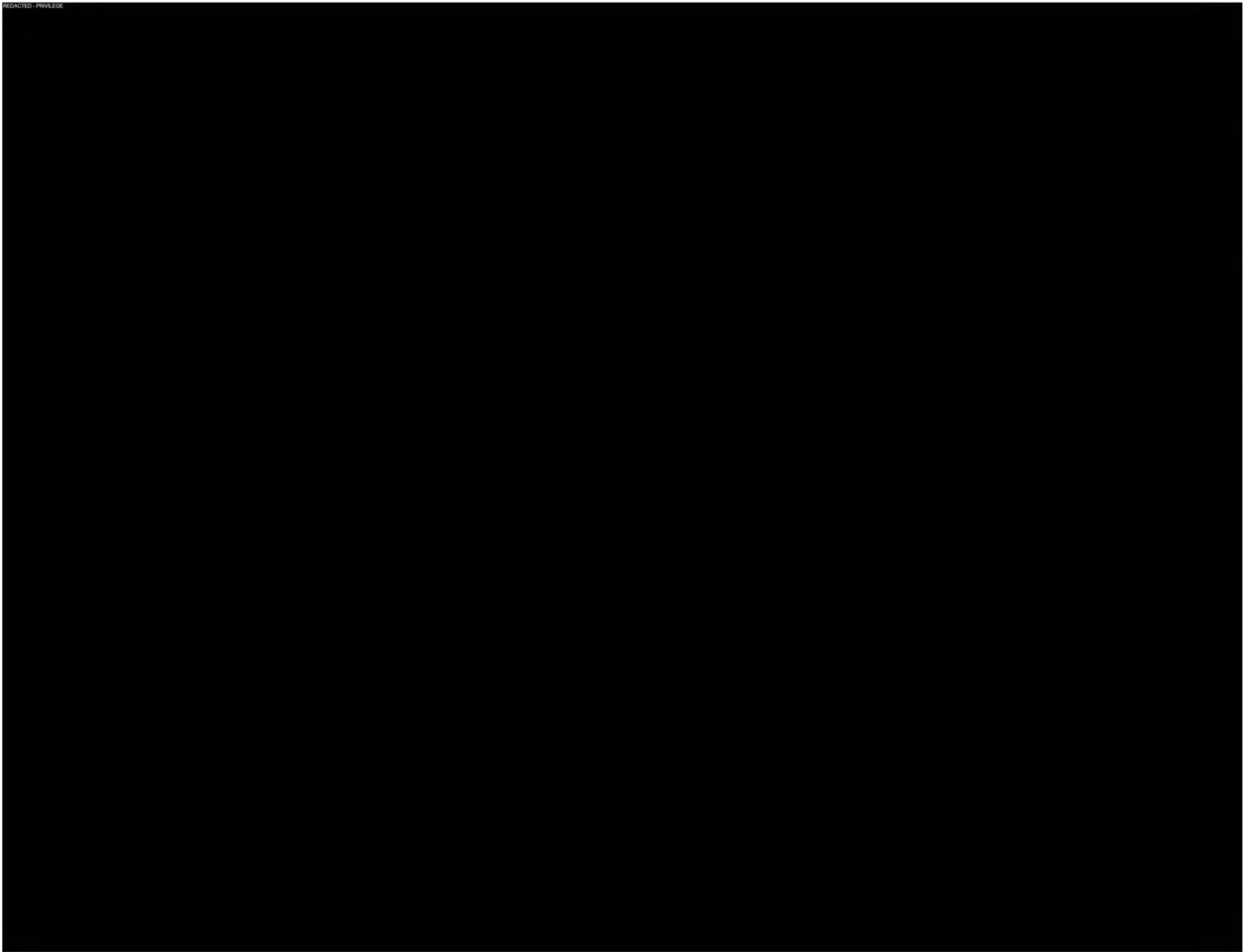
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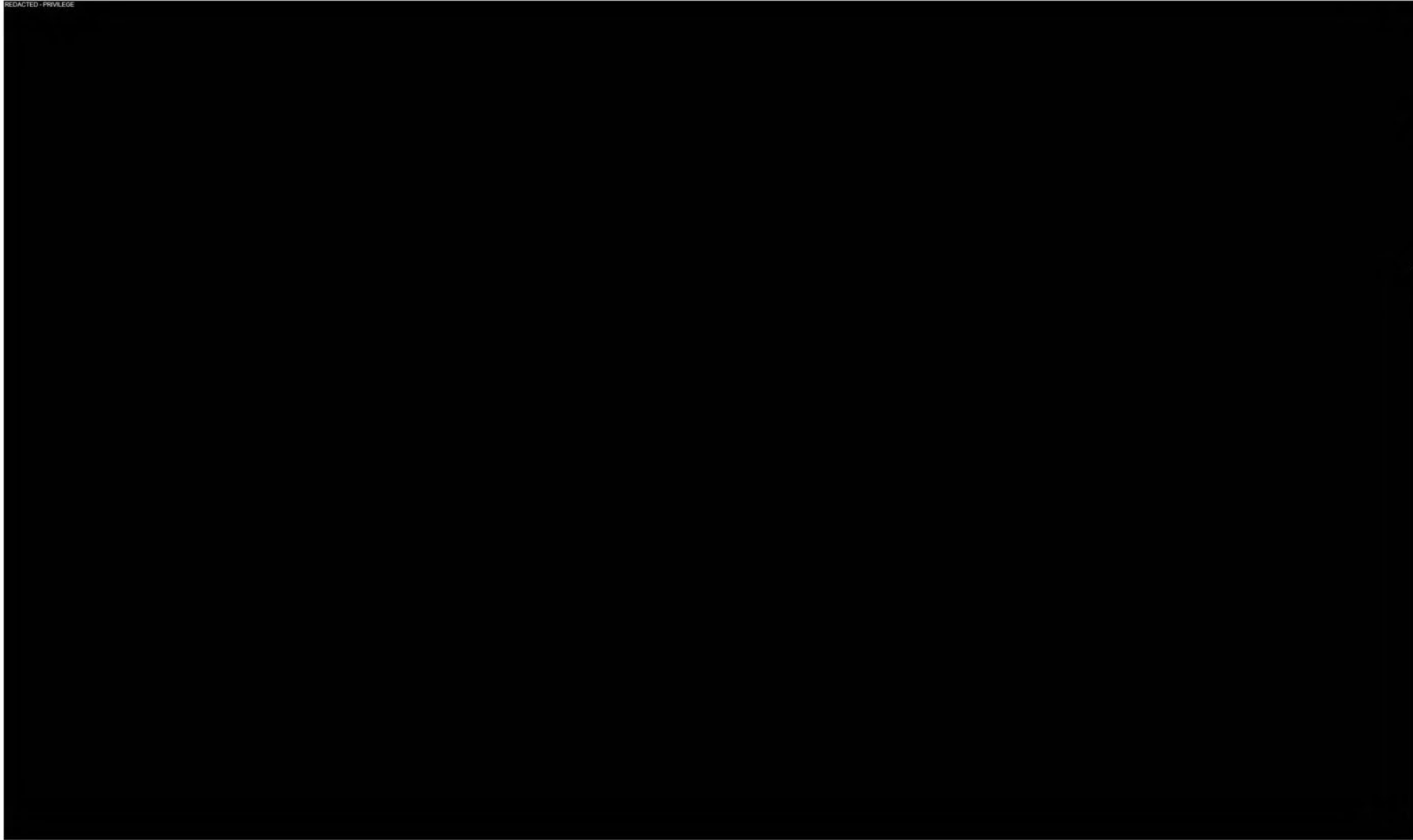


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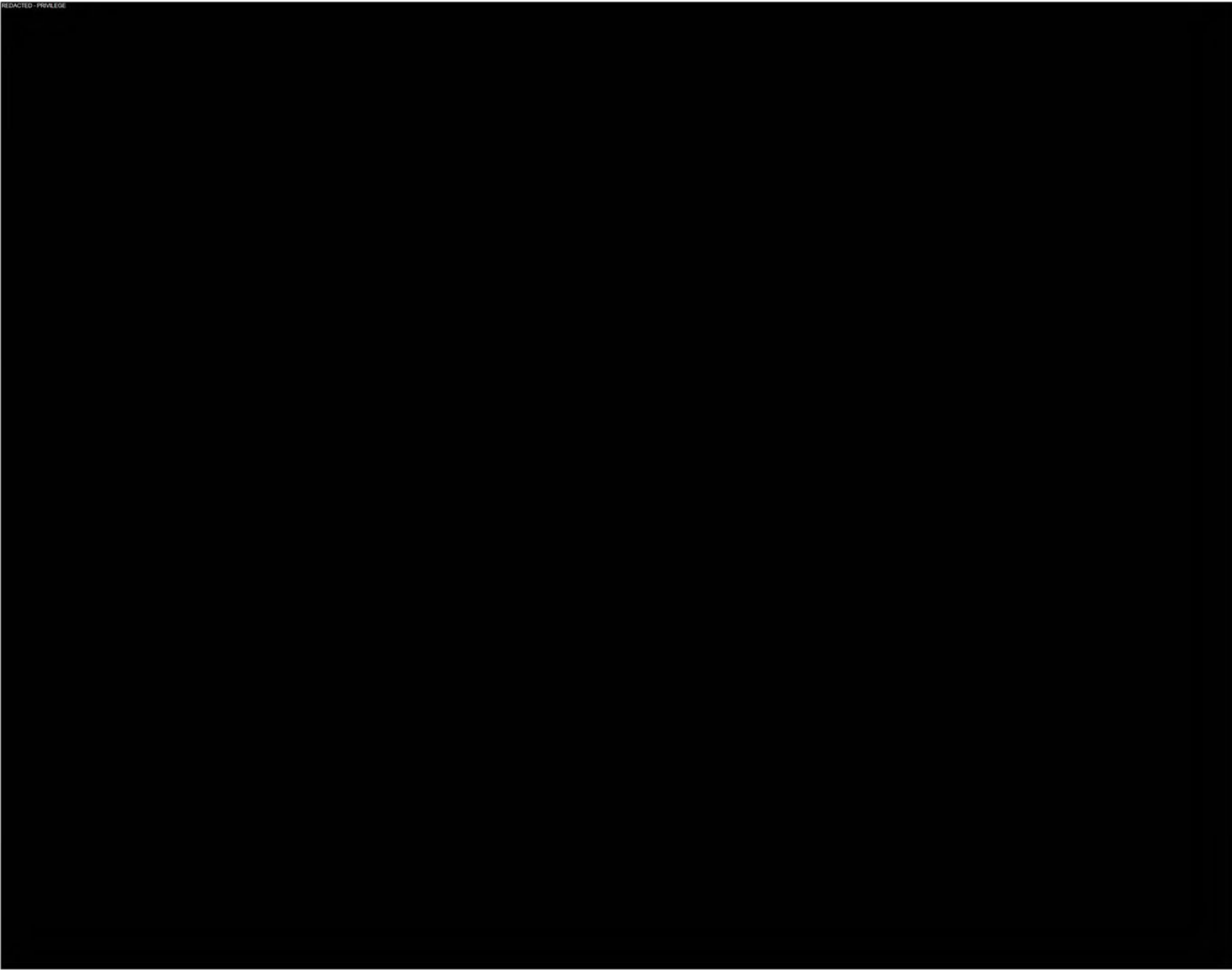
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7.2



## Risk Management Committee

### Memorandum

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**To:** Risk Management Committee  
**From:** Mary Manos  
**Date:** 6 August 2019  
**Subject:** **Future Meetings**

---

Dear Committee Members

The final Committee meeting for 2019 is scheduled as follows:

Meeting Date	Time
Wednesday, 4 December	10.00am

The meeting will be held in the Chairman's Office, Level 3, Crown Towers.

Kind regards

Mary Manos  
**General Counsel and Company Secretary**

7.3