



Crown Resorts Limited - Remediation Plan (as at 27 May 30 June 2021)

#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
Corporate governance and organisational structure					
1.	Board departures (Crown Resorts)	<ul style="list-style-type: none"> The following individuals have resigned as directors of Crown Resorts: <ul style="list-style-type: none"> Mr John Alexander (22 October 2020); Mr Michael Johnston (10 February 2021); Mr Guy Jalland (10 February 2021); Mr Andrew Demetriou (12 February 2021); Mr Ken Barton (15 February 2021); Mr Harold Mitchell (22 February 2021); Mr John Poynton (28 February 2021); and Professor John Horvath (15 April 2021). 	<ul style="list-style-type: none"> Complete 	Helen Coonan	Complete
2.	Board appointments (Crown Resorts)	<ul style="list-style-type: none"> Korn Ferry has been engaged to assist with finding candidates with relevant skills and experience for appointment to the Board. Mr Nigel Morrison commenced as an independent director of Crown Resorts on 6 April 2021. Mr Morrison has more than 20 years' experience in the gaming industry throughout Australasia and Asia. Mr Bruce Carter has been appointed as an independent director of Crown Resorts, subject to the receipt of regulatory approvals. Mr Carter has more than 40 years' experience in a range of 	<ul style="list-style-type: none"> Commencement of Bruce Carter as an independent director of Crown Resorts, following receipt of regulatory approvals. Recruitment of further individuals as independent directors of Crown Resorts, subject to receipt of regulatory approvals. At this stage, Crown Resorts is targeting a Board composition comprising 	Helen Coonan	Additional directors appointed by 30/09/21, subject to regulatory approval.

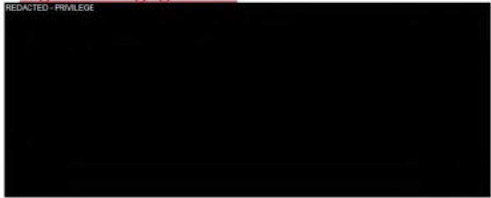


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		<p>public and private sector industries, including more than a decade in the gaming industry.</p> <ul style="list-style-type: none"> The appointment of an independent Chairman to the Board. 	of 7 directors in addition to the Managing Director.		
3.	Subsidiary Board composition	<ul style="list-style-type: none"> Ken Barton resigned as a director of Crown Sydney Gaming (15 February 2021). Helen Coonan appointed as a director of Crown Sydney Gaming. Ken Barton resigned as a director of Crown Melbourne (15 February 2021). John Horvath resigned as a director of Crown Melbourne (15 April 2021). Xavier Walsh appointed to the Crown Melbourne Board (15 February 2021). Nigel Morrison appointed to the Crown Melbourne Board (27 April 2021). Ken Barton resigned as a director of Burswood Ltd (Crown Perth) on 15 February 2021. Barry Felstead and John Poynton resigned as directors of Burswood Ltd on 1 January 2021 and 15 April 2021 respectively. Helen Coonan appointed to the board of Burswood Ltd on 18 February 2021. Lonnie Bossi appointed to the board of Burswood Ltd on 1 March 2021. 	Governance structure under consideration (see row #5).	Helen Coonan	Subject to governance structure review (see #5)
4.	Continuing education for Directors	<ul style="list-style-type: none"> A new face-to-face AML/CTF training module was delivered to the Boards of Crown Resorts, Crown Sydney, Crown Melbourne and Crown Perth on 8 March 2021. Crown is in discussions with the Australian Institute of Company Directors (AICD) to arrange 	<ul style="list-style-type: none"> The People, Remuneration and Nomination (PRN) Committee is overseeing the development and implementation of induction and continuing professional 	Toni Korsanos / Tanya Baine	31 July <u>August</u> 2021



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		<p>enrolments in the Company Directors Course for directors of Crown's licensed entities who have not previously completed the course. Crown is also investigating comparable programs for directors offered through the Governance Institute of Australia, given the AICD Company Directors Course is fully booked for several months.</p> <ul style="list-style-type: none"> Crown is in consultation with the Ethics Centre to understand opportunities for independent programs covering issues connected to corporate governance and culture. <u>Discussions with the Governance Institute and alternative suppliers have taken place.</u> 	<p>development programs for directors, including requiring annual AML/CTF training and requiring any new directors in future to attend induction AML/CTF training and appropriate governance courses offered through the AICD and Governance Institute of Australia.</p> <ul style="list-style-type: none"> <u>Discussions with the Governance Institute and alternative suppliers are ongoing. At its June 2021 meeting the Crown Resorts Board considered an update on this project and delegated responsibility to the PRN to continue the development of a rolling three-year calendar of training</u> Formal training will be supplemented by a continuing professional development program for directors facilitated by an external expert provider. 		
5.	Governance structure	<ul style="list-style-type: none"> Consideration being given to implementing a centralised governance structure for the Crown group. 	<ul style="list-style-type: none"> REDACTED - PRIVILEGE 	<p><u>Betty Ivanoff</u> <u>Stuart McCulloch</u></p>	<p>Board paper planned for presented at</p>



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		<ul style="list-style-type: none"> The Board provided in principle approval for the proposal in September 2020- <u>and June reaffirmed its commitment to reform in this area subject to regulator engagement.</u>  	<ul style="list-style-type: none"> Engagement with regulators in relation to proposed transition. At the 15 June 2021 Crown Resorts Board meeting it was resolved that the Company would write to regulators to explain the changes contemplated by this reform initiative with the objective of seeking regulator feedback. Subject to regulator feedback and consideration by Royal Commissions, Board approval for a target structure, including endorsement to engage with gaming regulators on the proposed structure. 		<p>June 2021 meeting.</p> <p>Initial regulator communication by 7 July 2021.</p>
6.	Organisational restructure	<ul style="list-style-type: none"> A new organisational structure was announced in December 2020 (and further supplemented in February 2021). Key changes include: <ul style="list-style-type: none"> New Compliance and Financial Crime department created, independent of business units, with the creation of a new Chief Compliance and Financial Crime Officer with direct reporting lines to the CEO (or equivalent) and Board. Risk and Internal Audit functions separated and reporting lines elevated, with the creation of a new Chief Risk Officer role reporting directly to the CEO 	<ul style="list-style-type: none"> Subject to ongoing review and refinement: <u>by newly appointed CEO.</u> 	<p>Steven McCann Helen Goonan</p>	N/A



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		<p>(or equivalent) with a reporting line to the Risk Management Committee.</p> <ul style="list-style-type: none"> Creation of a group HR function to drive cultural consistency throughout the organisation, with the creation of a new Chief People and Culture Officer reporting directly to the CEO (or equivalent) with reporting lines to the PNR and OH&S Committees. Separation of the General Counsel and Company Secretary role. The appointment of new legal advisor to Crown and a separate legal advisor to the Board. <p>New roles:</p> <ul style="list-style-type: none"> Chief Compliance and Financial Crimes Officer; Chief People and Culture Officer; and Group General Manager - Internal Audit. <p>Roles removed:</p> <ul style="list-style-type: none"> CEO Australian Resorts; and Chief Legal Officer Australian Resorts. 			
7.	Senior management renewal	<ul style="list-style-type: none"> Mr Barry Felstead and Mr Joshua Preston departed Crown and, as a result of a restructure, the roles previously held by these individuals no longer exist. 	<p>Steven McCann will commence as Chief Executive Officer and Managing Director on 1 June 2021, but will not act in a licenced capacity until regulatory approvals are received.</p>	Helen Coonan	



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		<ul style="list-style-type: none"> Mr Barton is no longer in the role of CEO, replaced temporarily by Ms Coonan as Executive Chairman. Mr Steve Steven McCann has been appointed <u>commenced</u> as Chief Executive Officer and Managing Director, subject to the receipt of probity and on 1 June 2021 but will not act in a licenced capacity until regulatory approvals are received. The role of General Counsel and Company Secretary has been split into two separate roles and Mary Manos has departed Crown with Crown's Chief Financial Officer, Alan McGregor acting as the interim Company Secretary and Stuart McCulloch (Partner, Allens) acting as the interim General Counsel. A permanent Ms. Betty Ivanoff commenced as General Counsel, Ms. on 21 June 2021 but will not act in a licenced capacity until <u> Betty Ivanoff, has been appointed, subject to</u> regulatory approvals are received. Ms Anne Siegers' role has changed from Group General Manager, Risk and Audit to Chief Risk Officer, reporting directly to the CEO (or equivalent) with a reporting line to the Risk Management Committee. Mr Steven Blackburn commenced as the Chief Compliance and Financial Crime Officer on 24 February 2021. He reports to the CEO (or equivalent) and has a reporting line to the Board. 	<ul style="list-style-type: none"> Betty Ivanoff will commence as General Counsel on 21 June 2021, but will not act in a licenced capacity until regulatory approvals are received. Tony Weston will commence as the Chief People and Culture Officer on 7 June 2021, but will not act in a licenced capacity until regulatory approvals are received. 		



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		<ul style="list-style-type: none"> Mr Tony Weston was appointed<u>commenced</u> as the new Chief People and Culture Officer. He will report<u>reports</u> to the CEO (or equivalent) and have<u>has</u> a reporting line to the People, Remuneration and Nomination Committee. Ms Jessica Ottner was appointed<u>commenced</u> as the Group General Manager – Internal Audit, and commenced on 10 May 2021. Ms Ottner has a functional reporting line to the CFO and has a direct reporting line to the Audit and Corporate Governance Committee. <u>Mr Nick Weeks commenced on 11 March 2021 as Executive General Manager – Transformation & Regulatory Response. He reports to the CEO (or equivalent).</u> 			
8.	VIP Business Restructure	<ul style="list-style-type: none"> In January 2021, the Board approved the transition to an Australian based VIP model, with the closure of all remaining offshore offices and the cessation of employment of overseas domiciled sales team employees. Crown's offices in Hong Kong and Auckland closed on 28 February 2021 and all overseas domiciled positions were made redundant on that date. A restructure of the operational functions has been completed. VIP will now operate solely as an Australian-based Business Development function reporting to Xavier Walsh (Crown Melbourne CEO). The remaining operational roles for the VIP business have been integrated 	<ul style="list-style-type: none"> HSF has been retained to undertake a risk assessment of REDACTED markets to enable Crown to understand the legal, political and practical implications of marketing to potential customers in foreign countries. Future approach to marketing to international players has not been determined. As international borders reopen Crown will consider how it will promote its resorts to international business 	Xavier Walsh	HSF advice expected early Q1 FY2022



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		<p>within existing Crown Melbourne functions (e.g. Finance, Marketing, Business Operations).</p> <ul style="list-style-type: none"> The Australian based VIP model will ultimately report to Xavier Walsh (CEO Crown Melbourne). VIP Executives Roland Thielier, Jacinta Maguire and Ishan Ratnam have now departed Crown. Crown has ceased dealings with Junket operators (see #35), and in relation to Western Australia, has ceased dealing with all international program players as directed by the Gaming & Wagering Commission of WA. 	<p>informed by the HSF advice and other matters.</p> <ul style="list-style-type: none"> The future approach to marketing to international players at Crown Perth will be designed with reference to the 23 February 2021 Gaming & Wagering Commission direction in relation to International Program Play and junkets. 		
CPH Relationship					
9.	Termination of agreements	<ul style="list-style-type: none"> Services Agreement and Controlling Shareholder Protocol were terminated on 21 October 2020. 	<ul style="list-style-type: none"> Complete. Crown is willing to undertake to Regulators that similar arrangements will not be entered into in the future should this be required. 	Helen Coonan	Complete
10.	Resignation of directors	<ul style="list-style-type: none"> Mr Johnston, Mr Jalland and Mr Poynton have resigned from the Crown Resorts Board. 	<ul style="list-style-type: none"> CPH no longer has separate representation on the Board of Crown. 	Helen Coonan	Complete
11.	Controls on the influence of CPH	<ul style="list-style-type: none"> Refer to items 9 and 10 above. Crown understands that additional undertakings have been provided by CPH to ILGA. 	<ul style="list-style-type: none"> Complete. 	Helen Coonan	Complete
AML/CTF Change Program					
12.	Financial Crime Resourcing and	<ul style="list-style-type: none"> A new Compliance and Financial Crime department independent of business units has 	<ul style="list-style-type: none"> <u>On 15 June 2021, 14 of the senior positions proposed</u> 	Steve Blackburn / Nick Stokes	September 2021



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	Team Structure	<p>been created with direct reporting lines to the Board.</p> <ul style="list-style-type: none"> Steve Blackburn commenced as the Chief Compliance and Financial Crime Officer on 24 February 2021. Nick Stokes, Group General Manager - AML and Group Money Laundering Officer, was appointed as AML/CTF Compliance Officer for each of the Crown reporting entities on 2 November 2020. Further new Financial Crime roles have been created and appointed: <ul style="list-style-type: none"> Jon Yeats, Group Senior Manager Financial Crime – Customer Investigations (commenced 21 October 2020); Rita Pessutto, Financial Crime Investigations Officer Melbourne (commenced 19 October 2020); Libby Stevens, Group Senior Analyst Financial Crime – Customer Investigations (commenced 21 December 2020); Gary Chan, Group Financial Crime Manager – Data Analytics (commenced 21 December 2020); Christian Robinson, Financial Crime Manager Sydney (commenced 14 December 2020); 	<p><u>under the Financial Crime and Compliance Change Program were advertised both internally and externally including:</u></p> <ul style="list-style-type: none"> <u>Group Executive General Manager - Financial Crime Risk and MLRO;</u> <u>Group Executive General Manager - Financial Crime Operations;</u> <u>Group General Manager - Financial Crime Governance;</u> <u>Group General Manager - Financial Crime Advisory;</u> <u>Group General Manager - Financial Crime Intelligence Unit;</u> <u>Group General Manager - Financial Crime and Compliance Assurance;</u> <u>Group General Manager - Financial</u> 		



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		<ul style="list-style-type: none"> Akshay Jain and Peter Le, 2x Group Financial Crime Analysts (commenced 4 January 2021); Danielle Slattery, Financial Crime Manager Perth (commenced 18 January 2021); Radek Stopka, Group Senior Manager Financial Crime – Customer Intelligence and Due Diligence (commenced 11 January 2021); Elizabeth Hannah, Financial Crime Investigations Officer Sydney (commenced 1 March 2021), promoted to Sydney Financial Crime Analyst on or around 10 May 2021; and Michael Marinis, Financial Crime Project Manager (commenced on 24 March 2021); ; David Njuguna, Financial Crime Perth Analyst (commenced on 10 May 2021); ; Joey Chu, Group Financial Crime Analyst (commenced on 17 May 2021); ; _____ Brian Jeong, and Brianna McFarlane, 2x Group Financial Crime Analysts appointed and commencing (commenced on: _____ 31 May 2021; and _____ 7 June 2020 respectively); and 	<p><u>Crime and Compliance Solutions;</u></p> <ul style="list-style-type: none"> _____ <u>Group Head of Financial Crime and Compliance Change Management and Communications;</u> _____ <u>Group Head of Financial Crime and Compliance Customer Intelligence and Due Diligence;</u> _____ <u>Group Head of Financial Crime and Compliance Data Analytics;</u> _____ <u>Group Head of Financial Crime and Compliance Assurance;</u> _____ <u>Group Head of Financial Crime and Compliance Assurance Solutions;</u> _____ <u>Group Head of Financial Crime Investigations and Screening; and</u> 		



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		<ul style="list-style-type: none"> An offer has been made to a candidate for the <u>Laura Jones</u>, appointed as Group Senior Manager Financial Crime - Assurance & Testing role commencing 28 June 2021. On 24 May 2021 the Board approved a plan presented by Mr Blackburn for the future direction, capabilities and structure of the Financial Crime & Compliance team. More detail on this plan is described in row #25. Among other things, the plan authorised an increase in FTE in the team from 56 to 111. Recruiting of the additional 55 FTEs approved by the Board in the plan has commenced, with an ambitious goal of completing recruiting by the end of September 2021. In the interim, resources will be provided by PwC to maintain the pace of reform in the Financial Crime and Compliance team. 	<ul style="list-style-type: none"> Group Head of Financial Crime Reporting <p>As at 21 June 2021, over 80 candidates have been shortlisted to progress to the next round of the recruitment phase.</p> <p>On 23 June an additional role, Group General Manager – Financial Crime Regulatory Strategy was also advertised. On 24 May 2021 the Board approved a plan presented by Mr Blackburn for the future direction, capabilities and structure of the Financial Crime & Compliance team. More detail on this plan is described in row #25. Among other things, the plan authorises an increase in FTE in the team from 56 to 111. Recruiting of the additional 55 FTEs approved by the Board in the plan has commenced, with an ambitious goal of completing recruiting by the end of September 2021. In the interim, resources will be provided by PwC to maintain</p>		



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			<p>the pace of reform in the Financial Crime and Compliance team.</p>		
13.	ML/TF Risk Assessment	<ul style="list-style-type: none"> Promontory was engaged in September 2020 to provide Crown with an assessment of potential financial crime vulnerabilities in its business, and a forward-looking strategic assessment of capabilities to manage the risks associated with financial crime. The Draft Phase 1 Promontory report outlining potential vulnerabilities was received on 29 March 2021 and issued in final form on 24 May 2021. In addition to informing the enterprise-wide ML/TF risk assessment, the Financial Crime team have reviewed the report and have identified proposed controls to address vulnerabilities identified in the report. Those controls were approved by the Crown Resorts Board as an element of the broader plan presented by Steve Blackburn on 24 May 2021 (see row #25). <u>The vulnerabilities identified in the Promontory report will be used to inform enterprise-wide ML/TF risk assessment.</u> <u>On 15 May Mr Blackburn presented an update to the Crown Resorts Limited Board on steps to address recommendations in the Promontory AML Vulnerability Assessment</u> 	<p>Preliminary work has begun on the enterprise-wide ML/TF risk assessment with the support of PwC. The Promontory report will inform the enterprise-wide ML/TF risk assessment. Crown and PwC have established an ML/TF EWRA Design Authority that meets fortnightly.</p> <p><u>Business Unit workshops are scheduled to begin on 28 June to ensure understanding of the specific Business Unit operations across each Crown location as an input into understanding the size, nature and complexity of operations, the inherent risks and mitigating controls.</u></p>	Steve Blackburn / Nick Stokes	<p>The current timeline will see the following deliverables:</p> <ul style="list-style-type: none"> high level design of the ML/TF Risk Assessment Framework - July 2021 ML/TF methodology design principles, approach and development - September 2021 ML/TF Enterprise-Wide Risk Assessment Report - November 2021



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					<ul style="list-style-type: none"> Board approval of the ML/TF Enterprise-Wide Risk Assessment Report - November 2021
14.	AML / CTF Program	<ul style="list-style-type: none"> As part of Crown's ongoing roll-out of the AML/CTF Change Program, a Joint AML/CTF Program (comprising the AML/CTF Part A Program, which includes the AML/CTF Policies and Procedures, and Part B Program) (Joint AML/CTF Program) was endorsed by the Crown Resorts Board for adoption by each of Crown's reporting entities. Part A was approved by the boards of each of the reporting entities, being Crown Sydney, Crown Melbourne and Crown Perth, on 2 November 2020. Among other things, Part A of the new Joint AML/CTF Program provides for greater Board and senior management oversight and responsibility for driving a positive culture of AML/CTF compliance (see item row #15 below for more information). Under the Joint AML/CTF Program, the AML/CTF Compliance Officer has responsibility for the continued compliance of each of the reporting entities with the requirements of the AML/CTF Act and the AML/CTF Rules, as well as the Joint 	<ul style="list-style-type: none"> Continuing embedment of the Joint AML/CTF Program with oversight and guidance from Mr Blackburn. <u>Transitioning existing operating procedures that give effect to the Joint AML/CTF Program to 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.</u> Independent Review of Joint AML/CTF Program in the fourth quarter of 2021, see row 23 for further detail. 	Steve Blackburn / Nick Stokes / Stephen Hancock	Ongoing refinement and embedment of Program



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		<p>AML/CTF Program. Under sections 7.1 and 19 of the Part A Program the AML/CTF Compliance Officer has a direct reporting line to the Crown Resorts Board and both an opportunity and requirement to raise significant AML/CTF matters.</p> <ul style="list-style-type: none"> • The Joint AML/CTF Program also includes a revised transaction monitoring program (TMP). This includes the introduction of an automated TMP through Sentinel and manual transaction monitoring. <ul style="list-style-type: none"> • Sentinel is discussed further in item 17 below. • As part of the manual aspect of the TMP, Crown has implemented an internal process for the generation of Unusual Activity Reports (UARs), which are submitted internally for review by the Financial Crime team pursuant to the AML/CTF Policies and Procedures. The Financial Crime team then decides whether to file a suspicious matter report (SMR) with AUSTRAC and/or to conduct enhanced customer due diligence. • The relevant business stakeholders approved and endorsed the Business Unit Standard Operating Procedures to give effect to the new Joint AML/CTF Program. • Crown has also adopted a number of specific policies and procedures aimed at mitigating 			



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		<p>further its exposure to money laundering risk, including:</p> <ul style="list-style-type: none"> On 21 October 2020 Crown communicated to its staff that it would no longer permit junkets or other customers to utilise money remitters. At this time, Crown also reminded its staff that it would no longer authorise third party transfers without the written approval of the property CEO (or equivalent) or the Group General Manager, AML^[1]. On 16 November 2020 Crown introduced the formal Third-Party Transfers and Remitters Policy which articulates this. <div style="background-color: black; width: 100%; height: 150px; margin-top: 10px;"></div>			

^[1] Note that this exception by written approval does not apply to Crown Perth.



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[Redacted text]





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		<ul style="list-style-type: none">••			





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		<div style="background-color: black; width: 100%; height: 150px; margin-bottom: 5px;"></div> <ul style="list-style-type: none"> On 21 May 2021, Crown determined not to accept 'Other Casino Cheques' or 'Telegraphic Transfers' sent from other casinos on behalf of Crown's customers. In addition, Crown will no longer send Telegraphic Transfers directly to another Casino on behalf of our customers. As a result of this decision, customers may only send funds to Crown from their personal bank account, and Crown will only remit funds directly to a customer's personal bank account. These changes came in with immediate effect. 			
15.	AML reporting structures and governance	<ul style="list-style-type: none"> The Joint AML/CTF Program creates a prescriptive framework for both formal reporting 	<ul style="list-style-type: none"> Existing financial crime and compliance reporting to the 	Steve Blackburn / Nick Stokes	





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		<p>and informal escalation of AML/CTF related matters. It provides for Crown Board oversight of AML/CTF matters and requires quarterly reporting to the Crown Board and monthly reporting to Crown senior management and that material AML/CTF matters be escalated at each Crown Board meeting or as frequently as required.</p> <ul style="list-style-type: none"> The AML/CTF Policies and Procedures provide that the Board and senior management of both Crown Resorts and each reporting entity are the owners of ML/TF risk. Pursuant to s 7.5 of the Part A Program, significant AML/CTF matters will also be raised with a newly established AML/CTF Committee which in turn will report matters to the Executive Risk and Compliance Committees (ERCC) of each Crown reporting entity. The Group AML/CTF Committee met quarterly and comprised representatives from each of the relevant business units of each Crown entity. The Group AML/CTF Committee met in January 2020, November 2020 and January 2021. The Crown Financial Crime team has also provided updates to the ERCCs in Melbourne and Perth as follows: <ul style="list-style-type: none"> in November 2020, January 2021, May 2021 in Melbourne; and in November 2020, February 2021 and May 2021 in Perth. 	<p>Board and senior management is largely fact-based narrative and metrics.</p> <ul style="list-style-type: none"> Informed by metrics provided by the business and assurance and audit testing results provided by the second line assurance team and internal audit, the Financial Crime team is developing reporting that will focus 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. To improve governance and to assist the Board and senior management in discharging their oversight responsibilities with respect to financial crime, Mr Blackburn is proposing to replace the existing Group 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 		



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		<ul style="list-style-type: none"> The agenda for the Me bourne ERCC, as well as the Perth ERCC includes a standing AML/CTF agenda item. The agenda for the Crown Resorts Board includes a standing AML/CTF agenda item. Detailed AML/CTF updates were provided to the Crown Resorts Board in November 2020 and February 2021. The agenda for the Crown Resorts Risk Management Committee includes a standing AML/CTF agenda item. The Sydney ERCC has been formed and is operational with the first meeting held on 21 May 2021 	<ul style="list-style-type: none"> 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. 		
16.	Riverbank / Southbank and enhanced Patron Account Controls	<ul style="list-style-type: none"> The Riverbank and Southbank bank accounts were closed in December 2019. Since that time, neither Riverbank nor Southbank has operated a bank account. The only patron accounts for Crown's gaming operations across Crown Me bourne, Crown Perth (Burswood Nominees) and Crown Sydney are onshore bank accounts in the name of the respective licensee. A direction was issued to relevant Crown staff in Perth on 24 September 2020, and in Me bourne on 12 November 2020, that under no circumstances should transactions be aggregated in Crown's casino management system. This direction was also incorporated into Crown 	<ul style="list-style-type: none"> Financial Crime are nearing completion of the lookback for all transactions referenced in Appendix A and B of the Initialism report. These specifically relate to transactions approximately 134 instances that are indicative of structured or large cash deposits into Riverbank and Southbank accounts. Through this work, Financial Crime have identified approximately 30 instances where details 	Steve Blackburn / Nick Stokes / Patricia Chin	<p>The 'lookback' work continues, and the results of Phase 2 of the Deloitte forensic review will also form part of the look back.</p> <p>The anticipated completion date of Phase 2 of the Deloitte forensic review is</p>



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		<p>Melbourne and Crown Perth SOPs in October 2020. Additional controls have been implemented over Crown's patron bank accounts to mitigate the risk of criminal exploitation (the Patron Account Controls), including:</p> <ul style="list-style-type: none"> On 8 April 2020, an Executive Office Memorandum was circulated to relevant Crown employees informing them that Crown will no longer make or receive payments to or from third parties without prior written approval from the property CEO or equivalent and the AML/CTF Compliance Officer. This direction was further memorialised in another Executive Office Memorandum on 31 July 2020 with further instructions on the ban on all third party transfers and a Q&A for staff on what they are to do if a customer approaches Crown requesting to transfer funds to a third party, or requesting that a third-party be able to transfer funds to Crown. On 16 November 2020 (pursuant to cl 7.5(i) of the Part A Program and cl 6.2.3 of the AML/CTF Policies and Procedures) Crown introduced a manual rule for bank statement monitoring, which requires bank statements be monitored weekly and cash deposits reviewed to identify suspicious transactions. 	<p>provided by Initialism will There are approximately <u>nine matters outstanding</u> which require a deeper level of analysis <u>prior to confirm completion</u>. <u>Financial Crime also intend to undertake a quality assurance process of SMRs submitted through the identity of particular customers</u> <u>Appendix A</u> and <u>also validate the accuracy of recorded transactions</u>. <u>B lookbacks</u>.</p> <ul style="list-style-type: none"> The remaining Appendix (C-G) will be the subject of a further phase of lookback work. <u>These appendices list approximately 788 transactions of varying types which Initialism have advised may be indicative of money laundering</u>. The patrons associated with transactions identified by GT/Initialism will be subjected to the Significant Player Review (described in row 37 below). [REDACTED] 		currently August / <u>September 2021</u>



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		<ul style="list-style-type: none"> • On 16 November 2020, Crown adopted the Third Party Transfers and Money Remitters Policy (the Third Party Policy). The Third Party Policy notes that Crown: <ul style="list-style-type: none"> • does not accept payments from third parties (including money remitters) into its accounts for the benefit of a Crown customer; and • will not make payments to third parties (including money remitters) on behalf of a Crown customer. The Third Party Policy prescribes a detailed procedure to be followed if a departure from the default position of not accepting payments from third parties is to be approved. • On 4 January 2021, Crown implemented the Return of Funds Policy, which states that Crown will: <ul style="list-style-type: none"> • only accept payments that are transferred into its bank account from personal bank accounts belonging to the patron seeking to transfer funds to Crown; • return all of the following types of payments: 	<div style="background-color: black; width: 100%; height: 100%;"></div> <ul style="list-style-type: none"> • • • Refer also to item 24 below. 		



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		<ul style="list-style-type: none"> (a) cash deposits; (b) funds transferred from a company or trust bank account (unless approved); (c) funds transferred by a third party for the benefit of a Crown patron account (unless approved); (d) funds transferred when the description or narration is misleading as to purpose; and (e) funds transferred where the patron has not provided a receipt or supporting documentation. <ul style="list-style-type: none"> To date approximately 100 SMRs have been lodged with AUSTRAC in relation to the transactions identified as a result of both Crown's internal investigation and Appendix A and B Initialism report. 			
17.	Transaction Monitoring Program / Sentinel	<ul style="list-style-type: none"> Crown's new Joint AML/CTF Program includes a revised transaction monitoring program (<i>TMP</i>). Crown has rolled out an automated TMP through Sentinel. Sentinel has two features: (i) it automatically monitors and alerts for transactions 	<ul style="list-style-type: none"> <u>As at 23 June 2021</u>, Financial Crime is reviewing the revised draft <u>are awaiting the final Transaction Monitoring report</u> from Initialism (received on 15 	Steve Blackburn / Nick Stokes	Financial Crime will address Initialism's recommendation



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<p>(the Rules Feature) and (ii) allows Crown to view a 'Customer Intelligence' dashboard which provides a summary of the customer's profile and their gaming and transaction activity.</p> <ul style="list-style-type: none"> The Rules Feature is a risk-based TMP which contains rules designed to detect unusual transactions, patterns of transactions or behaviours, including transactions on accounts which are not consistent with rated play. Although the Rules Feature is currently live with a large number of standalone transaction monitoring rules in operation, other transaction monitoring rules are still being calibrated. Further aspects of the risk-based Rules Feature in Sentinel are also being developed. On 3 February 2021 the Financial Crime Team for Crown Melbourne and Crown Perth commenced monitoring and dispositioning of Sentinel alerts in the Rules Feature. There were 15 Sentinel rules, which cover two key risk areas, being cash transactions and high risk alerts. Financial Crime and the IT Sentinel Team deployed the Risk Based Alerting (RBA) model for the 17 Sentinel alerts on 13 April 2021. The RBA model is designed to reduce the number of false positives generated by Sentinel and will enable the Financial Crime team to focus resources on investigating higher risk activities and customers. There are an additional 7 standalone Sentinel Rules 	<p>May 2021) and will provide any further comments if required. Once the final report is received, Crown will address the recommendations.</p> <p>Development of new Sentinel Rules.</p> <ul style="list-style-type: none"> Incorporating standalone alerts into RBA model <u>and further development of additional alerts to address other areas of transaction risk.</u> <u>Crown is continuing to fully digitise the triaging process with the effect that alerts will auto-create an UAR in Unifi. User testing has now been completed and it is anticipated that this capability will transition to production on 30 June 2021.</u> Monitoring and alerts are ready for Sydney once the casino opens. Crown is continuing to fully digitise the triaging process. 		upon receipt of the final report



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<ul style="list-style-type: none"> Financial Crime continues to work with the IT team and Unifii to digitise the dispositioning and triage process. <u>Financial Crime is also investigating the feasibility of using Salesforce for a number of items in the case management process for Sentinel RBA.</u> <u>Financial Crime is working with the IT team to scope user requirements for a case management system.</u> Initialism provided their draft transaction monitoring source information review in April 2021. The review noted that Crown has addressed the recommendations in the April 2019 Review. Crown has provided feedback to Initialism on its draft report and received a revised draft on 15 May 2021. <u>Crown provided further feedback to Initialism with a third draft received on 12 June. Final feedback has now been provided to Initialism and the final report will be provided to Regulators.</u> 			
18.	Regulatory Reporting (IFTIs/ SMR/ UARs and TTRs)	<ul style="list-style-type: none"> As noted above at item 14, Crown has developed a new UAR process as a way to systematise internal reporting of unusual activity for a determination by the Financial Crime team as to whether a SMR should be filed with AUSTRAC. -On 25 February 2021 the Financial Crime Team commenced a pilot of the digitised UAR process. While the digitised system will still be subject to a range of future enhancements, the following components are currently functional: 	<ul style="list-style-type: none"> <u>The Financial Crime has worked with the IT team to make the necessary system updates so Crown can resubmit a test TTR file to AUSTRAC for review. Crown is awaiting system development from IGT before resubmitting another test file to AUSTRAC.</u> 	Steve Blackburn / Nick Stokes	



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<ul style="list-style-type: none"> UAR form; UAR review and triage fields; Investigation report; and SMR decisioning fields. <ul style="list-style-type: none"> On 12 April 2021 the digitised UAR process went live to frontline staff via the AML Portal. Financial Crime also uses the AML Portal to generate investigation reports and SMR decisioning forms. Sydney specific - Crown has set up a test reporting account with AUSTRAC for Crown Sydney to test the bulk upload process for TTR and IFTI files is working and in compliance with the AML/CTF Rules. Sydney Specific - The first TTR test file generated from the Sydney CMS has been sent to AUSTRAC for review. AUSTRAC's full XML Test File Assessment Report was received on 20 May 2021. Financial Crime and the relevant IT teams are working to address the issues and observations identified in AUSTRAC's Assessment. 	<ul style="list-style-type: none"> <u>System changes required following the TTR review by AUSTRAC has meant that the first IFTI test file generated from the Sydney CMS is scheduled to be sent to AUSTRAC for review in the week commencing 24ate May 2024. for review did not pass internal quality assurance. Financial Crime is working with the IT team to rectify the issues so Crown can send a test file to AUSTRAC for review.</u> Crown is rescoping the reviews of its reporting processes that it or an external party will undertake. PwC have submitted a draft work order for IFTIs which is currently being reviewed. 		
19.	ECDD / KYC	<ul style="list-style-type: none"> Enhanced customer due diligence process has been adopted in Crown's AML/CTF Policies and Procedures (as part of the new Joint AML/CTF Program). The AML/CTF Policies and Procedures provide for a process in clause 3 regarding customer risk assessments, and how those customers who are high or critical risk are to be escalated. 	<ul style="list-style-type: none"> The Financial Crime team is reviewing the high and critical ML/TF risk customer exit process, including through the POI Committee and Significant Player review. The proposal will be presented to the property CEOs over the coming weeks. 	Steve Blackburn / Nick Stokes	



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<ul style="list-style-type: none"> On 12 November 2020 Crown also introduced its Escalation of Critical Risk Customer Policy, which requires specific matters to be addressed to determine whether a critical risk customer should be retained; Crown has also introduced a new Persons of Interest (POI) Group Committee. This became active on 14 October 2020, with a decisioning tool developed and in operation (see items 35 – 38 below for further details on further patron specific controls implemented by Crown.) <u>The Financial Crime team have created a critical risk customer escalation form, where the default position is to exit the customer.</u> 	<ul style="list-style-type: none"> <u>The Financial Crime team have created a critical risk customer deployed the escalation form, process contemplated under the Escalation of Critical Risk Customers Policy in place of the routine POI escalation process for customers identified as presenting material financial crime risk.</u> <u>This ensures that customers who present material financial crime risk are promptly escalated to the Chief Executive Officers of each Crown property for adjudication, with a recommendation provided by the Financial Crime team.</u> 		



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
20.	AML/CTF Training	<ul style="list-style-type: none"> As at 22 May23 June 2021, 11,694,766 Crown employees (93%) have completed the AML/CTF Awareness Training. Further, 3,345 Crown Melbourne contractors have also completed the training. Targeted training has been delivered to 913 employees (93%) at Crown Perth, 1,333 (85%) at Crown Melbourne and 201 (07%) employees at Crown Sydney. 2,485 Crown staff. This training is face-to-face and is business-unit specific in table games, gaming machines, cage, security & surveillance, hotels, and food & beverage. Targeted face-to-face training has been delivered to 02 Business Operations Teams (this is 100% of our senior management personnel across Perth, Sydney and Melbourne). C-suite executives at all properties have received targeted training. <u>All existing Business Operations Teams (BOT) and C-suite executives at all properties have also received targeted training save for recent additions to the BOT.</u> Financial Crime conducted information sessions sessions in late March covering the roll out of the AML Portal (the new digitised UAR and SMR workflow) for staff in the Crown Table Games, Gaming Machines and Cage business units. The information sessions provided relevant Crown employees in the casinos and the cage with an understanding of the UAR and SMR process and how to identify and escalate unusual 	<ul style="list-style-type: none"> Crown will conduct refresher AML/CTF training for moderate and high-risk employees and contractors on an annual basis. A targeted training calendar has been developed in draft form and is in the process of being settled and a <u>Financial Crime Training Manager is being recruited to roll out the training calendar across the group.</u> To further advance the effectiveness of our training, the Financial Crime and Compliance 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. 	Steve Blackburn / Nick Stokes	Complete. Subject to continuous refinement.



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<p>activity through the new system and workflow. As noted above this digitised workflow and reporting capability is now operational.</p> <ul style="list-style-type: none"> A new face-to-face AML/CTF training module was delivered to the Boards and senior management of Crown Resorts, Crown Sydney, Crown Melbourne and Crown Perth on 8 March 2021. <p>Financial Crime held information sessions in early April on the UAR and SMR workflow tool. Training on the workflow tool is continuing to occur.</p>	<ul style="list-style-type: none"> Additionally, 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. <u>On 17 June, Financial Crime met with representatives from Learning and Development and Procurement to discuss a consistent approach to ML/TF Risk Awareness Training for contractors across the group. Taking a risk based approach depending on the role and type of contractors, Financial Crime will work with the Learning and Development team to create ML/TF Risk Awareness Training specific to contractors.</u> 		
21.	Employee Due Diligence	<ul style="list-style-type: none"> [REDACTED] 	<ul style="list-style-type: none"> The Financial Crime team has amended Employee Due Diligence Framework in draft to enhance Crown approach 	Steve Blackburn / Nick Stokes	



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<ul style="list-style-type: none"> [Redacted] 	<ul style="list-style-type: none"> to EDD, this is subject to Board approval. 		
22.	<p>Sydney specific - Additional Crown Sydney AML controls</p>	<ul style="list-style-type: none"> [Redacted] 	<ul style="list-style-type: none"> Refer to item 37 below. 		



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<ul style="list-style-type: none"> • [REDACTED] 			
23.	Independent review of the Joint AML/CTF Program		<ul style="list-style-type: none"> • In the fourth quarter of 2021, Crown will engage a third-party consultancy firm to conduct an independent review of the Joint AML/CTF Program. Crown will share the results of the review and Crown's response with Regulators. The review will assess: <ul style="list-style-type: none"> • the effectiveness of the Joint AML/CTF Program having regard to the ML/TF risk of each reporting entity in the designated business group; 	Steve Blackburn / Nick Stokes	31 December 2021



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
			<ul style="list-style-type: none"> whether the Joint AML/CTF Program complies with the AML/CTF Rules; whether the Joint AML/CTF Program has been effectively implemented; and whether each reporting entity in the designated business group has complied with the Joint AML/CTF Program. <ul style="list-style-type: none"> Crown will undertake to have a further independent review conducted twelve months after the independent review. 		
24.	Deloitte Forensic Review	<ul style="list-style-type: none"> Deloitte have been engaged by Crown to conduct a forensic review and controls assessment to address the recommendations in the Bergin report. The review commenced on 22 February 2021 and consists of the following three phases of work: <ul style="list-style-type: none"> Phase 1 assessed the design and operating effectiveness of Crown's current Patron Account Controls. Phase 2 will confirm whether there are any transactional patterns or behaviours indicative of any money laundering 	<ul style="list-style-type: none"> Crown is closing out remaining recommendations from the Deloitte Phase 1 Report, due by June and October 2021. All recommendations due for implementation in April <u>by June</u> 2021 have been implemented. <u>Arising from the Deloitte Phase 1 recommendations, Crown has agreed to reduce the service level agreement (SLA) for end-to-end</u> 	Steve Blackburn / Nick Stokes	<p>Phase 1 – Substantially complete.</p> <p>Phase 2 and 3 – August – September 2021.</p> <p><u>Hotel Card Transaction work – 30 September 2021.</u></p>



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<p>typologies through historic or current Crown patron accounts, including but not limited to the typologies identified in the Grant Thornton and Initialism Reports. This phase will provide the Crown Resorts Board and Regulators with full visibility as to:</p> <ul style="list-style-type: none"> whether there were other transactional patterns or behaviours indicative of money laundering through the Riverbank or Southbank accounts not identified in the Grant Thornton and Initialism Reports; and the extent to which any other Crown patron accounts (including all historic patron accounts) may also have been infiltrated by criminal elements. <p>Further, Deloitte will undertake a sample review of other Australian or overseas bank accounts held by Crown or other legal entities associated with Crown's Australian casino operations. If it identifies any accounts that were used, or capable of being used, as patron accounts it will add these to the scope of the Phase 2 review.</p> <ul style="list-style-type: none"> Phase 3 will provide comfort to the Crown Resorts Board and Regulators as 	<p><u>completion of UARs from 44 days to 28 days. While no precise implementation date was agreed, Crown estimated that this would occur six to eight weeks after transition from the existing manual UAR and Investigation process to Crown's digitised process (which took place on 12 April 2021). Transition to a fully digitised process has been completed for Crown Perth, however a significant increase in frontline UARs and transaction alerts has delayed the transition at Crown Melbourne. While these factors have hampered efforts to meet the SLA, there has been recent Board approval for recruitment of 13 additional investigation staff to accommodate the increased volume of reporting.</u></p> <ul style="list-style-type: none"> It is currently anticipated that Phases 2 and 3 of Deloitte's review will be completed in late August to mid-September 2021. 		



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<p>to whether Crown's broader control framework appropriately mitigates the risk of any transactions similar to those identified in Phase 2 continuing to occur through the Crown's current patron accounts.</p> <ul style="list-style-type: none"> • Phase 1 was prioritised to ensure the Crown Resorts Board and Regulators are provided with comfort as soon as possible that Crown has appropriately mitigated the risk of transactions occurring through Crown's current patron accounts that are similar to those identified in the Grant Thornton and Initialism Reports in relation to the Riverbank and Southbank accounts dated November 2020. • The final Phase 1 report was provided by Deloitte on 26 March 2021 • Crown has implemented the majority of the recommendations provided in the Deloitte Phase 1 report and is progressing on the outstanding recommendations which are due on 30 June, 1 October, 31 December. • <u>On 15 May 2021, Mr Blackburn presented an update to the Crown Resorts Limited Board on steps to address recommendations in Deloitte Forensic Review Phase 1.</u> • <u>On 29 June 2021, Deloitte was engaged to undertake an additional review of transactions relating to the practice involving Crown receiving payment at Crown Towers</u> 			



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<p><u>Hotel (Melbourne) from international VIP customers using a credit or debit card, with the funds then made available to the patron for gaming at the Crown Melbourne casino. The review will cover the period 1 January 2012 to 30 April 2021. The results of this review will be shared with Regulators.</u></p>			
25.	Steven Blackburn proposals	<ul style="list-style-type: none"> Mr Blackburn's plan is to continue the process of embedding Crown's new Joint AML/CTF Program, including the roll out of Crown's automated transaction monitoring system, Sentinel. In parallel, Crown will conduct an enterprise-wide ML/TF risk assessment On 24 May 2021, the Crown Resorts Limited Board approved a detailed report and plan that sets out Mr Blackburn's assessment of Crown's current maturity across all elements of financial crime and compliance, and his recommendations in relation to a comprehensive Financial Crime & Compliance Change Program. A copy of this approved plan will be provided to regulators and includes: <ul style="list-style-type: none"> a targeted future state maturity for financial crime; an assessment of capability and capacity required to deliver the targeted future state maturity; an increase in FTE team numbers from 56 existing FTEs in Financial Crime & Compliance to 111 FTE, with an 	<ul style="list-style-type: none"> PwC assisting to prepare a high-level delivery plan for AML/CTF transformation. 	Steve Blackburn	The plan was approved by the CRL Board on 24 May 2021.



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<ul style="list-style-type: none"> accompanying increase in budget of \$10m; the introduction and development of best practice risk assessment and reporting; an enhanced reporting and oversight regime coupled with a comprehensive approach to assurance and training; control uplifts to address money laundering and terrorist financing vulnerabilities; changes to reporting and data capabilities, including through the development of improved data analytics capacity and technology improvements; the more effective deployment of Crown's surveillance capabilities to assist the Financial Crime & Compliance team; a roadmap to guide the delivery of the Financial Crime & Compliance Change Program. Preliminary work has begun on the enterprise-wide ML/TF risk assessment with the support of PWC. A copy of Mr Blackburn's plan has been provided to Crown's regulators. 			
Risk management					
26.	Risk team changes	<ul style="list-style-type: none"> In December 2017, a new Group Manager, Risk and Audit role was created, reporting to the CEO 	<ul style="list-style-type: none"> Three additional roles for the risk team are in recruitment 	Anne Siegers	<u>30/06/24</u> <u>Two of the three roles</u>



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<p>of Australian Resorts. Ms Anne Siegers was recruited for that role.</p> <ul style="list-style-type: none"> In December 2020, the new role of Chief Risk Officer (CRO) was created, reporting directly to the CEO of Crown Resorts (or equivalent) with a reporting line to the Risk Management Committee. Ms Siegers was appointed in this role. The CRO is also a member of the Executive Team for each property. Since her arrival at Crown, Ms Siegers has built up the risk team from one full time equivalent to seven. This includes four risk managers who have been embedded in the business. These risk managers sit with the business and attend operational meetings to facilitate the consideration of risk management as part of decision-making and ensure greater knowledge of the business by the risk department. 	<p>(taking the team to ten FTE). It is anticipated that these three additional roles will be finalised <u>by June in the July - August 2021 period.</u></p>		<p><u>are in final recruitment stage. The third is well progressed.</u></p>
27.	Risk management policies and procedures	<ul style="list-style-type: none"> On joining in 2017, Ms Siegers reviewed the existing risk matrix and significantly reduced the materiality threshold so that more risk information was provided to the Board. She also introduced escalation requirements for each level of risk to specify when risks were required to be escalated and to whom. A formal risk appetite was approved by the Board in November 2018. A risk management strategy (which incorporated the risk appetite statement) was approved by the Board in June 2019. The risk management 	<ul style="list-style-type: none"> Complete 	Anne Siegers	Complete



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<p>strategy is reviewed annually and was updated in June 2020 to include a section on risk culture.</p> <ul style="list-style-type: none"> When Ms Siegers joined Crown, there were existing Corporate Risk Profiles but there were gaps in individual risk profiles below that for each specific business area. The risk department commenced a program of work to prepare these risk profiles for each business area in 2018 and now has risk profiles for the majority of business areas, including VIP Operations. Each risk profile identifies a specific individual who is responsible for risk in that area, including escalation of those risks. A first draft of the Risk and Compliance Culture Framework was provided to the Risk Management Committee (RMC) in November 2020. Feedback was also received from Deloitte on the Framework. A revised Risk and Compliance Culture Framework was approved by the Crown Board in March 2021. 			
28.	Risk governance and reporting	<ul style="list-style-type: none"> A number of changes have been made to the RMC process: <ul style="list-style-type: none"> meetings increased from two per annum to four in November 2017 and then from four to six meetings per annum in late 2019; meeting time has increased to three hours for each meeting; 	<ul style="list-style-type: none"> Complete 	Anne Siegers	Complete



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<ul style="list-style-type: none"> • emerging risk, compliance and AML issues have all been added as standing items to the RMC agenda; • Reporting to the RMC has been enhanced and the RMC now receives the following at each meeting: <ul style="list-style-type: none"> • an executive summary of emerging risks around the business; • risk appetite dashboards which report against the seven risk categories in the risk appetite statement; • proposed adjustments to risk profile based on the key events discussed; • an update on material risks; • a summary of key risk indicators divided into the seven risk categories. This is based on operational data that assists with identifying where there might be emerging risks, for example, the number of data breach events reported the Compliance. • The minutes from each RMC are provided to the full Board of Crown Resorts, and the Chair of the RMC provides an update to the Board on key matters considered during the RMC meeting. • The ERCC was established in July 2018 in Melbourne (it was already in existence in Perth). ERCC meetings coincide with Risk Management Committee meetings. This ensures that 			



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<p>Executives are aware of what is going to the RMC and can ensure that all relevant information for each property is being escalated.</p> <ul style="list-style-type: none"> Updated reporting format, including reporting in relation to risk and compliance culture was approved by the RMC in March 2021. 			
29.	Additional risk management enhancements	<ul style="list-style-type: none"> An Enterprise Risk Management system was introduced in Melbourne (it was already in use in Perth) to collate risk information and facilitate reporting. Monthly meetings of compliance officers have been rolled out. All business units escalate any issues that have been identified during the month at these meetings. The CRO attends all of these meetings to ensure that the risk department is fully informed of compliance issues and can identify systemic issues if they arise. The Risk team has commenced a review of the training programs provided to staff to consider whether there is adequate coverage of relevant risks in the training program. 	<ul style="list-style-type: none"> Review of training is scheduled to be complete in June 2021. 	Anne Siegers	June 2021
30.	Deloitte review	<ul style="list-style-type: none"> Deloitte was retained to review the risk management program in February 2019. Deloitte's report was provided in June 2019 and each of the recommendations provided by Deloitte have now been implemented, with the exception of one recommendation that proposed a change in name of one of Crown's risk policy documents. 	<ul style="list-style-type: none"> Complete. 	Anne Siegers	Complete
Culture					



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
31.	Crown values	<ul style="list-style-type: none"> For performance year FY20, Crown rolled out its new values, which are: <ul style="list-style-type: none"> We do the right thing. We act respectfully; We are passionate; and We work together. The values were introduced in Melbourne and Perth at briefings provided to all staff to formally launch the values. After the formal launch, the values were promoted with extensive signage in back of house areas which included explanations and interviews with employees about what each of the values mean to them. The values have also been incorporated into other relevant policies and documents like the Crown Code of Conduct and the Risk and Compliance Culture Framework. 			
32.	Culture Reform Program	<ul style="list-style-type: none"> An overarching culture reform plan to assess current culture and to address any necessary cultural reform has been developed, broken into the following key areas: <ul style="list-style-type: none"> Laying the foundations and tone from the top <u>Assessing Crown's current culture</u> Reviewing and refining Crown's strategic intent Clarifying Crown's Purpose and Values 	<ul style="list-style-type: none"> The Culture Reform Program will be under the direction of the Chief Executive Officer (commencing<u>commenced</u> 1 June 2020) and the Chief People and Culture Officer (commencing<u>commenced</u> 7 June 2021). The tone from the top of the organisation has changed 	Anne Siegors (Tony Weston from 7 June 2021)	To be determined once Chief People & Culture Officer commences by 16 August 2021 <u>(at the conclusion of phase 4 of Deloitte's work (see below))</u>



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<ul style="list-style-type: none"> • <u>Engaging key stakeholders, including Crown's regulators in relation to Purpose and Values</u> • Assessing Crown's current culture • Assessing the gaps and planning remediation • <u>Plan to embed the evolution of the Purpose & Values</u> • Implementing a governance structure • Developing and implementing a measurement process • Audit and information sharing • The plan was presented to and endorsed by the Board in December 2020. 	<ul style="list-style-type: none"> • materially with a refreshed Board and management team. • Phase 2 of Deloitte's work (see #33) will enable us to understand our current culture. With this information and refreshed leadership Crown will review its purpose and values and determine what work is required to deliver a reformed culture. 		
33.	Deloitte culture review	<ul style="list-style-type: none"> • Deloitte has been engaged to conduct an organisational culture review, broken into four discrete phases of work. To date, Deloitte has been engaged to undertake the first three <u>all four</u> phases of work -, with the engagement to undertake the fourth phase finalised on 23 June 2021 • Phase 1 was completed in February 2021 and involved the development of a framework to assess Crown's existing culture and its maturity. 	<ul style="list-style-type: none"> • In Phase 2, Deloitte will carry out a more detailed analysis to gain a deeper understanding of Crown's culture and identify levers for change. This will involve surveys, focus groups and interviews and is expected to be delivered in <u>by 16</u> July 2021. • In Phase 3, Deloitte will use both quantitative and qualitative analysis to prepare a report and recommendations for presentation to senior 	<u>Tony Weston</u> Anne Siegers	<p>Stage 2 & 3 <u>The expected to be complete completion dates for this work is:</u></p> <ul style="list-style-type: none"> - <u>Phase 2: 16 July 2021-</u> - <u>Phase 3: 23 July 2021</u> - <u>Leadership forums: planned to</u>



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
			<p>management and the Board. This is also expected to be complete by 23 July 2021.</p> <ul style="list-style-type: none"> Phase 4 wouldwill involve using the insights from the other phases to define a target culture state for Crown and build a road map to achieve cultural change. This part of the process will take further time to achieve but will give Crown a clear path forward to achieve effective and long-lasting cultural change. Crown will assess the output of Phases 2 and 3 before it formally engages Deloitte for phase 4. <u>Crown will gather its key leaders from across the business in workshops as an integral part of its broader change program. These workshops will commence in July and will initially focus on restating Crown's purpose and values.</u> 		<p><u>commence mid-July</u></p> <p><u>- Phase 4: 16 August 2021</u></p>
34.	Remuneration	<ul style="list-style-type: none"> Revised STI structures implemented for each member of Crown's key management personnel (KMP) eligible to receive an STI including partial deferral and forfeiture in the event of any adverse compliance or regulatory events. A deferral and 	<ul style="list-style-type: none"> The development of revised STI structures for KMPs will be delivered by the Chief People & Culture Officer in the second half of 2021. The 	<p>Alicia Gleeson / Anne Siegers</p> <p>(Tony Weston from 7 June 2021)</p>	<p>End of calendar 2021 for work to update STI structures and KPOs</p>



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<p>forfeiture mechanism will apply to the new CEO once a candidate is identified.</p> <ul style="list-style-type: none"> Introduction of mandatory Compliance and Risk KPOs for all salaried staff in FY20. Introduction of values based 'hurdles' as part of performance management framework in FY20. Crown has engaged Mercer to review and provide recommendations in relation to Crown's remuneration framework. In parallel, the University of Queensland is assisting Crown to review and modernise its performance management framework. Both streams of work are ongoing. 	<p>work to introduce values-based hurdles and mandatory compliance and risk KPOs will also be led by the Chief People and Culture Officer following his commencement in June 2024.</p>		<p>The roadmap for cultural change referred to above (phase 4 of Deloitte's work) will identify a timetable and workplan for this project.</p>
Junkets/POI/Significant player review					
35.	Cessation of dealing with junket operators	<ul style="list-style-type: none"> On 17 November 2020, the Crown Board determined that Crown will permanently cease dealing with all junket operators, subject to consultation with gaming regulators in Victoria, Western Australia and New South Wales. Crown informed all recently active junket operators of this decision by early December 2020. On 23 November 2020, Crown Perth submitted an update to the casino manual removing junket programs and thereby discontinuing dealings with junket operators. On 23 February 2021, the Gaming & Wagering Commission directed Crown Perth to discontinue International Program Play and junkets. 	Complete	Xavier Walsh	Complete



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<ul style="list-style-type: none"> On 18 May 2021, each of Crown Resorts Limited and Crown Melbourne Limited confirmed to the Victorian Royal Commission that it: <ul style="list-style-type: none"> has ceased dealings with international junket operators; has ceased dealings with junket tour operators; does not intend to deal with international junket operators in the future (whether by staff based in Australia or otherwise); and does not intend to deal with junket tour operators in the future. 			
36.	POI review	<ul style="list-style-type: none"> In April 2020, Crown commissioned Deloitte to undertake a review of its junket due diligence and POI process. The final report was received from Deloitte in August 2020. The Crown Resorts Board resolved to adopt the recommendations on 18 August 2020. A workplan to implement the Deloitte recommendations was endorsed by the Board on 10 September 2020. Recommendations in relation to customer due diligence have been implemented, including expansion of the POI Committee to a group-wide committee, implementation of a POI Decision Assessment tool, and providing the Crown Melbourne Compliance Committee and the 	<ul style="list-style-type: none"> The Financial Crime team is currently reviewing SPR Framework and the Group POI Committee process, looking for improvement opportunities. 	Michelle Fielding / Anne Siegers	Complete with ongoing refinement.



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		Crown Resorts Board Risk Management Committee with oversight of POI process.			
37.	Significant Player Review	<ul style="list-style-type: none"> A new process was implemented in 2020 (and subsequently further refined) to assist with customer due diligence and identification of individuals with whom Crown should cease dealing. A Significant Player Review Policy (SPR Policy) to support the process is in development. The Significant Player Review involves a review (on an ongoing basis) of top-end local and domestic players (determined by certain theoretical or actual revenue spend thresholds during defined periods) across all three of Crown's properties to determine whether (i) to continue to deal with the patron; (ii) further investigation is required; or (iii) cease to do business with the patron. The review also assesses players based overseas who play Gaming Machines. Reviews have been undertaken across all three of Crown's Australian properties: The SPR Policy outlines a framework for completing further Know Your Customer (KYC) in accordance with the AML/CTF Rules on customers who trigger certain theoretical or actual revenue spend thresholds at Crown during defined periods: <ul style="list-style-type: none"> Reviews completed for in excess of 43201400 top customers in Melbourne and in excess of 530 Sydney based customers who are expected to become 	<ul style="list-style-type: none"> Reviews will be undertaken on an ongoing basis as new customers reach certain trigger thresholds and as periodic re-assessments are undertaken. Steven Blackburn who commenced as Crown's Group Chief Compliance and Financial Crime Officer on 24 February 2024, is currently reviewing SPR Framework and the Group POI Committee process, looking for improvement opportunities. 	Tim Barnett	Complete with ongoing refinement.



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<p>Crown Sydney customers. Approximately 250 customers have been issued with Withdrawal of Licence, either by operation of the POI Committee or subsequently for failure to provide sufficient source of wealth information.</p> <ul style="list-style-type: none"> Perth's review of its top customers continues with 446<u>458</u> customers currently subject to reviews- (<u>446 have been completed</u>). All have been assessed on a preliminary basis with 30<u>in excess of 40</u> of these having an elevated level of risk, pending further consideration. <u>Seven have been issued with a Notice revoking Licence.</u> As part of the top locals (Melbourne) review above, a new workstream has identified approximately 70 former international customers <u>now</u> predominantly domiciled in Melbourne. The review of 62<u>in excess of 60</u> of these patrons is at various stages of completion. Thus far, 37<u>41</u> patrons have been approved to continue as customers, 18 reviews are ongoing, and 7 have been issued with a Withdrawal of Licence. A similar review has occurred for former international customers (8) now domiciled in Perth. One of the eight customers identified through this 			



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<p>process has been issued a Notice Revoking Licence.</p> <ul style="list-style-type: none"> Crown is also reviewing 111 patrons whose accounts were identified in the November 2020 Grant Thornton/Initialism reports as being associated with transactions indicative of structuring or cuckoo smurfing. These reviews are expected to be completed by 30 June 2020. <u>To date 11 have been issued a Withdrawal of Licence.</u> 			
38.	Credit approval process	<ul style="list-style-type: none"> The credit decision making process has been separated from the Premium Player due diligence and approval process. 	<ul style="list-style-type: none"> Complete. 	Anne Siegers	Complete
39.	Information sharing protocols with relevant law enforcement agencies	<ul style="list-style-type: none"> Nick Kaldas engaged to assist with developing [REDACTED] protocols with law enforcement agencies. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] 	<ul style="list-style-type: none"> Continued engagement with relevant law enforcement agencies for the development and implementation of [REDACTED] arrangements. Several agencies have expressed a preference to pause discussions pending the conclusion of regulatory matters. 	Steve Blackburn	Calendar 2021



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
Audit and assurance					
40.	Audit enhancement	<ul style="list-style-type: none"> Quality Assessment of the Internal Audit Department was obtained from the Institute of Internal Auditors Australia in October 2020. The review concluded that the Crown Internal Audit Department is operating professionally and generally conforms with the Internal Audit Standards. This is the highest rating that can be achieved. The risk and audit functions have been separated as part of the recent organisational restructure as an enhancement to the Three Lines of Defence model. A new Group General Manager – Internal Audit was appointed and commenced on 10 May 2021. A new independent auditor was appointed from the commencement of the 2021 financial year. 	<ul style="list-style-type: none"> Complete 	Anne Siegers	complete
Responsible Gaming					
41.	Responsible Gaming advice and enhancement	<ul style="list-style-type: none"> On 24 May 2021, the Board resolved to adopt a number of responsible gaming enhancements, namely: <ul style="list-style-type: none"> Reduced time limits on player for domestic players and international premium program players Support for a state-wide exclusion register Cessation of bingo program 	<p>Progress on the enhancements approved by the Board on 24 May are described below:</p> <ul style="list-style-type: none"> Reduced time limits will be implemented by September 2021, allowing for technological, operational, training and customer communications to be developed and settled 		



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
		<ul style="list-style-type: none"> • <u>Cessation of red-carpet program</u> • <u>Increased diversity of RG staff</u> • <u>Support for move to cashless gaming</u> • <u>Controls on direct-to-member offers</u> • <u>Cessation of gaming vouchers to subscribe to loyalty programs</u> • <u>Research into association between loyalty program and gambling harm</u> • <u>Employee incentive plans to consider RG implications</u> 	<ul style="list-style-type: none"> • <u>Support for State Wide Exclusion register – This includes a stepped approach whereby Australian and potentially Australasian Casinos consider an Industry wide Self Exclusion Program; followed by approaches to State Regulatory Bodies and other stakeholder approaches with a view to implementing across land based gaming machines venues where these exist in the States Crown Resorts operates.</u> • <u>Cessation of Bingo and 'Red Carpet (Bus) programs has been implemented at Crown Perth and Crown Melbourne and will not operate at Crown Sydney.</u> • <u>The current recruitment of Responsible Gaming Advisors has commenced for staff from CALD backgrounds including language skills that are potentially underrepresented in the staff profile but potentially overrepresented in likely problem gambling profiles at property level.</u> 		



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
			<ul style="list-style-type: none"> • <u>Responsible Gaming will be represented at the Crown Steering Committee for cashless/digital wallets.</u> • <u>Direct-to-member offers have been reviewed and implanted.</u> • <u>Gaming voucher issuance for new Loyalty Program members have ceased.</u> • <u>The framework for implementation of research into potential associations between loyalty program and gambling harm has been established, with the first iteration for completion in the next three to four months being shared for comment with the Responsible Gaming Advisory Panel (RGAP).</u> • <u>Gaming Sales 'Sales Incentive Plans' have ceased and RG implications will be considered in new plans.</u> <p><u>Additionally, the RG department continues to work on the RGAP Recommendations; is scoping technological solutions to assist with recording of RG customer contacts for gaming staff and a case management system for RG contacts; and is</u></p>		



#	Area	Changes already made	Proposed next steps	Responsibility	Target Timing
			<p><u>developing an Employee Reward & Recognition Scheme for rewarding employees displaying responsible gaming service excellence.</u></p> <p><u>At its 15 June 2021 meeting the Board directed management to engage the Responsible Gaming Advisory Panel to provide advice into aspects of Crown's responsible gaming programs that have been the subject of criticism by the Victorian Royal Commission.</u></p>		