



CROWN

**Financial Crime &
Compliance
Board Pack**

Strictly Confidential

24 May 2021



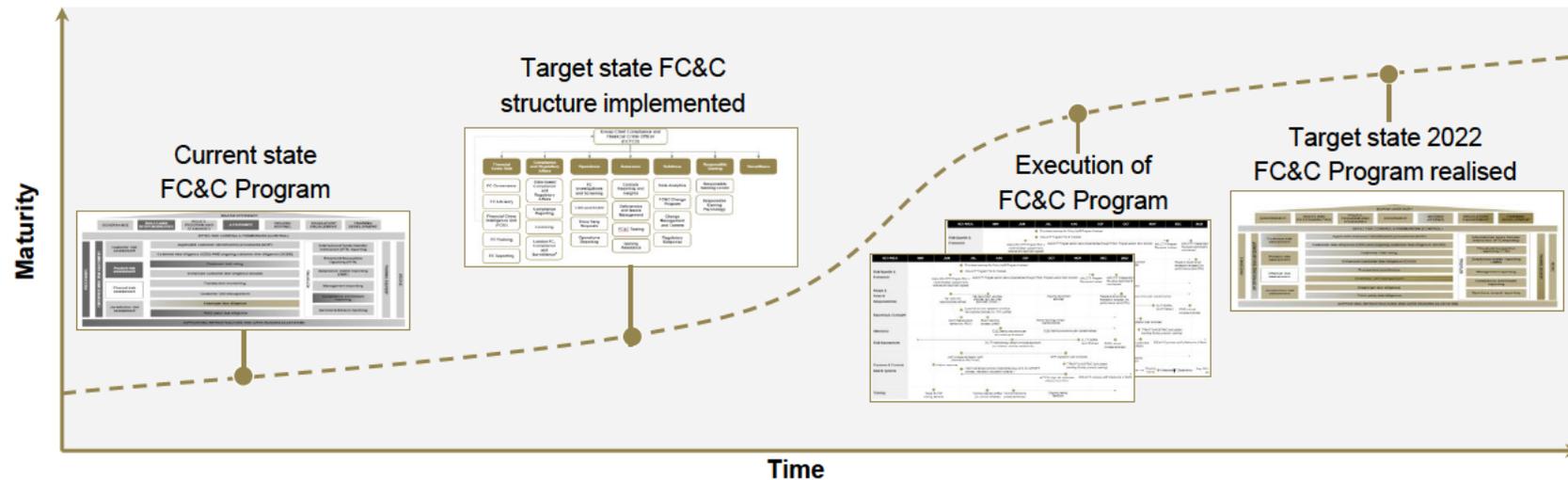
Introduction

Strictly confidential

This deck* sets out details of the Chief Compliance and Financial Crime Officer's ("CCFCO") assessment of the current state of maturity of Crown's[^] financial crime and compliance programs. It also sets out the CCFCO's proposals for enhancing and uplifting those programs through the Financial Crime and Compliance ("FC&C") Change Program.

To assess the current state of maturity of Crown's financial crime and compliance programs, the CCFCO reviewed the key components of both programs with a particular focus on capacity and capability, risk appetites and assessments, policy frameworks, reporting, oversight, assurance, training, roles and responsibilities, customers and controls, data and systems. Each of these elements were considered in the context of other reporting entities, regulatory requirements and regulator expectations. The results of the assessment are included at slides 4 through 8 of the deck. Overall, the CCFCO regards Crown's current financial crime and compliance programs to be largely **foundational**.

To enhance and evolve Crown's financial crime and compliance programs, the CCFCO has proposed the FC&C Change Program. The FC&C Change Program contemplates significant changes across all core elements of Crown's financial crime and compliance programs. Managed like a project, The FC&C Change Program will be broken into a number of workstreams, each with their own milestones, dependencies and objectives. The timelines contemplated for each workstream are set out in GANTT charts at slide 28. Should the FC&C Change Program be supported and successful, we will achieve the aspirational target maturity state set out in slide 11 by 31 December 2022, with several outcomes delivered prior to that date.



*This deck should be read in conjunction with the Paper the CCFCO presented to Crown's Board of Directors on 24 May 2021 related to the same subject matter

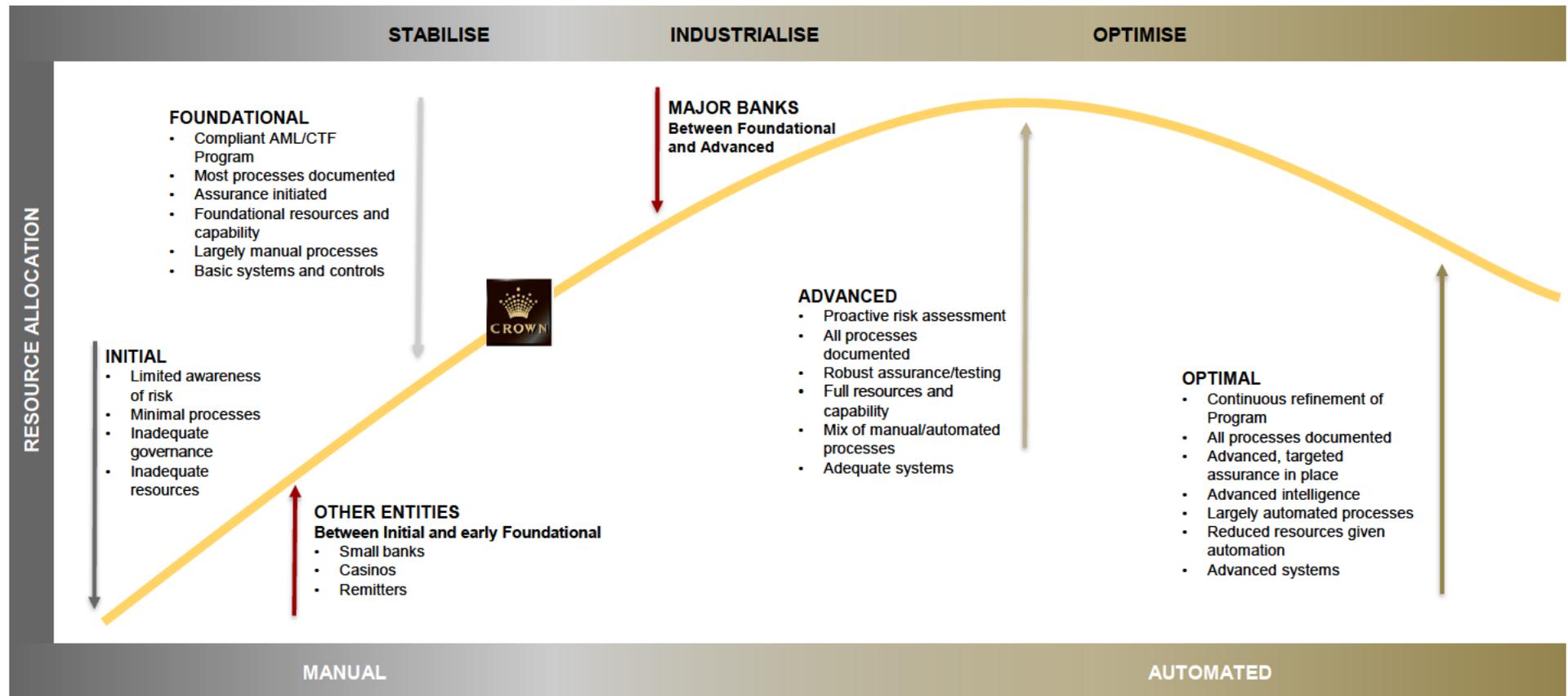
[^]Crown Resorts Limited and its relevant domestic subsidiaries

FC&C Maturity Assessment

FC Ecosystem – Maturity Arc

Strictly confidential

The maturity of the financial crime programs at Australia's reporting entities vary greatly based primarily on the investment that has been made to evolve the programs. While entities like CBA have relatively advanced programs, many others fall somewhere between 'initial' and 'foundational'. Crown's financial crime program has evolved considerably in the last 1.5 years, but many elements of the program require further uplift. Ongoing investment will empower Crown to industrialise and optimise its program, moving towards greater coverage and automation. Applying a risk-based approach, Crown may not seek to reach "Optimal" for all elements of its financial crime program. The banks, in particular, aspire to uplift to Optimal, but none of them have yet. While the banks' aspirations may influence our approach, they do not necessarily represent an appropriate path for Crown as it is a different type of reporting entity. Our plan is distinct from the plans typically deployed at the banks.

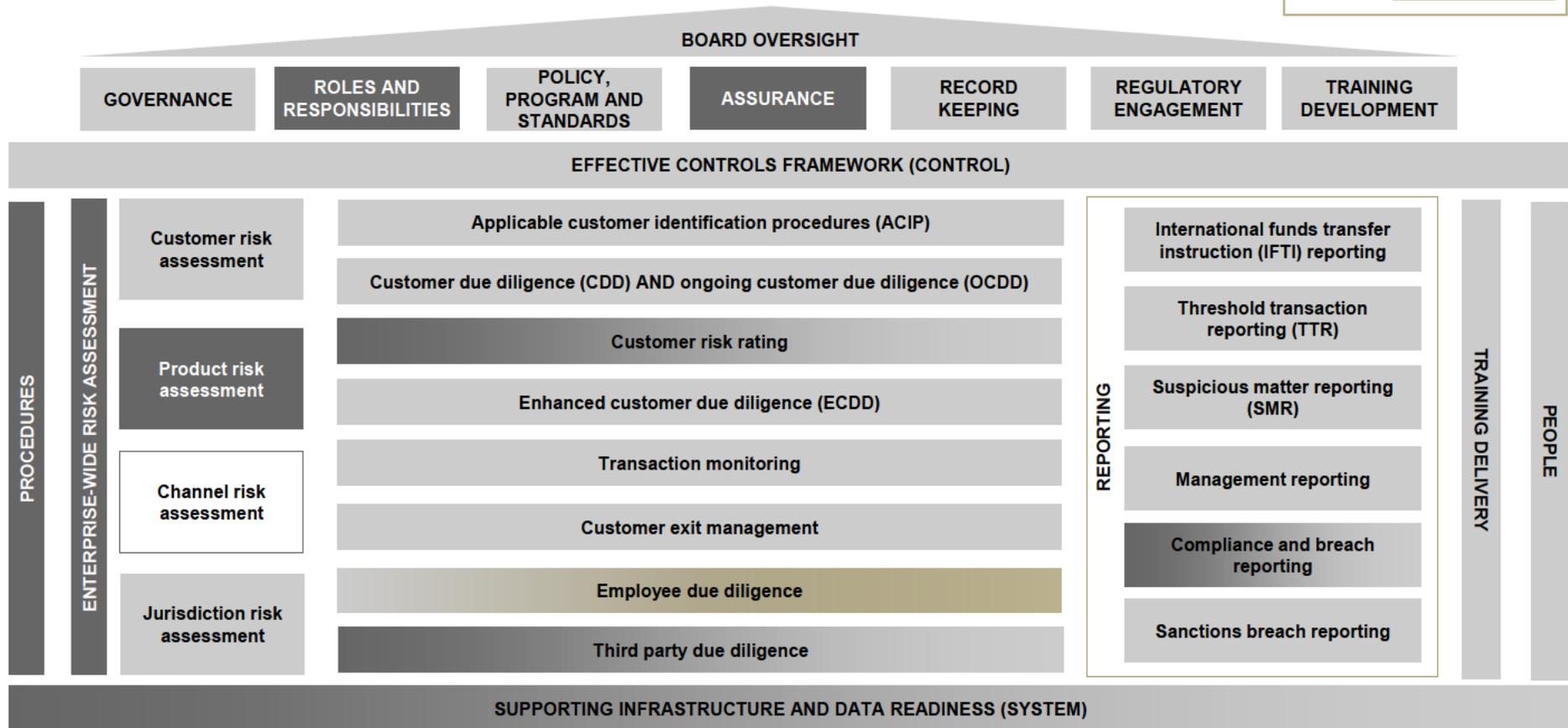


FC Ecosystem – Current State Maturity (31 May 2021)

Strictly confidential

This 'house' diagram contains all of the key elements required for a financial crime program. I've assessed each element of Crown's current financial crime program and shaded the elements below according to my perception of their current level of maturity. As noted in the previous page, in aggregate I believe Crown is 'foundational' on the overall maturity arc, with a number of components being 'foundational' or transitioning from 'initial' to 'foundational'.

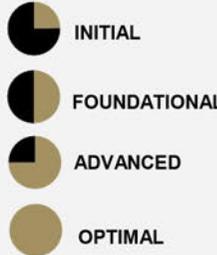
| | |
|------------------------------|--------------|
| Maturity Level: | INITIAL |
| | FOUNDATIONAL |
| | ADVANCED |
| | OPTIMAL |
| N/A based on current actions | |



FC&C Programs – Detailed Current State Maturity

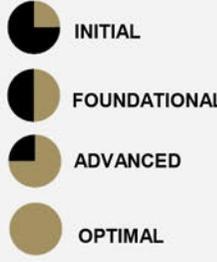
Strictly confidential

The table below and on the following two slides provides a more detailed look at the key components of Crown’s financial crime and compliance programs, providing a current state assessment of the maturity of each.

| Component | Current state | Crown maturity | Key |
|--|---------------|----------------|---|
| Joint AML/CTF program | [Redacted] | [Redacted] |  |
| People and governance | | | |
| Enterprise-wide risk assessment (EWRA) | | | |
| Transaction monitoring | | | |

FC&C Programs – Detailed Current State Maturity

Strictly confidential

| Component | Current state | Crown maturity | Key |
|--|--------------------|----------------|--|
| Financial crime training | [Redacted Content] | |  <ul style="list-style-type: none">  INITIAL  FOUNDATIONAL  ADVANCED  OPTIMAL |
| Enhanced customer due diligence (ECDD) | | | |
| Employee due diligence | | | |
| Patron account controls | | | |

FC&C Programs – Detailed Current State Maturity

Strictly confidential

| Component | Current state | Crown maturity | Key |
|-----------------------|--------------------|----------------|--|
| Regulatory engagement | [Redacted Content] | |  INITIAL |
| Licensing | | |  FOUNDATIONAL |
| FC&C assurance | | |  ADVANCED |
| FC&C technology | | |  OPTIMAL |

Financial Crime & Compliance (FC&C) Change Program

FC&C Change Program - Introduction

Strictly confidential

The FC&C Change Program will focus on ten key areas for uplifting Crown's financial crime and compliance programs.



People

- Introducing further FC&C capability and capacity to drive evolution



Assurance

- Introducing robust second line of defence assurance to test and confirm program effectiveness



Risk Appetite

- Clarifying Crown's risk appetite statements with respect to FC&C



Training

- Introducing victim-focused financial crime training
- Introducing annual Board/senior management training



Frameworks

- Improve FC&C frameworks and document hierarchy



Roles & Responsibilities

- Clarifying roles and responsibilities across Crown
- Introducing FC&C key performance objectives for all



Risk Assessments

- Improving Crown's FC risk assessment methodologies and enterprise wide risk assessment



Customers & Controls

- Introducing new controls, including reduced cash thresholds, to reduce risk/better identify customers



Reporting & Oversight

- Improving FC&C risk reporting
- Introducing new financial crime oversight committees



Data & Systems

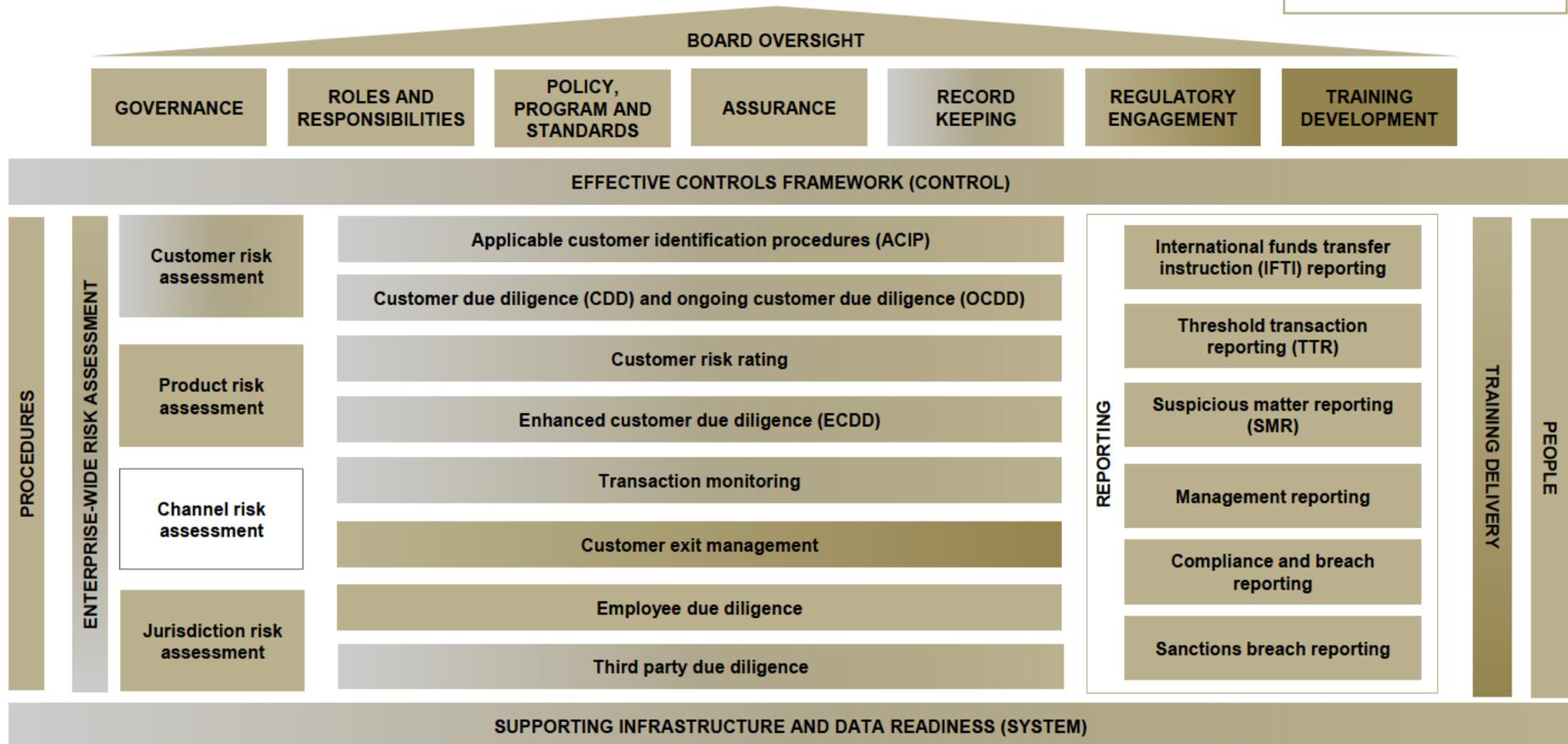
- Introducing data analytics to increase efficiencies and improve outputs
- Enhance or replace basic FC&C systems

FC Ecosystem – Future State Maturity (31 Dec 2022)

Strictly confidential

To achieve a target of ‘advanced’ financial crime maturity by 31 December 2022, significant investments will be required with respect to capability, capacity, systems/infrastructure and the underlying processes, all of which are contemplated under the FC&C Change Program. Subject to approval of the FC&C Change Program and consistent funding, the following diagram represents the level of maturity for are targeting for each element of the financial crime program by 31 December 2022.

| | |
|------------------------------|--------------|
| Maturity Level: | INITIAL |
| | FOUNDATIONAL |
| N/A based on current actions | ADVANCED |
| | OPTIMAL |



FC&C Change Program - People

Strictly confidential

To drive the evolution of the financial crime and compliance functions at Crown, additional capacity and capability is required. Additionally, the structure of the existing teams must be changed in order to focus resources and expertise on specific outcomes. While a number of new resources are required, other resources will be shifted from the existing teams to the new teams to create greater efficiencies. The proposed structure is depicted on the following slide, with the aggregate numbers and associated costs listed on slide 14. Specifically, the new structure contemplates the following:

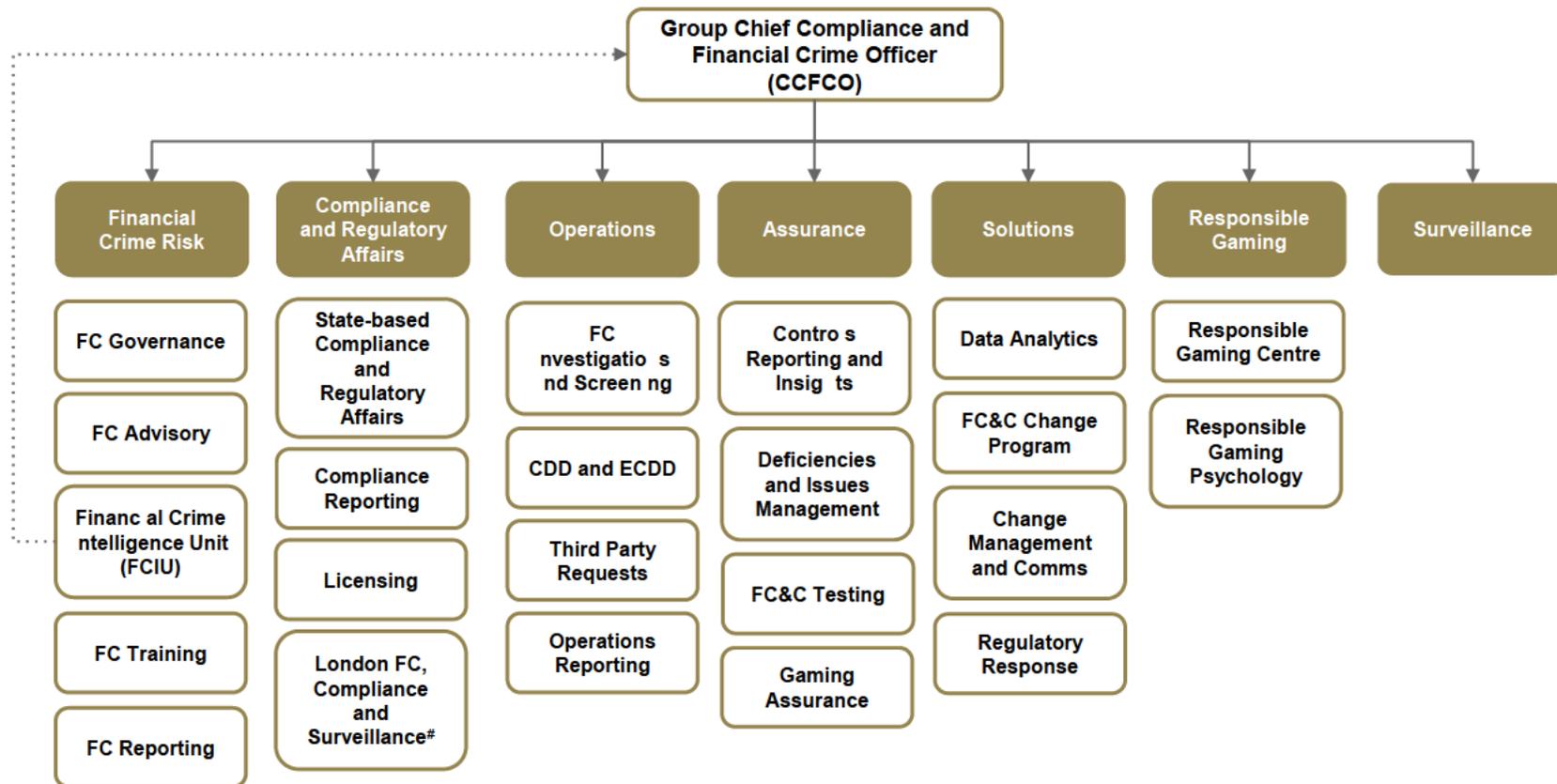
| | |
|--------------------------|--|
| Financial Crime Risk | A dedicated Financial Crime Risk team focused on building and maintaining the financial crime program, providing advice and training to the business, establishing and maintaining risk methodologies and assessments and developing intelligence and criminal typologies to improve the detection and reporting of financial crime. Six existing team members will be supplemented by 14 new FTE for a total of 20 FTE. For further detail, see slide 32. |
| Compliance & Reg Affairs | Maintaining the existing Compliance and Regulatory Affairs team, with an additional four FTE to support the existing functions of the team, allowing the senior team members to focus on regulatory engagement and relationship-building. With five current members of the Compliance team shifted to other teams, the result will be a reduction in the Compliance team by 1 FTE for a total of 35 FTE (this includes 14 FTE in the London team which will remain unchanged). For further detail, see slide 33. |
| FC&C Operations | Introducing a new FC&C Operations team to support both the Financial Crime Risk and Compliance and Regulatory Affairs teams by bringing together and growing the existing financial crime operations team, the existing third party requests team (currently under the Compliance team) and introducing a new Know Your Customer (KYC) team. Building on 14 existing FTE, this team will be supplemented by 16 FTE for a total of 30 FTE, with the additional FTE largely focused on expanding the financial crime investigations function to manage significantly increased alert volumes and customer due diligence. For further detail, see slide 34. |
| FC&C Assurance | Introducing a new FC&C Assurance team to support the Financial Crime Risk, Compliance and Regulatory Affairs, and Responsible Gaming teams. This team will focus on a material gap in Crown's approach to managing financial crime and compliance risk by providing assurance, testing and deficiency management. 12 new FTE will supplement the existing four FTE for a total of 16 FTE. For further detail, see slide 35. |
| FC&C Solutions | Introducing a new FC&C Solutions team to support the Financial Crime Risk, Compliance and Regulatory Affairs, and Responsible Gaming teams. This team will support the other teams through a shared data analytics function, technology oversight and evergreen technology improvement and change management and communication. Nine FTE will join the existing one FTE on this team for a total of ten FTE. For further detail, see slide 36. |

Note that this proposal contemplates growth only for the Financial Crime and Compliance functions. Certain elements of the FC&C Change Program will be dependent on other groups within Crown having sufficient resources to support all of the proposed changes. I am informed by Ben Briggs, Group GM Procurement and Supply, that two additional resources may be required, and I anticipate that Technology will also require additional resources to support the proposed changes.

FC&C Change Program - People

Strictly confidential

The FC&C Team will be structured as a group function with six specialist teams reporting to the Group Chief Compliance and Financial Crime Officer. Each of these specialist teams will be responsible for key functions as set out below.



#The London FC, Compliance and Surveillance roles and reporting structure remain unchanged (i.e. they will remain as part of the Compliance and Regulatory Affairs team).

FC&C Change Program - People

Strictly confidential

The tables below set out existing FTE counts by team and by level across the existing and proposed financial crime and compliance teams. Also included are the anticipated costs based on current market conditions in the financial crime and compliance spaces in Australia. Further information with respect to market rates are included in the following slide.

FTE Summary by Team

| Team | Existing FTE | Internal movement | Proposed FTE | Proposed total | TPV [^] associated with proposed FTE | Estimated total TPV [^] | Estimated total on-costs [*] |
|-------------------------------|--------------|-------------------|--------------|----------------|---|----------------------------------|---------------------------------------|
| Financial Crime Risk | 7 | +1 -2 | 14 | 20 | \$2.29m | \$3.91m | \$0.89m |
| Compliance and Reg Affairs | 36 | -5 | 4 | 35 | \$0.47m | \$5.21m | \$1.19m |
| Operations | 13 | +1 | 16 | 30 | \$2.45m | \$4.34m | \$0.99m |
| Assurance | 0 | +4 | 12 | 16 | \$1.78m | \$2.42m | \$0.55m |
| Solutions | - | +1 | 9 | 10 | \$1.66m | \$1.82m | \$0.41m |
| Total | 56 | - | 55 | 111 | \$8.65m | \$17.69m | \$4.03m |
| Total TPV and on-costs | | | | | | \$21.72m | |

[^]The estimated total TPV does not include annual incentive.

^{*}Additional on-costs include travel, training, professional memberships, mobile devices etc, these will fluctuate depending on role and are estimated at 22.8% of TPV.

^{**}Temporary roles described on slide 36.

FTE Summary by Level

| Level | Existing FTE | Proposed FTE | Proposed total |
|---------------------------------------|--------------|--------------|----------------|
| Group Executive General Manager (EGM) | 1 | 2 | 3 |
| Group General Manager (GM) | 0 | 5 | 5 |
| GM | 4 | -1 | 3 |
| Group Senior Manager (SM) / Head Of | 4 | 1 | 5 |
| SM / Head Of | 1 | 1 | 2 |
| Manager | 12 | 12 | 24 |
| Senior Analyst | 6 | 18 | 24 |
| Analyst / Coordinator | 21 | 15 | 36 |
| Officer | 7 | 2 | 9 |
| Total | 56 | 55 | 111 |
| Temporary Roles^{**} | - | 10 | 10 |
| Total | 56 | 65 | 121 |

FC&C Change Program - People

Strictly confidential

FC&C Remuneration

Unlike other functions at Crown, the market for resources in the financial crime and compliance space exists largely at other large reporting entities like banks and professional services firms. The heated competition for finite resources in both financial crime and compliance over the last four years have seen average remuneration rates increase significantly. As Crown doesn't benchmark remuneration against banks and other large reporting entities or professional services firms*, Crown has fallen significantly behind the market in both financial crime and compliance. If we wish to attract the right talent for the new roles, we will need to be prepared to meet market rates. Paying market rates will also reflect the culture we are trying to instill by representing the value we place on the roles. The following table reflects current market rates.

| Level | FC&C Market | | Crown's Averages |
|-------------------------|-------------|-------------|------------------------|
| | Base \$'000 | Incentive % | TPV (FC / C&RA) \$'000 |
| EGM | | | |
| Group GM | | | |
| Group SM / SM / Head Of | | | |
| Group Manager / Manager | | | |
| Senior Analyst | | | |
| Analyst / Coordinator | | | |

In addition to posting at current market rates, Crown should consider recalibrating the remuneration for existing employees in financial crime and compliance in order to retain critical staff with deep institutional knowledge and experience.

**According to Crown HR, Crown uses the Mercer survey to benchmark, which excludes large reporting entities and professional services firms*

FC&C Change Program - Risk Appetite

Strictly confidential

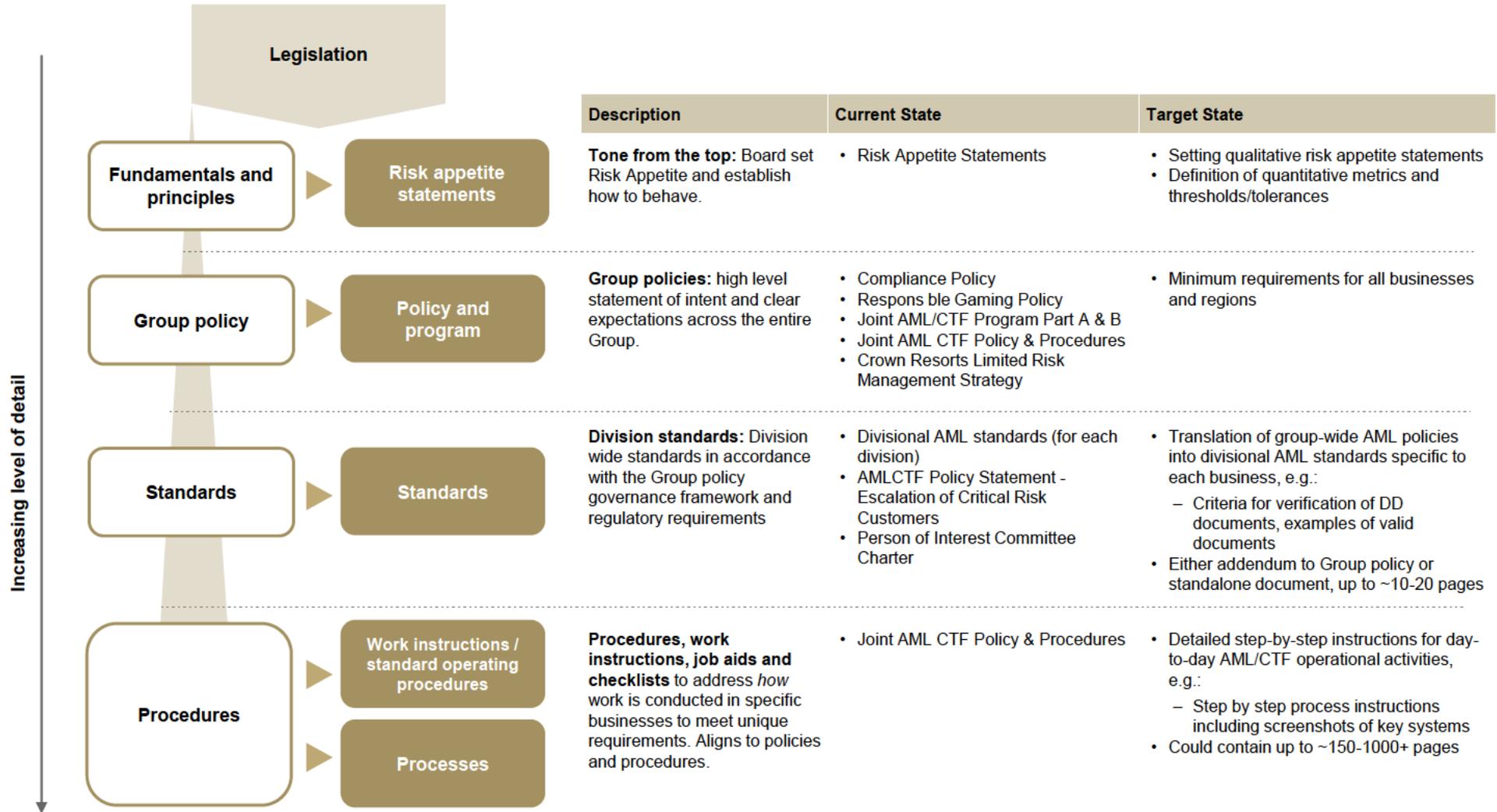
Risk appetite best practice: Overall Risk Appetite (RA) outcomes need to be backed by RA metrics, thresholds and tolerances to enable measurement of and practicable reporting on RA.

| | Description | Strategy | Controls | Customers | Products |
|--|--|---|---|--|--|
| | <ul style="list-style-type: none"> Qualitative risk appetite statements articulate the strategic imperatives for FC Risk management, e.g. "Crown has no appetite to [...] Crown has no appetite to intentionally act in violation of applicable [...] laws " Qualitative statements for Crown are required for all FC risk types. Scope of this document refers to AML/CTF and Sanctions risk | <p>Crown has no appetite to intentionally act in violation of applicable money laundering or terrorism financing laws and will not tolerate any repeated unintentional or accidental breaches</p> | <p>Crown has no appetite to engage in business where the risk cannot be adequately managed with systems and controls</p> | <p>Crown has no appetite to conduct business with any counterparts that may be known or subject to being involved in criminal activity (e.g. charged with ML)</p> | <p>Crown has no appetite not offer any products or provide any advice that may not be fully in line with AML relevant legislation</p> |
| | <ul style="list-style-type: none"> The incorporation of risk appetite metrics is required to: <ul style="list-style-type: none"> Guide business activity to ensure it is aligned with the qualitative statements Enable Crown to identify, assess and manage risk appetite by monitoring business adjustments through business planning cycles; Identify business decisions required to mitigate risk and ensure effectiveness through continuous monitoring. | <p>Enable Crown to identify, assess and manage risk appetite by setting qualitative risk appetite statements and quantitative metrics</p> | <p>Controls are designed on a risk-basis to review the design adequacy and operational effectiveness of the controls put in place to manage and mitigate the risks of non-compliance with the RA</p> | <p>Examples include:</p> <ul style="list-style-type: none"> # of SMRs # of delayed SMRs # (%) of clients with multiple SMRs % of high risk clients % of medium risk clients | <p>Examples include:</p> <ul style="list-style-type: none"> % of clients using high risk products # of conditional product approvals |
| | <ul style="list-style-type: none"> Risk appetite tolerances need to be determined for each metric to facilitate reporting and determine when escalation and action is required | <p>FC thresholds defined and provide division specific tolerances that provide business-specific Risk Setting Statements (RSS) that allow for reporting and monitoring and escalation where appropriate</p> | <p>Thresholds/tolerances for the risk appetites need to be defined</p> | | |
| | <ul style="list-style-type: none"> Risk appetite metrics are reported on a regular basis. For reporting purposes, standard Red, Amber, Green (RAG) statuses should be assigned to each metric to track the current risk profile. The RAG statuses can based on the Risk Appetite and determined tolerance. | <p>Reporting of key metrics for FC risks, indicating if Crown operates within risk appetite (Group and division/value chain view)</p> | <ul style="list-style-type: none"> Controls testing results Report on thematic reviews conducted Assurance team (if required) Overview of required regulatory reporting, e.g. SMRs, TTRs, IFTIs etc. | <ul style="list-style-type: none"> Operational performance FC metrics for each key activity Deep dives to hot topics/key issues incl. mitigation actions and future trends | <ul style="list-style-type: none"> Operational performance FC metrics for each key activity Deep dives to hot topics/key issues incl. mitigation actions and future trends |

FC&C Change Program - Document Framework

Strictly confidential

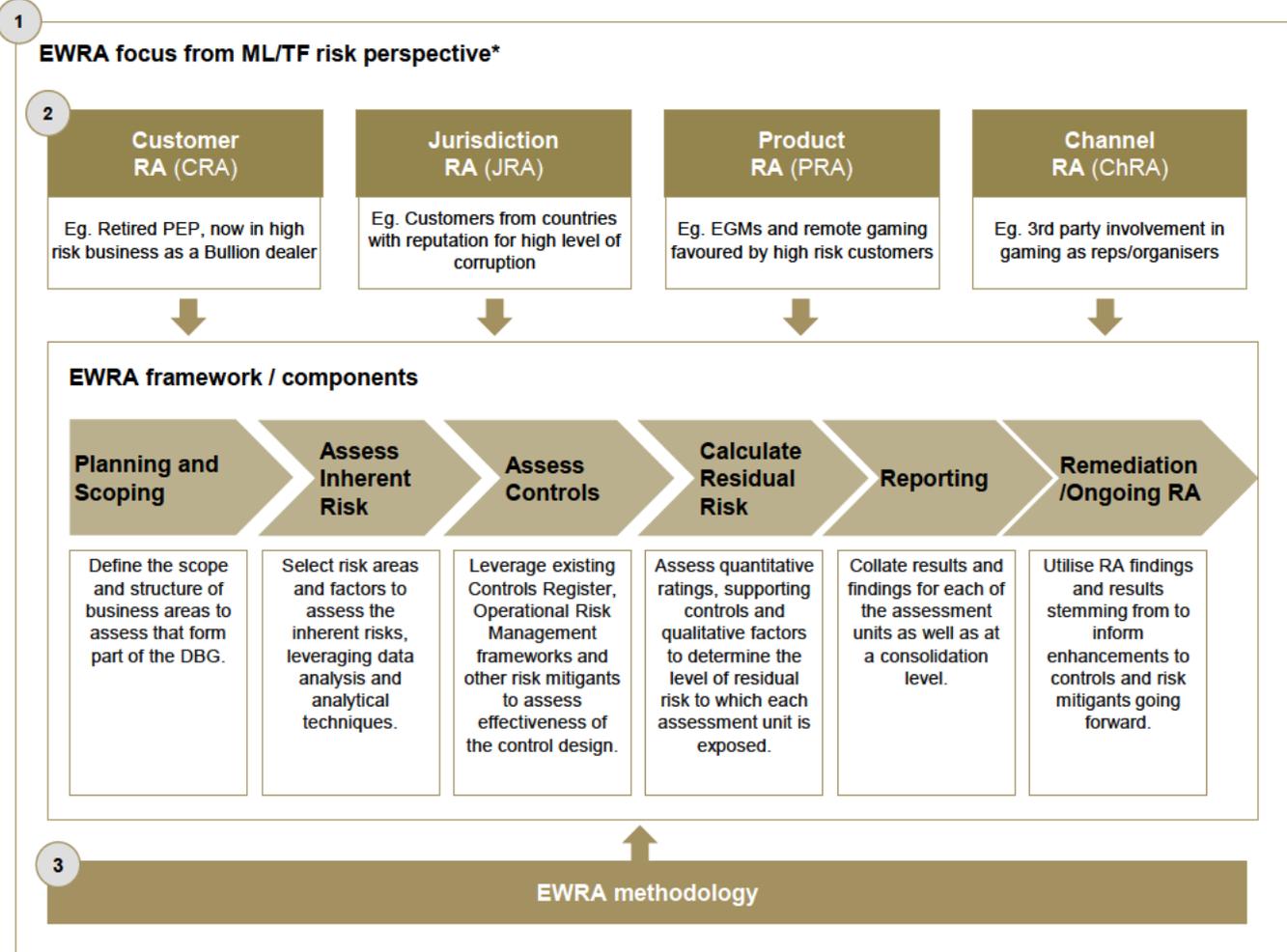
Crown will establish a contemporary, centralised policy hierarchy that will be consistent across properties that is driven by legislation with a clear risk appetite statement and group policies to set consistent expectations on practices to be met across the Group.



FC&C Change Program – ML/TF Risk Assessment

Strictly confidential

The ML/TF Risk Assessment (RA) framework and methodology take into account four key risk elements, considered across each of Crown’s DBG Reporting Entities, to inform the Enterprise Wide Risk Assessment (EWRA).



Key EWRA uplifts :

- 1 RA Framework Design**
 - Refreshed RA framework design to achieve risk-based target model redefining:
 - Design principles
 - Governance structures
 - Scope and approach
 - Achieving stronger alignment with regulatory expectations (e.g. risk-based and tailored to organisation).
- 2 Element Rationalisation**
 - Risk element better practice to consolidate environmental risk element factors within existing Jurisdiction, Product, Channel and Customer elements.
 - Assessment of business risk in conjunction with customer risk.
- 3 EWRA Methodology**
 - Risk-based and data driven methodology that considers both quantitative and qualitative characteristics.
 - Assess inherent risks and develop targeted plans to focus on where risk factors are the greatest.
 - Robust, repeatable process that is also flexible to change.

*Representative of preliminary design considerations. Subject to change and formal validation.

FC&C Change Program – Reporting and Oversight

Strictly confidential



Governance

To improve governance and assist the Board and senior management in discharging their oversight responsibilities with respect to financial crime, we will replace the existing AML/CTF Committee with a new Financial Crime Oversight Committee (FCOC) that is accountable to the Board. A new Financial Crime Working Group (FCWG) will be established that is accountable to the FCOC. Each of the FCOC and FCWG will focus on material financial crime matters. To drive accountability, the business will present to each committee meeting on how they are meeting their financial crime obligations.

Board

Financial Crime Oversight Committee (FCOC)

Financial Crime Working Group (FCWG)

Chair: Chief Compliance and Financial Crime Officer
Members: All Group executives (chief-level) and Property CEOs
Meeting Frequency: Minimum of six times annually

Chair: Group Money Laundering Risk Officer (MLRO / AMLCO)
Members: Key EGMs and GMs across three lines of defence
Meeting Frequency: Minimum of twelve times annually



Reporting

Existing financial crime and compliance reporting to the Board and senior management is largely fact-based narrative and metrics. Informed by metrics provided by the business and assurance and audit testing results provided by the second line assurance team and internal audit, future reporting will focus instead on changes to Crown’s financial crime and compliance risk profiles as well as emerging risks facing Crown based on internal and external intelligence gathering.

FC&C Change Program – Assurance and Training

Strictly confidential



Assurance

In accordance with Crown's Risk Management Framework, Crown employs a three lines of defence model to manage risk. The first line of defence is represented by the business and the operations teams that support the business. The second line of defence includes Compliance, Financial Crime, Risk Management, Legal, Finance and other support functions. The third line of defence is Internal Audit. For the three lines of defence model to be effective, each line must perform some form of assurance.

The second line of defence must apply risk-based assurance to assess and test compliance with policy and program obligations across Crown in respect of compliance, financial crime and responsible gaming. Where issues are identified, the second line must then apply deficiency management to ensure that those issues are addressed in a timely and effective manner. As Crown does not currently have a second line assurance function, one is proposed under the FC&C Change Program. Details of the specific team contemplated can be found in slide 35.



Training

Crown's financial crime training program has progressed considerably in the last year and half. All employees are required to take financial crime training and some targeted training has been delivered to specific high risk employee teams. To further advance the effectiveness of our training, the FC&C Change Program will place a greater focus on financial crime outcomes by tying Crown's efforts in detecting and reporting potential financial crime to protecting those most vulnerable in our society. Additional and well documented targeted training will be delivered to high risk employee groups and senior management and Board training will be annualised.

Beginning in the fourth quarter of 2021, Crown will run an annual Board-sponsored financial crime and compliance awareness initiative where employees will be engaged in a number of ways to increase overall awareness of financial crime and the role Crown plays in detecting, deterring and disrupting financial crime.

FC&C Change Program – Roles and Responsibilities

Strictly confidential



RACI

As mentioned in the previous slide, Crown employs a three lines of defence model to manage risk. Currently, there is very little clarity around which line of defence is responsible for what activity and, more specifically, who is accountable and responsible for obligations that arise under our compliance policies and our financial crime program. As an early step in the FC&C Change Program, a RACI (Responsible, Accountable, Consult, Inform) matrix will be developed to map compliance and financial crime obligations to each line of defence and each accountable executive to provide greater clarity to all on roles and responsibilities. This needs to be coupled with updates to Crown's risk register to track performance against those obligations.



Key Performance Objectives

To drive cultural change around financial crime and compliance, each employee should have key performance objectives (KPOs) related to their compliance and financial crime obligations. Currently, Crown has a generic KPO related to compliance, but nothing addressing financial crime obligations or objectives. Additionally, the generic compliance KPO was introduced in late 2019, so may not have been incorporated into employee performance plans prior to the onset of the COVID-19 pandemic and the stand-down of most employees.

The FC&C Change Program will propose new KPOs covering compliance, financial crime and responsible gaming for all employees, with specific targets established for executives. Additionally, all Position Descriptions will be revisited to ensure the inclusion of appropriate narrative regarding compliance, financial crime and responsible gaming.

FC&C Change Program – Controls

Strictly confidential

The FC&C Change Program will deliver a number of control uplifts to address ML/TF vulnerabilities. A summary of these control categories and key outcomes is outlined below:

- **KYC and risk assessment:** enhanced collection of customer information through electronic Document Verification Service (eDVS) checks, capturing of occupation codes and citizenship information and changes to PEP classifications to enable end-to-end eKYC. This informs a comprehensive jurisdiction risk assessment and customer risk assessment methodology to be executed as part of the EWRA.
- **Peer-to-peer gaming:** Crown to implement peer-to-peer poker controls to reduce the risk of Crown inadvertently facilitating ML/TF through customer collusion and/or intentional losing.
- **Gaming systems:** system changes which enforce 'carded' play (and therefore, customer identification) via reduced cash thresholds across EGMs/eTGs/TGs, changes to information captured on TITOs, capturing of buy-in information for carded play on EGMs and introduction of credit meter limits on EGMs/eTGs. This enables implementation of enhanced Transaction Monitoring (TM) rules across customer gaming activity.
- **Financial services/Cage:** updates to policies and procedures and TM rules related to cash aggregation (e.g. when customer data should be captured) to prevent and detect structuring, updates to the return of funds policy to prevent deposit accounts/Reward Cards being used as bank accounts, removing safe deposit boxes, implementing 'colouring up' restrictions and enhanced Patron Account controls.
- **Employee:** ensuring employees in high ML/TF risk roles understand and comply with their financial crime obligations, thereby reducing the risk of Crown employees inadvertently facilitating ML/TF through their interactions with customers (e.g. grooming).

A high level controls uplift roadmap can be found on slides 29 and 30.

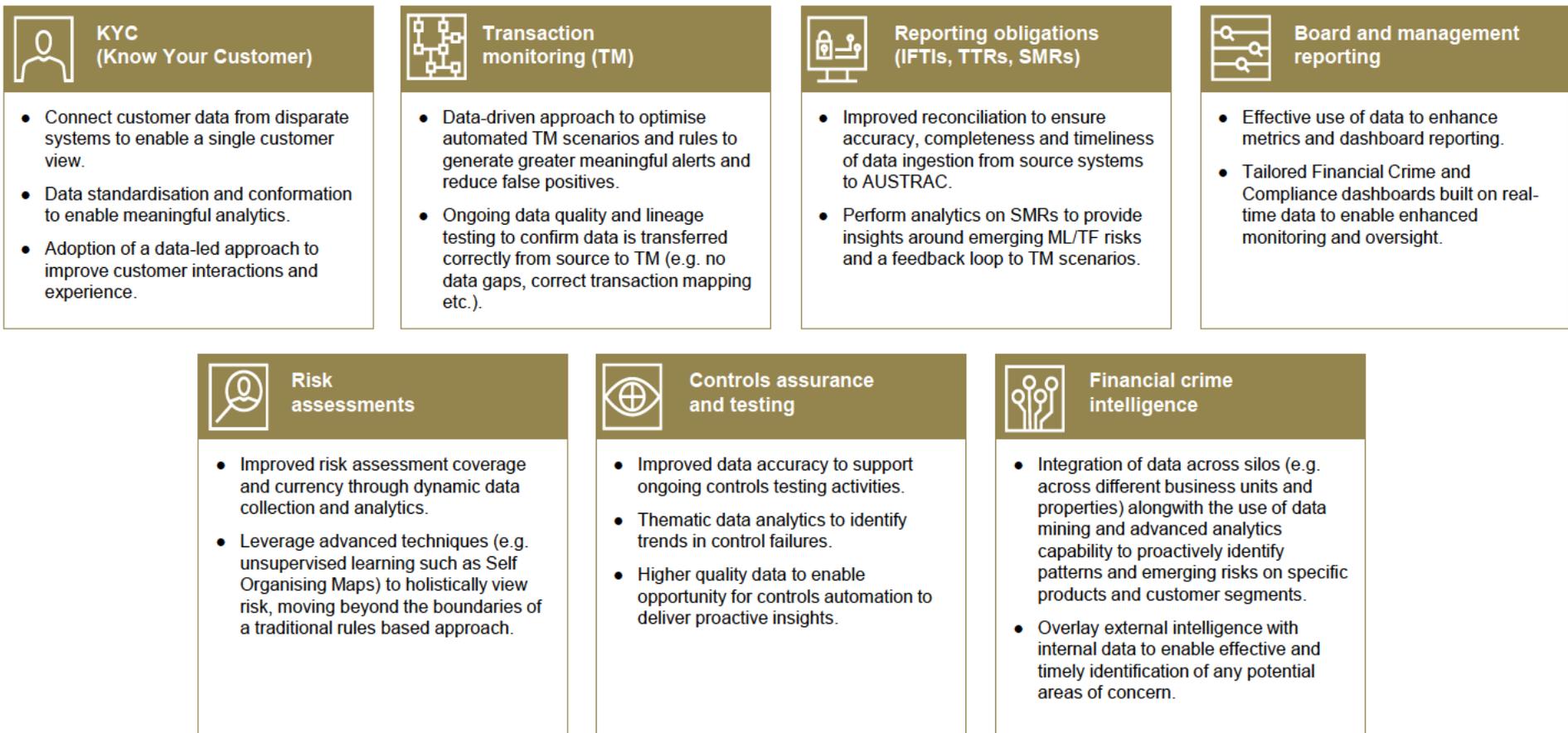
A detailed mapping of current and planned controls to ML/TF vulnerabilities is provided in the Appendix on slides 37 to 41.

FC&C Change Program – Data Analytics

Strictly confidential

Data issues have been at the centre of recent high profile AML regulatory prosecutions including Westpac (\$1.3bn), CBA (\$700m) and Tabcorp (\$45m).

Investments in data analytics capability and the underlying data infrastructure will enable Crown to better meet its financial crime, compliance and responsible gaming obligations through improved customer and operational insights. Key areas of focus would include the following:



FC&C Change Program – Current Key Systems

Strictly confidential

The current Crown FC&C ecosystem utilises a number of key internal and external systems, each with its limitations. In addition, in many processes Crown continues to rely on manual records (e.g. Excel) which is neither effective nor efficient. Uplifts to systems will improve outcomes across financial crime and compliance. Uplift should include expansion of customer screening (using broader lists), incorporating link analysis to identify linked customers, additional transaction monitoring rules applied against a broader set of accounts, leveraging cloud based services where appropriate, visualizations and missing reports governance. All of our systems need to be auditable to allow for ease of scrutiny.

| System | Description | Current Use | Limitations |
|-----------------------|---|---|--|
| Manual Records | Currently Financial Crime and Compliance rely on manual systems to record information or use Excel to extract create reports from systems that do not have native reporting | <ul style="list-style-type: none"> • Bank account monitoring • LEA requests • Breach register • Risk Based Alerting • Dow Jones (positive matches) • SPR | <ul style="list-style-type: none"> • Manual entry • Prone to data entry error • No direct feed back into Crown systems or risk registers • Labour intensive |
| SYCO | Crown Melbourne and Perth Gaming Management System | <ul style="list-style-type: none"> • Financial Crime use SYCO as the source of truth for gaming activity and gaming transactions in Melbourne and Perth. • SYCO is also used to generate the xml files for bulk upload (TTR/IFTI/SMR) to AUSTRAC. | <ul style="list-style-type: none"> • While powerful, is a legacy system and there is little appetite to develop or make enhancements. • Not intuitive and there is no scope to upload documents (i.e. risk profiles) |
| Sentinel | Sentinel is the rules engine for Financial Crime that leverages transaction data to identify unusual and potentially suspicious activity | <ul style="list-style-type: none"> • Transaction monitoring rules engine • Dashboarding tool • Reporting assurance • Customer Intelligence snapshot | <ul style="list-style-type: none"> • No case management • Relies on input from other systems |
| CURA | AML Customer Risk Register | <ul style="list-style-type: none"> • Recording customer risks and supporting documentation • Basic reporting | <ul style="list-style-type: none"> • No integration with other Crown systems • Manual data entry • Historical data quality (imported data) • Limited ability to extract information for further analysis • No ability for link analysis |

FC&C Change Program – Current Key Systems

Strictly confidential

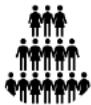
| System | Description | Current Use | Limitations |
|--------------------------|---|---|---|
| Unifii | UAR and AML Investigation Portal | <ul style="list-style-type: none"> Digitised submission of UARs Triage of UARs UAR and investigation metrics Basic investigation workflow and decisioning | <ul style="list-style-type: none"> Currently no integration to Crown Systems Not suitable for end to end case management |
| Dow Jones/Factiva | Customer Screening and news search tool | <ul style="list-style-type: none"> Daily Screening of Active Customers against Dow Jones Risk and Compliance Database Daily Screening of moderate and high employee against Dow Jones Risk Special Interest Flag Manual searching of Dow Jones Risk and Compliance Database Manual negative news searches | <ul style="list-style-type: none"> O-One providers view of risk Limited ability to customise and calibrate screening preferences No direct feed back into Crown systems or risk register |
| CC2 LUI | Source of truth for KYC information | <ul style="list-style-type: none"> Financial Crime use LUI to verify customer identity and understand membership status | <ul style="list-style-type: none"> Crown does not capture certain KYC information as mandatory eg occupation, employer, salary range |
| DAON/Datazoo | Identification Verification and source of PEP and Sanction screening for Crown Sydney Customers | <ul style="list-style-type: none"> Sydney onboarding Re-verification of basic KYC during investigations Secondary source for PEP information | <ul style="list-style-type: none"> Currently limited to Crown Sydney onboarding Uplift agreement to expand service to allow full digital verification of customers in compliance with AML/CTF rules |

FC&C Change Program – System Uplifts

Strictly confidential



Crown should continue to update and rationalise its systems to ensure reliable, accurate and consistent data to create a single view of customer risk aggregating all customer information across Crown.



Customer Management System

Single source of truth for all customers across all properties and uplift KYC collection



Gaming Management System

Single system across all properties to ensure accurate, consistent and reliable data



Transaction Monitoring Rule Engine

Continue to invest and develop rules engine and dashboarding tool. Establish a Rules Committee for ongoing evaluation of existing TM rules



Customer Screening and Intelligence

Expand panel of providers for customer intelligence



Case Management/ Customer Risk Register

Explore connectivity of AML Portal and link to CRM (Salesforce)



FC&C Change Program – Surveillance

Strictly confidential

Crown currently has well developed property-centric security and surveillance capabilities in each of its Australian casinos and Aspinalls in the UK. The security and surveillance functions in each of the properties are conducted as essentially 'stand alone' business units with high level operationally focussed business discussions held between the heads of the Australian based properties each month. These discussions are supplemented by ad hoc conversations regarding operational issues on a regular basis. Despite this contact, significant differences exist in the way the security and surveillance operations are conducted in each of the properties. Introducing a centralised management structure for security and surveillance would have many benefits, including consistent:

| | | | |
|---|------------------------------------|---|---|
|  | Policies and procedures |  | Law enforcement engagement (including MOUs) |
|  | Recruitment and training processes |  | Reporting |
|  | Use and maintenance of technology |  | Investigative processes |
|  | Data collection and usage |  | Management of banned and excluded patrons |
|  | Business continuity |  | Communications |

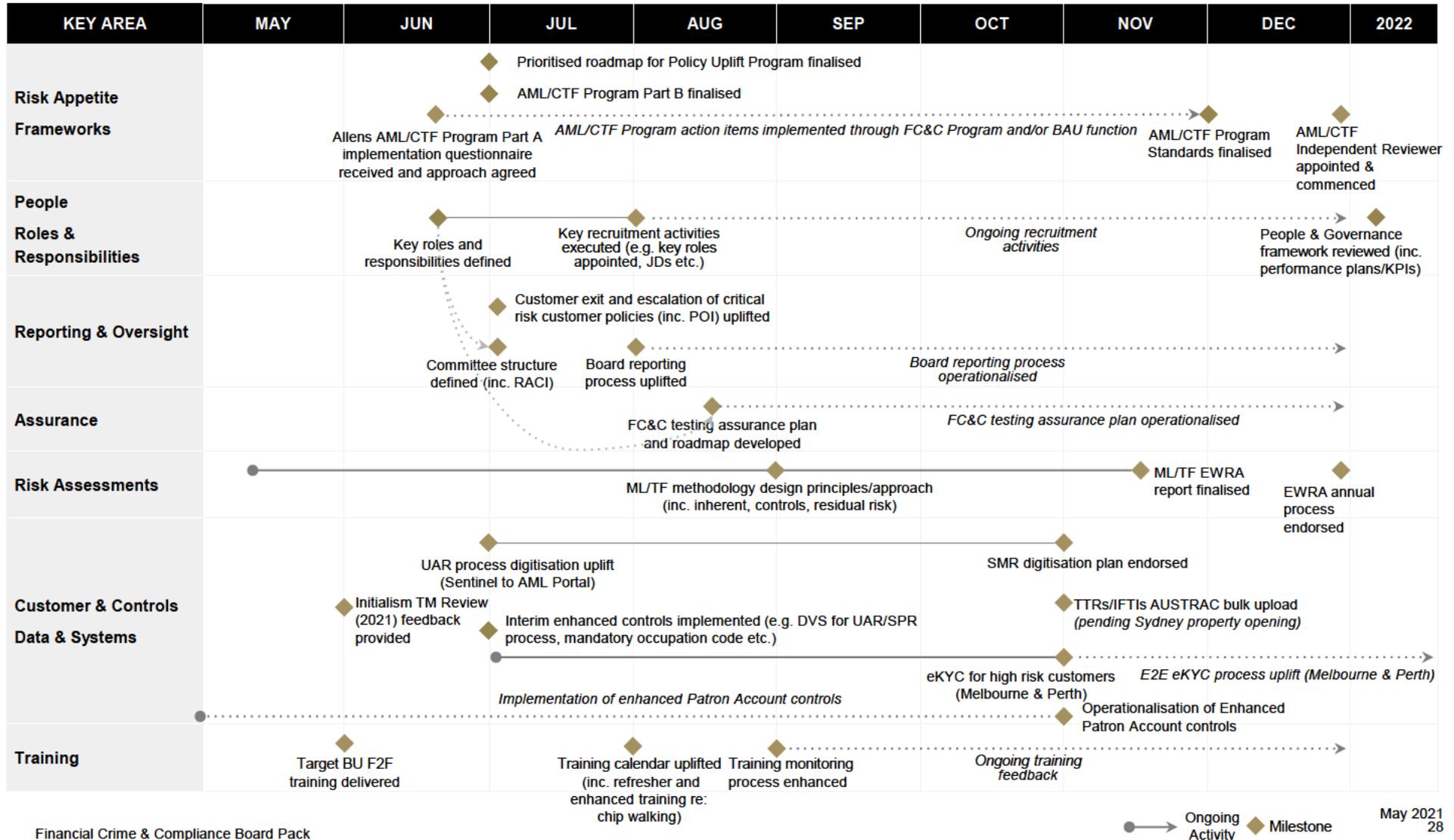
Centralising surveillance and security also has material benefits for Crown's approach to both financial crime, compliance and responsible gaming. Surveillance, in particular, is key to Crown's financial crime investigations and provides Crown a comparative advantage to other reporting entities with respect to regulatory reporting and our relationship with AUSTRAC and the state regulators.

The FC&C Change Program proposes the creation of a new role of Chief Security Officer (CSO), to whom the Heads of Security & Surveillance (S&S) for each property would report. The Heads of S&S would retain dotted line reporting into the respective property CEOs given the operational nature of the onsite security functions. The CSO would report directly to the CCFCO to maximise the potential of a centralised surveillance and security function aligned with our financial crime functions. Other than the creation of the CSO role and the reporting described above, no further changes are proposed to the S&S team at this point. This change would bring Crown in line with its peers in the casino industry, including Wynn, Sands and the Macau casinos.

FC&C Change Program - High Level Preliminary Roadmap

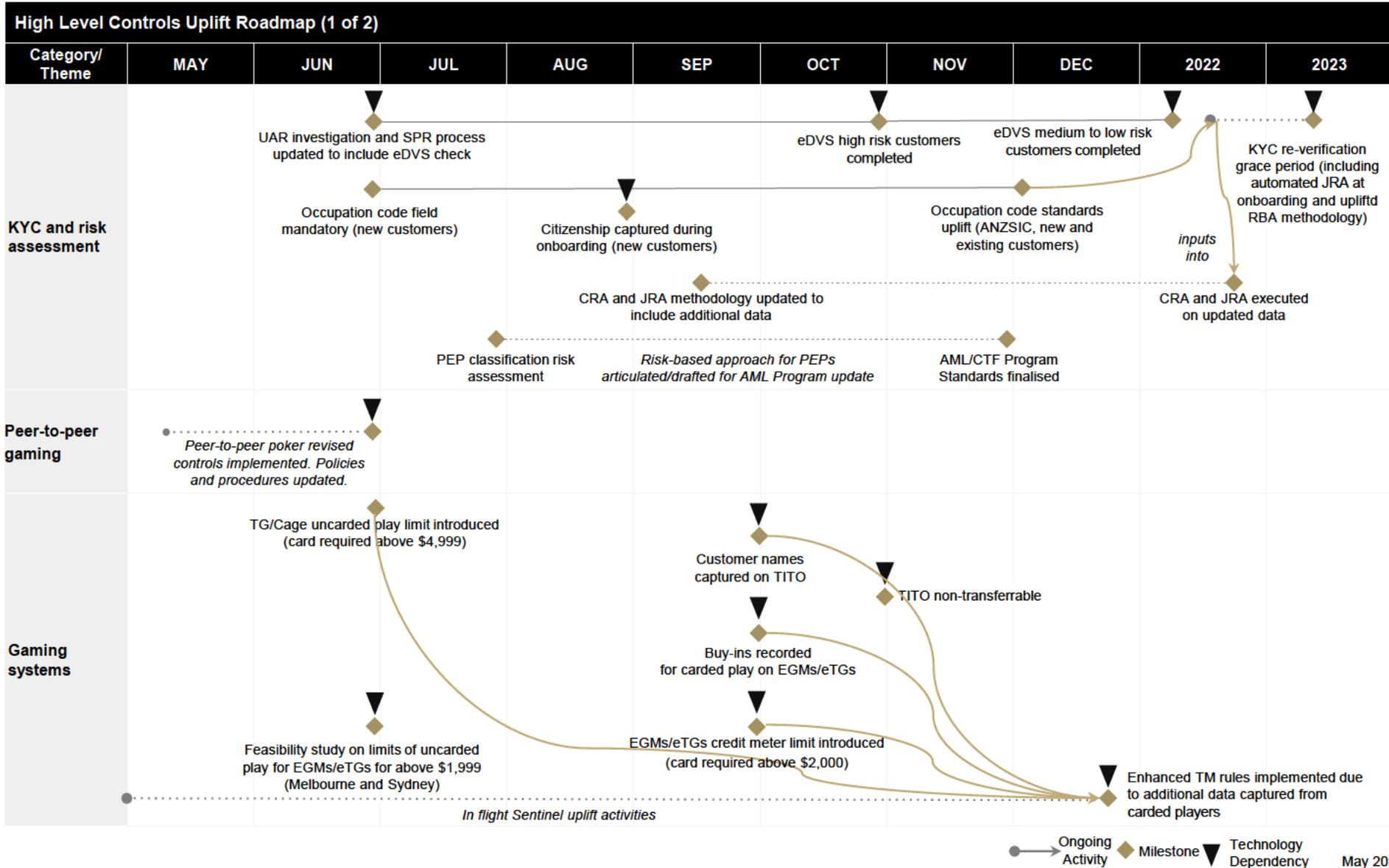
Strictly confidential

A key dependency of the following roadmap is the endorsement of the Steven Blackburn Report by the Board. Each area in the FC&C Change Program will have technology and business dependencies which will be outlined in the detailed plans for the key activities below.



FC&C Change Program - High Level Controls Uplift Roadmap

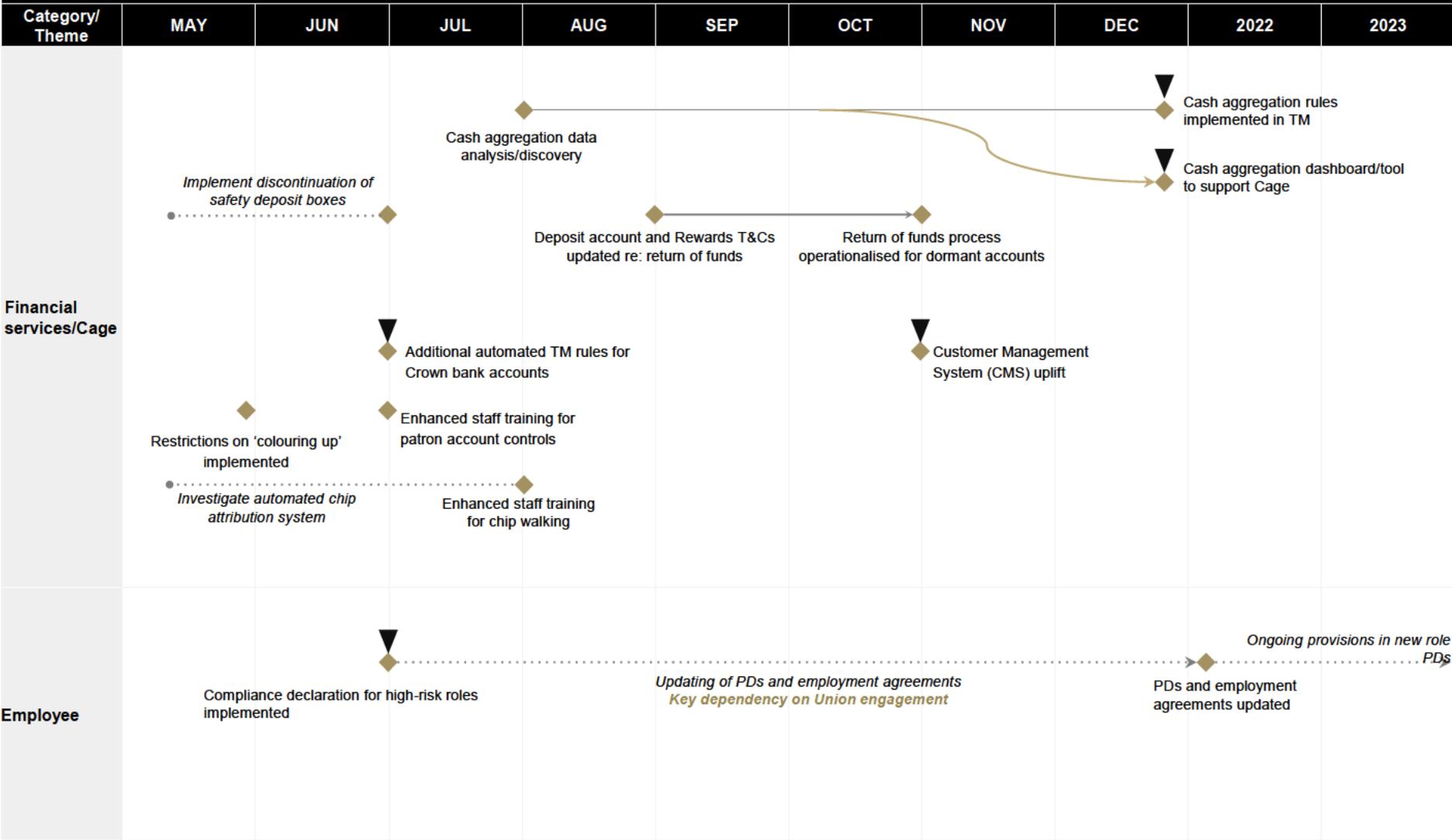
Strictly confidential



FC&C Change Program - High Level Controls Uplift Roadmap

Strictly confidential

High Level Controls Uplift Roadmap (2 of 2)



Ongoing Activity
 Milestone
 Technology Dependency

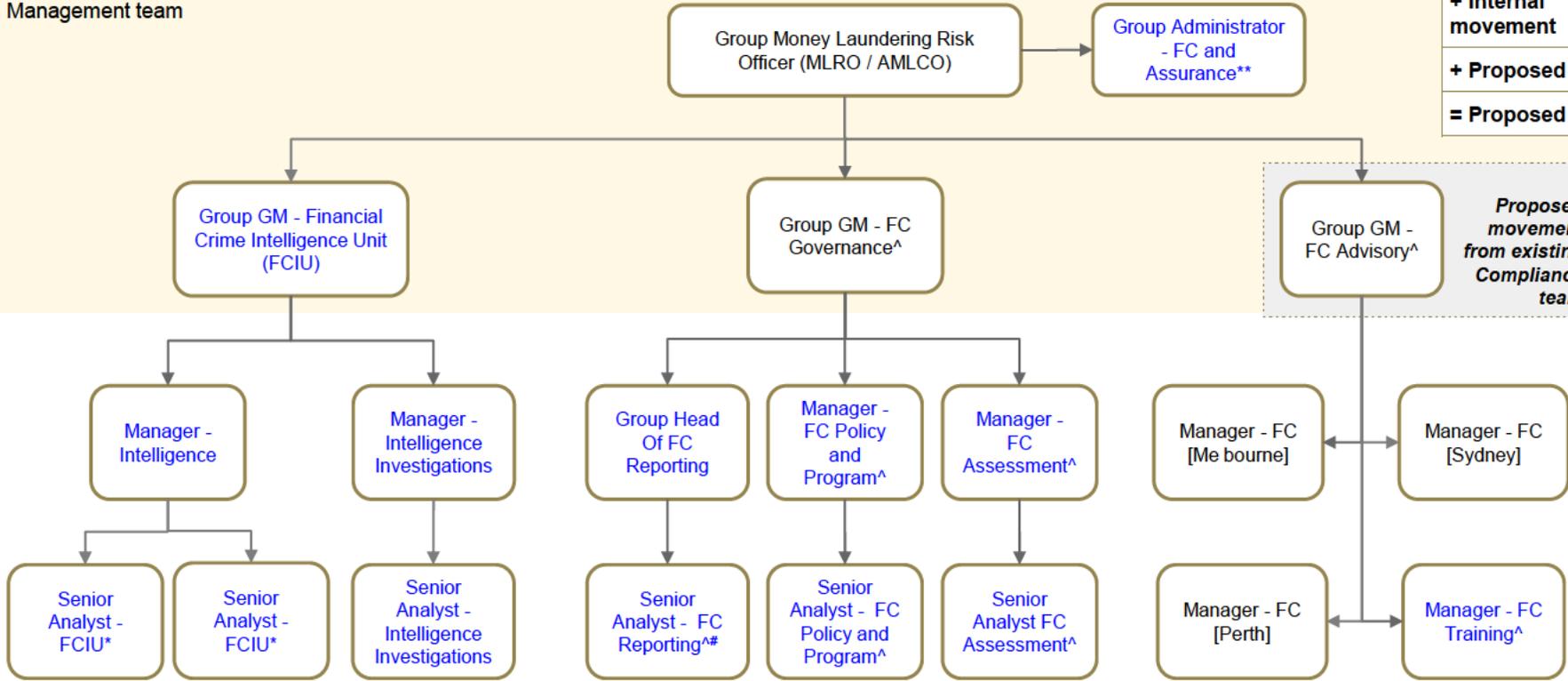
Appendix

FC&C People - Financial Crime Risk

Strictly confidential

| | |
|----------------------------|----------|
| Current FTE | 7 |
| + Internal movement | +1 -2 |
| + Proposed FTE | 14 |
| = Proposed total | 20 |

Management team



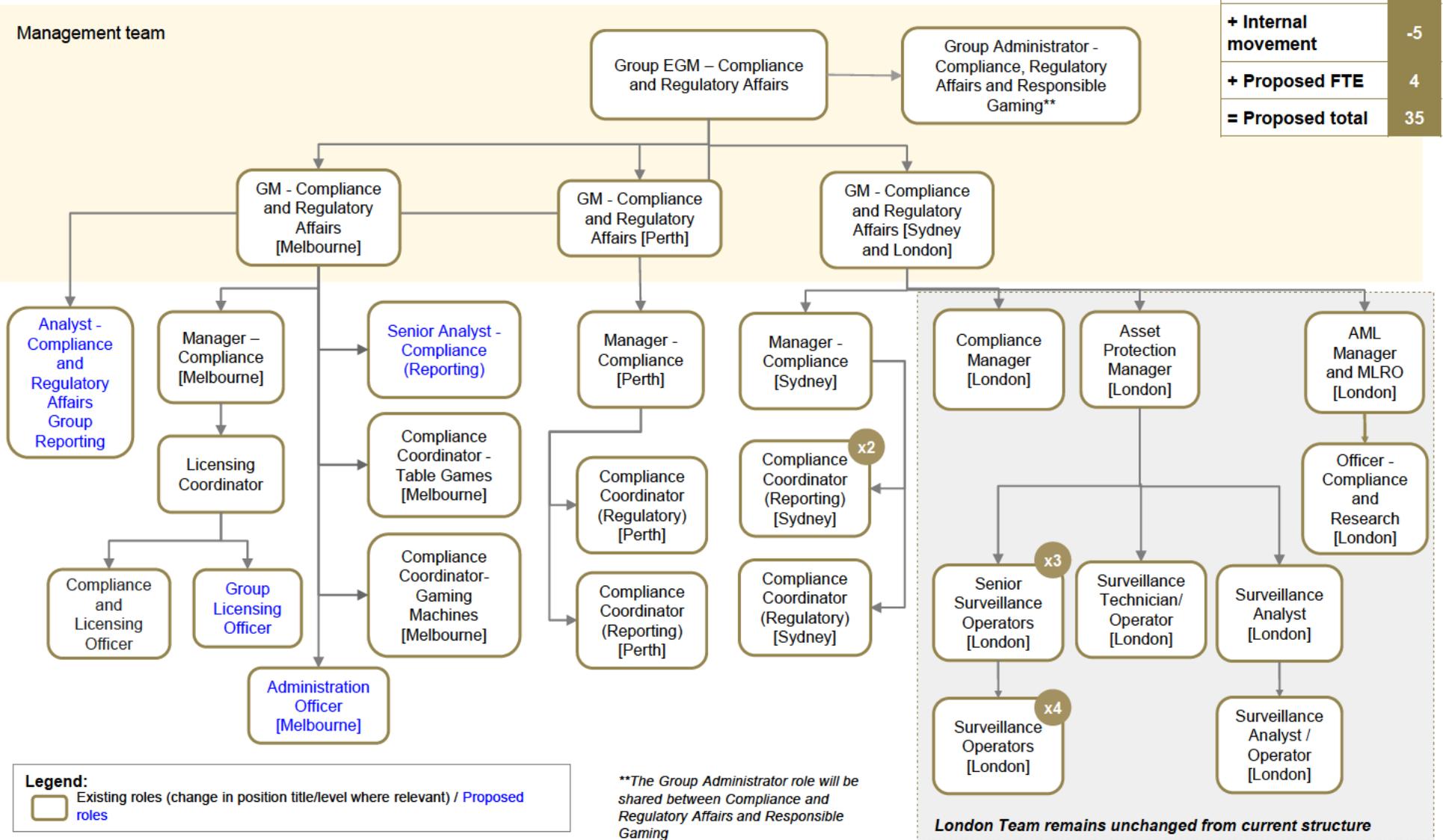
Legend:
 Existing roles (change in position title/level where relevant) / Proposed roles

*These roles will have a dual-reporting line to the Group Head Of Data Analytics.
 ^Key roles in supporting the FC&C Change Program.
 #The role of Senior Analyst - FC Reporting will support with FC policy, program and standards development (working under the direction of Manager - FC Policy and Program) until Dec-2021.
 **The Group Administrator role will be shared between FC Risk and FC&C Assurance.

FC&C People - Compliance and Regulatory Affairs

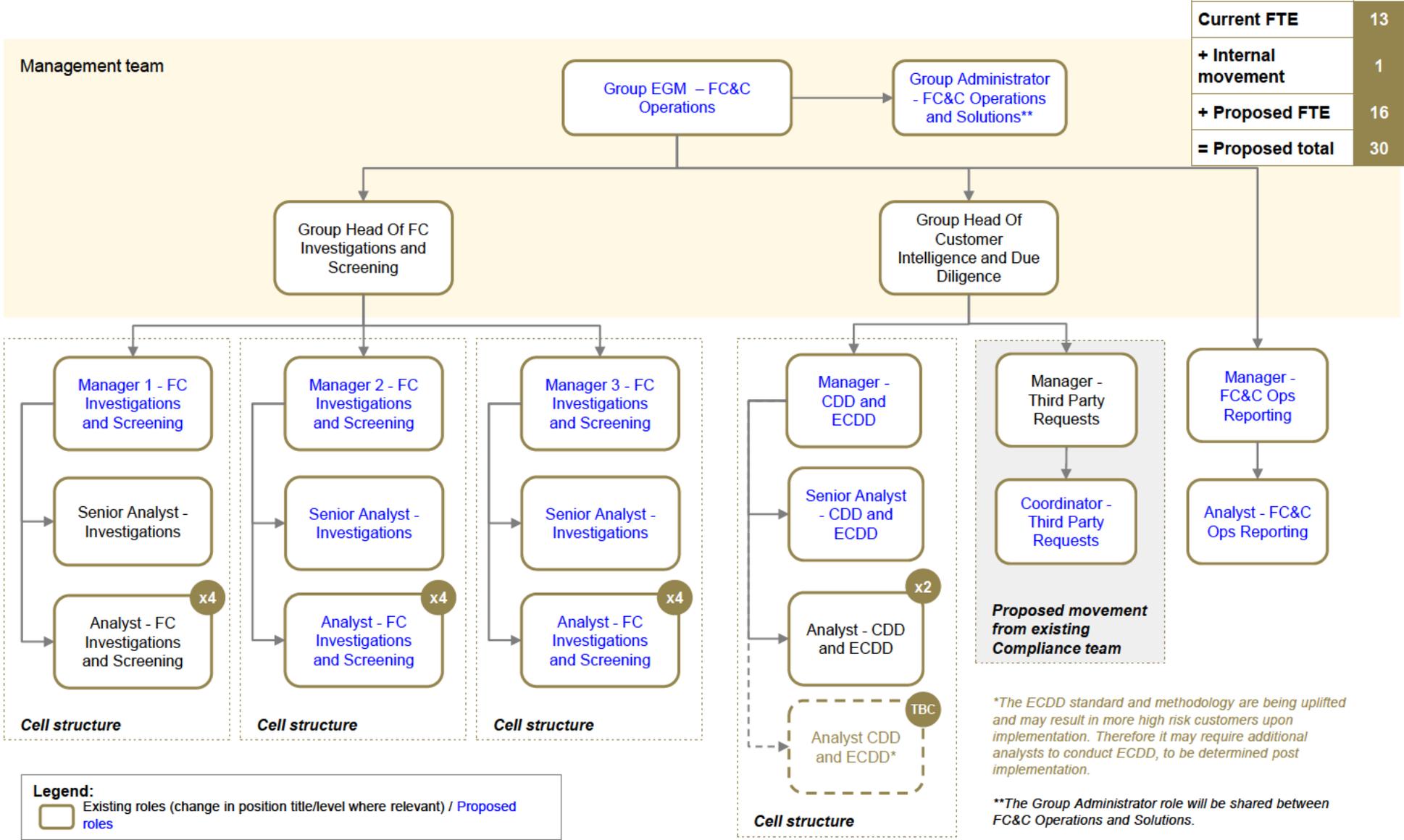
Strictly confidential

| | |
|----------------------------|-----------|
| Current FTE | 36 |
| + Internal movement | -5 |
| + Proposed FTE | 4 |
| = Proposed total | 35 |



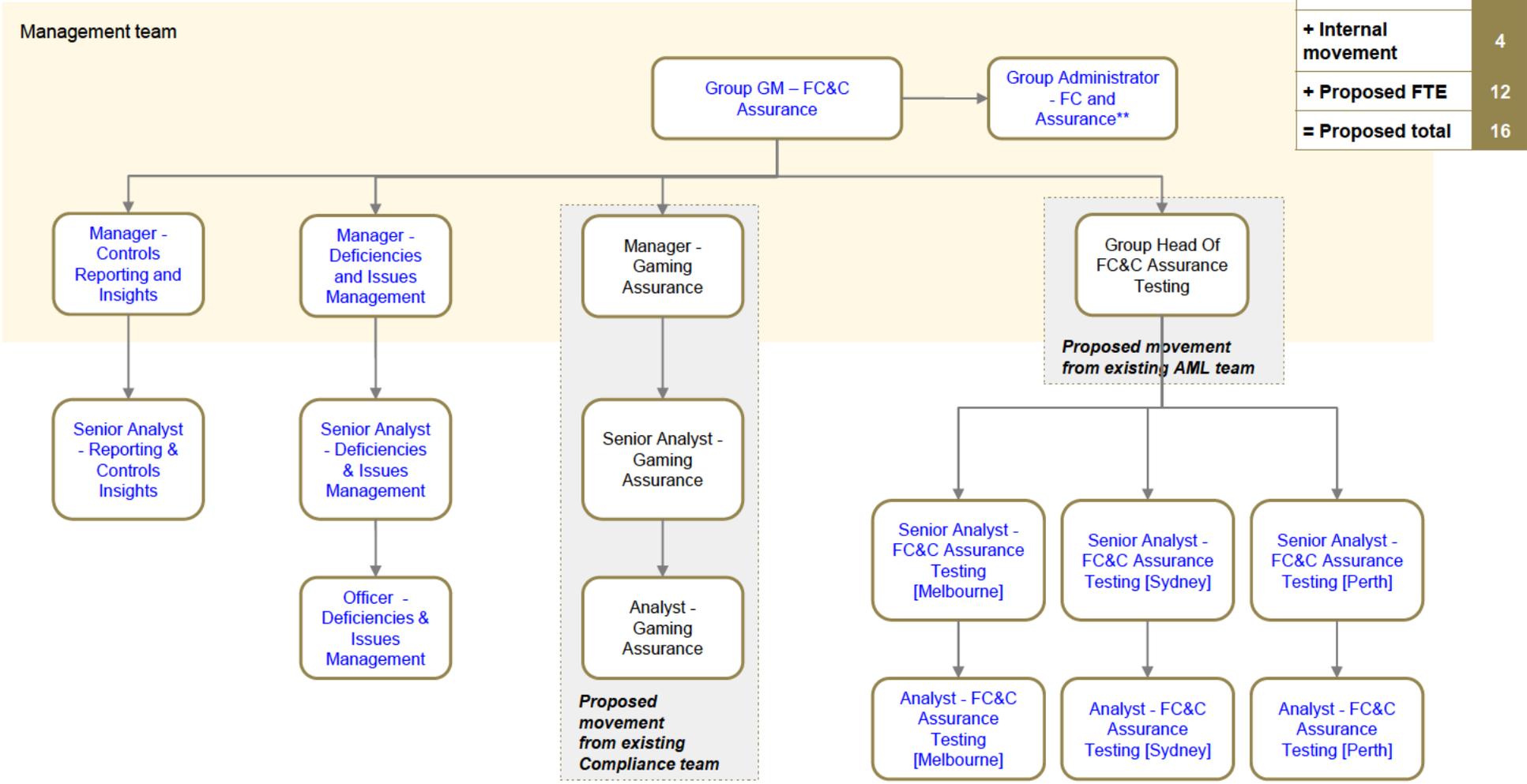
FC&C People - Operations

Strictly confidential



FC&C People - Assurance

Strictly confidential



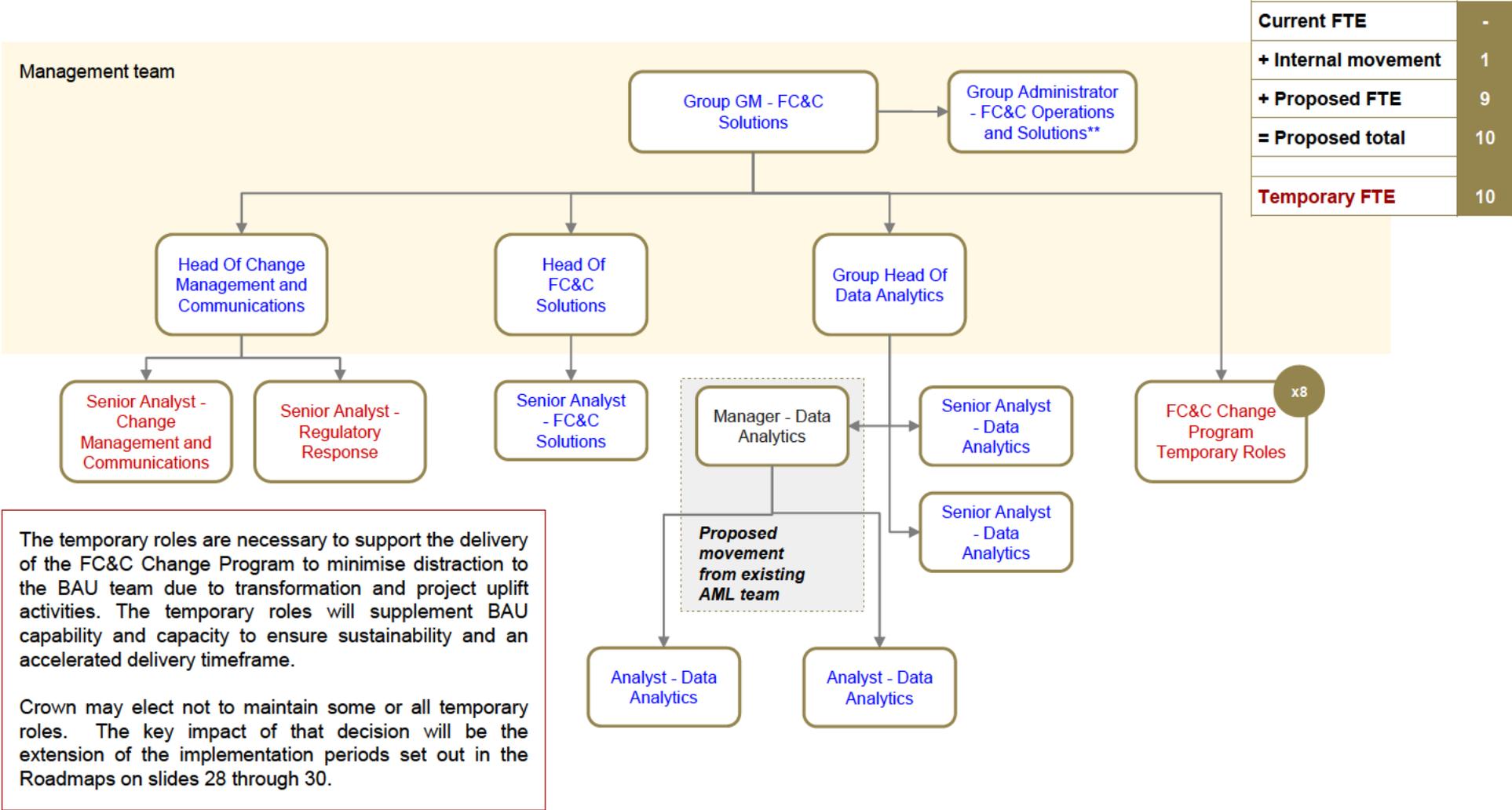
| | |
|----------------------------|----|
| Current FTE | 0 |
| + Internal movement | 4 |
| + Proposed FTE | 12 |
| = Proposed total | 16 |

Legend:
 Existing roles (change in position title/level where relevant) / Proposed roles

**The Group Administrator role will be shared between FC Risk and FC&C Assurance. This FTE is currently included in the FC Risk team.

FC&C People - Solutions

Strictly confidential



| | |
|----------------------------|----|
| Current FTE | - |
| + Internal movement | 1 |
| + Proposed FTE | 9 |
| = Proposed total | 10 |
| Temporary FTE | 10 |

The temporary roles are necessary to support the delivery of the FC&C Change Program to minimise distraction to the BAU team due to transformation and project uplift activities. The temporary roles will supplement BAU capability and capacity to ensure sustainability and an accelerated delivery timeframe.

Crown may elect not to maintain some or all temporary roles. The key impact of that decision will be the extension of the implementation periods set out in the Roadmaps on slides 28 through 30.

Legend:
Existing roles (change in position title/level where relevant) / Proposed roles

**It is anticipated that the FC&C Change Program will require support from resources from other teams including Financial Crime Technology, HR and Recruitment.
 **The Group Administrator role will be shared between FC&C Operations and Solutions. This FTE is currently included in the FC&C Operations team.*

