



THE STAR

The Star Entertainment Group

COMPLIANCE POLICY AND FRAMEWORK

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FOREWORD – COMMITMENT TO COMPLIANCE

Corporate compliance means acting with integrity and observing both the letter and the spirit of the laws that apply to our business activities. It is not a theoretical concept. It is the basis for a code of behaviour that applies to all employees in the company and underpins the culture of The Star Entertainment Group (**SGR**). It also provides guidance for all employees on how to do the right thing.

The nature of SGR operations means that our activities are subject to a variety of statutory and other obligations, in Australia and in other parts of the world where we have business activities.

SGR's business attracts a high level of regulator and public scrutiny. Any non-compliance or reputational damage can impact on SGR's suitability to maintain the various licences required to operate its businesses.

Every employee must comply with all applicable laws while working for SGR and SGR must forgo any business dealings that rely on a violation of the law of any country. No person in the company or in any way associated with it is authorised to give any instruction to the contrary.

Any employee who suspects any form of corruption, theft, fraud, or wilful breach of a compliance obligation should immediately report the matter. This should be reported to the Chief Legal and Risk Officer, or through any of the other channels identified in this Policy and Framework, including the company's whistle-blower facility.

No employee will be disadvantaged in any way because he or she, acting in good faith, reports a potential violation of the company's Code of Conduct or a violation of a compliance obligation.

We expect all employees to familiarise themselves with the Compliance Policy and require them to complete the associated compliance training so they can recognise the importance of corporate compliance and ethical behaviour, and also fully understand the compliance obligations that are relevant to them and practical guidance to safeguard compliance.

The Compliance Policy and Framework is entirely consistent with the values that underpin the company's business activities and strategic objectives, including specifically our value to "Do the Right Thing". By adhering to these standards of compliance we will focus on doing the right thing and avoid significant legal, economic and reputational risks to our company and our employees. We will also preserve the interests of all our stakeholders – including our guests, our suppliers and our shareholders – and maintain our standing in the wider community.

John O'Neill AO
Chairman

Matt Bekier
Managing Director & CEO

PART A – COMPLIANCE POLICY

1 PURPOSE

The Star Entertainment Group (**SGR**) Compliance Policy sets out SGR's commitment to a strong and effective compliance management system as a key element of maintaining the company's culture of ethical behaviour and acting with integrity. It is consistent with the applicable Australian standard "AS ISO 19600:2015 Compliance management systems – Guidelines". This Policy also sets out SGR's compliance objectives and principles and has been approved by SGR's Board of Directors.

2 SCOPE

The Compliance Policy applies to every person who works for the SGR corporate group, including wholly owned subsidiary companies. This includes directors, employees and other contracted providers of labour services (collectively referred to as "**employees**").

3 SGR'S COMPLIANCE ENVIRONMENT

SGR is an integrated resort company, listed on the Australian Securities Exchange. It owns and operates integrated resorts in New South Wales and Queensland. These activities are highly regulated under similar, but different, casino specific legislation in each State. SGR is also regulated in respect of a range of non-casino specific State and Commonwealth laws. SGR's business activities also extend beyond Australia's borders and the laws of those countries may also apply to SGR operations. SGR is also a participant in several joint ventures to jointly build, own and operate integrated resort related property assets.

SGR is subject to a wide range of compliance obligations. These include things that we must comply with by law and things we choose to do and standards we seek to adhere to (e.g. Industry Codes and internal policies).

Employees must observe all conditions relevant to both SGR's licences to operate and their own personal licences. Actions which put at risk SGR's licences to operate are not permitted. All non-compliances ultimately harm SGR. Employees who knowingly violate compliance obligations cannot claim to have been acting in SGR's interests.

4 COMPLIANCE MANAGEMENT OBJECTIVES

The objectives of SGR's Compliance Policy and Compliance Framework are to:

- promote compliance with SGR's compliance obligations;
- adopt a consistent approach to management of SGR's compliance obligations;
- foster an organisational culture that understands the importance of compliance and protects SGR's reputation as a company that acts lawfully and with integrity;
- reduce the likelihood of inadvertent breaches of SGR's compliance obligations and minimise the consequences of any such inadvertent breaches; and
- protect our reputation by giving stakeholders and the communities in which SGR operates confidence that we act lawfully and with integrity.

To achieve these objectives SGR has developed this Compliance Policy and the Compliance Framework.

5 OUR PRINCIPLES OF BUSINESS CONDUCT

5.1 Integrity in business dealings

Integrity is crucial to all SGR's business dealings. SGR will not tolerate unethical or corrupt actions by any of its employees or agents or by any third party it may have business dealings with. Employees are strictly prohibited from unlawfully influencing business partners, government agencies, public officials or other public authorities through the provision of favours, financial or other benefits, the giving of gifts or the granting of other advantages.

5.2 Proper record keeping and transparent financial reporting

As a listed public company, SGR must provide investors, financiers, regulators and the general public with regular, timely, complete and accurate reports on its financial position and other matters related to the company's public standing. Employees must: enter into transactions on behalf of SGR only within the scope of the authority delegated to them under SGR's Delegated Authorities Policy; accurately and completely record transactions in SGR's accounting systems; disclose any and all information which may have a material bearing on SGR's financial reports; and comply with all relevant accounting policies, the Disclosure and Investor Communications Policy and other relevant SGR policies.

5.3 Co-operating with regulatory authorities

Regulatory authorities play an important role in giving the community confidence that we are complying with our obligations. We are regularly requested by both State and Commonwealth regulatory authorities to provide information about various aspects of our business. SGR believes that a model of cooperative compliance best serves the interests of the company and the various regulatory authorities. SGR will endeavour to provide regulatory authorities with complete, timely and accurate responses to any requests.

Employees must immediately notify SGR's Chief Legal and Risk Officer (or delegate) if they are contacted directly by any regulatory authority. Information or documents should be provided to a regulatory authority only with the consent of SGR's Chief Legal and Risk Officer (or delegate).

5.4 Maintaining positive corporate citizen standing

SGR is committed to providing workplaces and entertainment venues which contribute to the positive growth and reputation of the cities in which they operate. We want communities in those cities to be supportive of our business operations and confident that SGR is a good corporate citizen. Compliance with our legal obligations is only part of what we must do to retain community trust. It is also important that we do, and are seen to do, all that we can to minimise the potential social costs that can come from problem gambling, excessive consumption of alcohol, and anti-social behaviours on or near our properties.

6 NON-COMPLIANCE WITH OBLIGATIONS

Any breach of a compliance obligation (including, Legislation, Internal Control, SGR Internal Policy, Enterprise Agreement) must immediately be notified to the relevant

Compliance Strand Manager and relevant report completed (refer to the Compliance Framework in Part B).

Under no circumstances is it acceptable for an employee to knowingly, deliberately or recklessly breach a compliance obligation. A breach of a compliance obligation in these circumstances may result in disciplinary action against the employee (which may include termination of employment).

7 RELATED AND SUPPORTING POLICIES

This Compliance Policy is supported by other key SGR policies. These policies are available on the company Intranet and reviewed on a regular basis. They include, but are not limited to SGR's:

- Anti-bribery and Corruption Policy
- Code of Conduct
- Conflict of Interest Policy
- Cyber Resilience Acceptable Use Policy
- Delegated Authorities Policy
- Disclosure and Investor Communications Policy
- Employee Gambling Policy
- Gifts Policy
- Privacy Policy
- Procurement Policy
- Risk Management Policy and Risk Management Framework
- Securities Trading Policy
- Whistle-blower Policy

PART B – COMPLIANCE FRAMEWORK

8 OVERVIEW - COMPLIANCE MANAGEMENT FRAMEWORK

The Compliance Management Framework (**Compliance Framework**) sets out the approach of SGR to managing responsibilities, meeting requirements and mitigating compliance risk, in order to meet SGR's compliance obligations.

The Compliance Framework supports the Compliance Policy in Part A by detailing the responsibilities of the managers/leaders within SGR in developing and implementing systems and processes to enable the SGR to operate in manner consistent with its compliance obligations. It is an integral part of the SGR Board approved Risk Management governance framework and is supported by a number of key policies.

This Compliance Framework is based on the Three Lines of Defence Compliance Model and applies to all operations (including employees, systems, services, or contractors however defined) of SGR in which the Policies of SGR apply.

The Compliance Framework is overseen by the Chief Legal and Risk Officer and supports the SGR Compliance Policy and adopts the SGR Risk Management Framework.

SGR's Group Compliance Manager will review this Compliance Framework biennially, or more frequently where required by a material regulatory, business or strategy change and or due to any changes identified by the Chief Legal and Risk Officer.

All position descriptions will have a compliance requirement and, where appropriate, specific compliance activities that are relevant to the role. As part of the annual performance review process (e.g. Strive) each role will have specific compliance Key Performance Indicators (**KPI**). These KPIs will generally require the completion of all compliance training as well as other activities specific to the role or obligations as detailed below.

9 OVERSIGHT

Board Risk and Compliance Committee

The SGR Board Risk and Compliance Committee (**BRCC**) has been established by the SGR Board to provide oversight of risk and compliance matters. It's role and responsibilities are set out in the BRCC Terms of Reference including:

- Recommending to the Board any changes to the Compliance Policy;
- Monitoring the ongoing effectiveness of SGR's compliance management framework; and
- Monitoring the implementation of actions to remediate any material breach of a compliance obligation.

Management

Senior Management is responsible for managing and implementing of SGR's compliance and risk management program, including through forums such as the Executive Leadership Committee and Senior Leadership Operational Compliance Meetings.

The key responsibilities of these management forums include:

- Reviewing and recommending to the Board for approval SGR's risk management and compliance management policies and frameworks;
- Evaluating the effectiveness of SGR's risk and compliance management systems, control processes and reporting systems in place to confirm that they are performing adequately and that compliance requirements are being satisfied (other than the financial reporting obligations for which the Board Audit Committee is responsible);
- Monitoring SGR's risk profile in consideration of the risk appetite statement approved by the Board;
- Reviewing and monitoring the adequacy of SGR's processes and systems to identify, monitor and report material risks and material incidents which have the potential to compromise SGR's ability to achieve its business objectives;
- Reviewing the adequacy of SGR's fraud and corruption control processes including monitoring compliance with relevant policies; and
- Monitoring that sufficient resources are dedicated to managing risk and compliance.

10 COMPLIANCE PLANNING

To create an effective compliance management framework that is robust and provides a consistent approach to compliance planning which aligns with other risk management and control processes across SGR, the Chief Legal and Risk Officer (or delegate) will develop a Group Compliance Plan including:

- Measures aimed at communication of key compliance requirements to the whole of SGR;
- Measures which build the compliance culture of SGR;
- Specific actions to review or improve high risk obligations;
- Specific action to implement any substantial new legal obligations; and
- Allocating ownership of compliance obligations by functional Compliance Strands to provide clarity of responsibility.

Each Compliance Strand owner is required to have within their area of operations, a Compliance Management Plan. The Plan must be consistent with the standard provided in the Compliance Strand Obligations Template in **Appendix E** and should contain, at a minimum:

- Identification of compliance obligations applicable to that Strand Owner;
- A risk assessment of key compliance risks including mitigations for each risk;
- The approach to confirming compliance assurance;
- An assessment of the training required for the Compliance Strand; and
- Measures that evidence compliance performance.

To enable appropriate resource allocation to be considered when yearly budgets are determined the Compliance Management Plans are required to be prepared or updated on an annual basis and attestation of this provided to the Chief Legal and Risk Officer (or delegate).

11 COMPLIANCE STRANDS

To provide clarity as to the accountability for the overall responsibility for a specific Compliance Obligation, each obligation has been assessed and assigned to Compliance Strands with a specific role with oversight of that strand.

This does not remove individual responsibility from team members in relation to those obligations but requires a senior manager to have direct accountability to ensure that SGR has sufficient mitigations, controls, process and training in place to meet its obligations.

Individual Compliance Strand Owners are responsible for designing and implementing appropriate compliance management controls and processes in respect of their assigned compliance obligations.

Business Unit Management are responsible for developing and implementing processes that reflect the Business Units compliance obligations. Where practicable, systems and processes are to be designed so that when team members follow the documented practices, compliance with their obligations is automatically achieved.

SGR has implemented key policies that reflect the values and risk appetite statement of SGR and provide mitigation to risk or impose Compliance Obligations separate to legislative obligations. The ownership and review of these policies is linked to the relevant the Compliance Strand owner.

The compliance team is tasked to assist the Compliance Strand Owners and Business Unit Managers with their review of Standard Operating Procedures (SOP) in order to ensure that they conform to the various compliance obligations prior to the introduction of any material process change. Compliance Strand Owners are responsible for ensuring that each SOP assigned to them is reviewed within the review period nominated in the respective policy, as provided by this Compliance Framework or as otherwise requested the Chief Legal and Risk Officer for SGR, or Group Compliance Manager (or their delegates).

Appendix A provides the Compliance Obligation Register with a breakdown of obligations and the assigned Compliance Strand Owners.

Appendix B contains a list of all core company policies, the review cycle and the Compliance Strand Owner of that policy.

12 INCIDENT AND BREACH REPORTING

SGR uses a Compliance and Risk Management System called 'Protect' to serve as a repository of incident reports, breach reports and compliance obligations. This database also serves as an Electronic Incident Register for the purposes of NSW and Queensland Liquor and Security legislation. This Incident and Breach reporting system generates reports and graphical representation of records and trends, which are used to inform SGR Management and the Board of compliance issues within SGR.

SGR policies, processes and procedures require compliance issues and incidents to be recorded within the Protect database. These issues should be escalated, as appropriate, to management and regulators to enable effective oversight of compliance issues.

In the event of non-conformance, non-compliance or suspected breach of compliance obligations, the identification, reporting and escalation should be carried out in accordance with the following guideline:

- Non-conformance with a Standard Operating Procedure or other work requirement or directive must be reported to a Supervisor or Manager;
- Non-conformances will be dealt with according to standards set by the relevant Department head;
- Non-conformances that may breach a compliance obligation will be classed as a non-compliance, raised as an incident in Protecht and referred to the General Manager (or equivalent) for the Department;
- Non-conformances that may breach a legal obligation will be referred to SGR Group Compliance Manager for determination in conjunction with SGR Group General Counsel.
- Non-conformances that are determined to constitute a breach of a compliance obligation will be referred to the relevant General Manager, who will be responsible for escalation / reporting of the breach and for the development of a compliance remediation plan. Such plans will be lodged with the Chief Legal and Risk Officer (or delegate) via Protecht. Updates on progress will be provided by the relevant General Manager as milestones are met.
- Reporting of non-conformances to regulators will be conducted in accordance with the obligations and / or processes required by, or agreed with, the relevant regulator.

An Incident Reporting standard and a Breach Reporting Standard have been developed to provide clear guidance as to how matters are to be recorded within Protecht to ensure consistency and enable effective monitoring of trends and issues across the SGR.

Appendix C contains SGR's Incident Reporting Standard.

Appendix D contains SGR's Breach Reporting Standard.

13 EVALUATION AND IMPROVEMENT

Compliance Strand Owners and the Legal and Risk teams are accountable for improving the overall efficacy of the compliance management system, in accordance with their respective roles and responsibilities. Regular monitoring and reviews of the Compliance Framework and compliance management policies and processes provide a continuous feedback loop between the BRCC and the individual business units.

These activities include consideration of the:

- Status of agreed actions from previous reviews and monitoring activities;
- Adequacy of the Compliance Framework and compliance policies;
- Adequacy of resources;
- Changes in regulator and other external expectations;
- Internal issues relating to the compliance management system; and
- Information on compliance performance.

Results of reviews must be documented, communicated and may include recommendations with regards to:

- Changes to the compliance management systems, the Compliance Framework and associated policies;
- Changes to the compliance processes, technology and resourcing;
- Areas requiring further monitoring for potential issues or incidents;
- Additional training and clarification of accountabilities; and
- Areas and opportunities for continual improvement.

14 NEW PRODUCTS PROMOTIONS AND SERVICES

New products, promotions and services will be introduced only after a Compliance Impact Assessment has been completed. Compliance Impact Assessments will cover issues related to responsible gambling, AML/CTF considerations and sustainability factors.

An assurance review should then be conducted on each new service or unique product by the Group Compliance Team within 6-12 months of implementation to confirm all compliance obligations are met.

Appendix F details the standards required as part of a Compliance Impact Assessment.

15 MEASUREMENT OF COMPLIANCE FRAMEWORK EFFECTIVENESS

The effectiveness of the Compliance Framework will be assessed on a quarterly basis and will measure:

- Team member adherence to the Compliance Framework and policies;
- Timeliness of escalation and remediation of compliance issues;
- Correct classification of the types of compliance issues and incidents;
- Cost of remediation of compliance issues, including fines and penalties
- Completion rates of employee training programs; and
- Assessment of employee awareness of compliance obligations.

Consideration will also be given to:

- Quality of regulator relationships, including frequency of contact, regulatory assessments and findings;
- Issues raised through Employee and Guest feedback mechanisms;
- The number and materiality of any issues relating to the Compliance Framework and its key controls (raised by first, second or third line and external parties, including regulators); and
- Awareness, management and updating of policies and procedures in response to regulatory change.

The assessment of these measures will be used to inform reviews of compliance performance and identify policies and process improvements.

16 THE THREE LINES OF DEFENCE COMPLIANCE MODEL

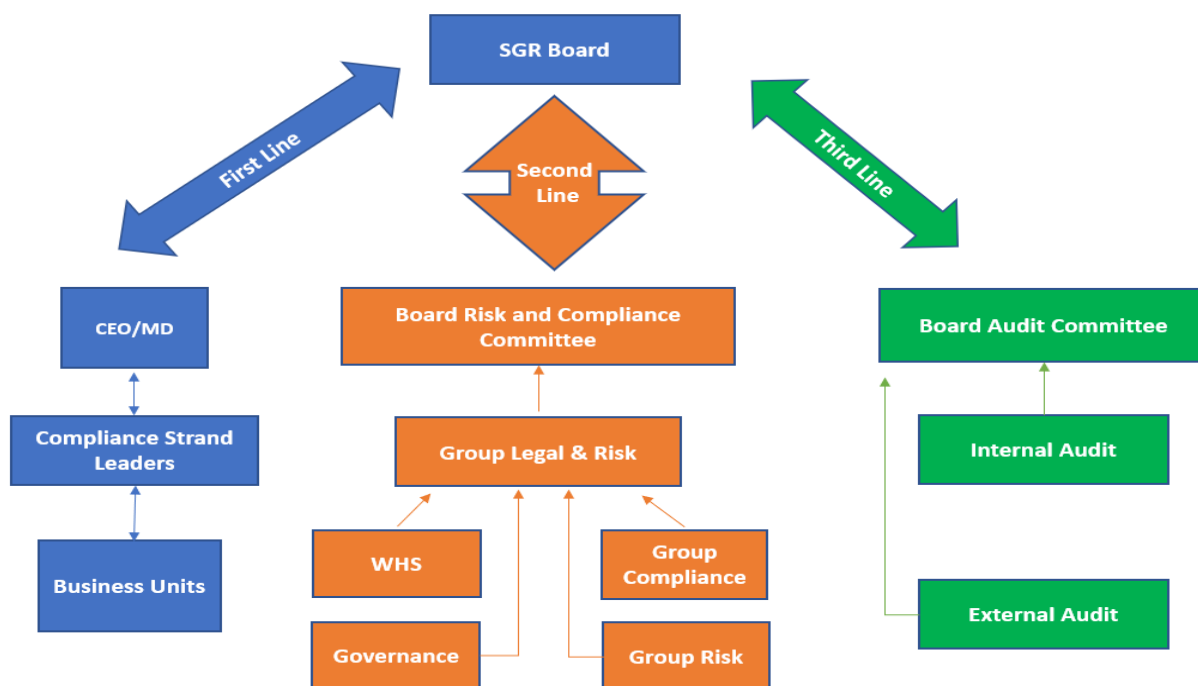
SGR has adopted a ‘Three Lines of Defence’ model for compliance management. This approach separates compliance and risk management responsibilities among three groups (or lines) within SGR:

- **First Line** – The roles and functions within the company that own and manage the compliance risks.
- **Second Line** – The roles within the company that oversee the compliance systems and programs.
- **Third Line** – Those in the company that provide independent assurance that SGR is operating in a compliant manner.

Under this model, the Compliance Strand Owners oversee the first line of defence and have responsibility for identifying risks and issues, developing mitigation processes and policies, and implementing those measures.

Assisting and advising with respect to process and policy development is the second line of defence. This line will also undertake monitoring and reporting analysis to identify emerging issues and systemic non-compliance. At SGR, the second line of defence includes the following departments: Group Compliance; Group Risk; Governance; the AML/CTF team; and, Workplace Health and Safety.

Internal Audit and External Audit provide the third line of defence. Auditors undertake assessments and reviews of all of SGR operations and provide reports of reviews directly to the Audit Committee of the Board of SGR. Auditors also monitor the implementation of SGR’s Compliance Systems and management of compliance matters as they arise.



Details about the methodology behind the 'Three Lines of Defence' Compliance Model are contained in the Appendices to this Compliance Framework. These appendices detail what the responsibilities are and who is responsible for it. This information can be found at -

- **Appendix G** details the First Line of Defence;
- **Appendix H** details the Second Line of Defence;
- **Appendix I** details the Third Line of Defence.

Under the Compliance Framework, Compliance Obligations have been broken into compliance strands with each strand leader from Business Unit and Executive Management having ultimate responsibility for the obligations within that strand (please refer to **Appendix B** and **Appendices G to H**). However, all team members of SGR, including Managers who report to Business Unit and Executive Management, have responsibilities to:

1. Be aware of and comply with compliance obligations relevant to their roles and responsibilities.
2. Adhere to policies and procedures required for their role.
3. Attend and complete appropriate compliance training and accreditation.
4. Identify and report compliance issues and incidents in a timely and appropriate fashion.

APPENDIX A COMPLIANCE OBLIGATION REGISTER

Obligations Register Sample Listing

Jurisdiction	Name	Specific Section	Obligation Specific Text	Compliance Strand	Position
Federal	Corporations Act 2011		Obligation to assist ASIC (792D) in accordance with the Corporations Act	Company Secretary	Company Secretary
Federal	Privacy Act 1988	Australian Privacy Principle 1 - Part 1	1.5 An APP entity must take such steps as are reasonable in the circumstances to make its APP privacy policy available: (a) free of charge; and (b) in such form as is appropriate. Note: An APP entity will usually make its APP privacy policy available on the entity's website.	Legal	GM Social Responsibility
Federal	Privacy Act 1988	Australian Privacy Principle 1 - Part 1	must have a clearly expressed and up-to-date policy (the APP privacy policy) about the management of personal information by the entity. 1.4 Without limiting subclause 1.3, the APP privacy policy of the APP entity must contain the following information: (a) the kinds of personal information that the entity collects and holds; (b) how the entity collects and holds personal information; (c) the purposes for which the entity collects, holds, uses and discloses personal information; (d) how an individual may access personal information about the individual that is held by the entity and seek the correction of such information; (e) how an individual may complain about a breach of the Australian Privacy Principles, or a registered APP code (if any) that binds the entity, and how the entity will deal with such a complaint; (f) whether the entity is likely to disclose personal information to overseas recipients; (g) if the entity is likely to disclose personal information to overseas recipients—the countries in which such recipients are likely to be located if it is practicable to specify those countries in the policy.	Legal	GM Social Responsibility
Federal	Privacy Act 1988	Australian Privacy Principle 10	10.1 An APP entity must take such steps (if any) as are reasonable in the circumstances to ensure that the personal information that the entity collects is accurate, up-to-date and complete. 10.2 An APP entity must take such steps (if any) as are reasonable in the circumstances to ensure that the personal information that the entity uses or discloses is, having regard to the purpose of the use or disclosure, accurate, up-to-date, complete and relevant.	Marketing	Chief Marketing officer
Federal	Privacy Act 1988	Australian Privacy Principle 11	11.1 If an APP entity holds personal information, the entity must take such steps as are reasonable in the circumstances to protect the information:(a) from misuse, interference and loss; and(b) from unauthorised access, modification or disclosure.11.2 If:(a) an APP entity holds personal information about an individual; and(b) the entity no longer needs the information for any purpose for which the information may be used or disclosed by the entity under this Schedule; and(c) the information is not contained in a Commonwealth record; and(d) the entity is not required by or under an Australian law, or a court/tribunal order, to retain the information;the entity must take such steps as are reasonable in the circumstances to destroy the information or to ensure that the information is de-identified.	Marketing	Chief Marketing officer
Federal	Privacy Act 1988	Australian Privacy Principle 12	12.1 If an APP entity holds personal information about an individual, the entity must, on request by the individual, give the individual access to the information.	Legal	GM Social Responsibility

APPENDIX B COMPLIANCE STRANDS, POLICIES AND RESPONSIBILITIES

1. COMPLIANCE STRANDS AND MANAGER RESPONSIBLE

	Business Unit Compliance Strand	Responsibility
1.	Executive Management	MD/CEO
2.	Group Operations NSW Group Rebate Business The Star Sydney (TSS)	Group Casino Officer Chief Operations Officer TSS
3.	Group Operations QLD The Star Gold Coast (TSGC) Treasury Casino (TC)	Group Casino Officer QLD Chief Operations Officer TSGC Chief Operations Officer TC
4.	Legal and Risk Workplace Health Safety Social Responsibility and Sustainability Privacy	Chief Legal and Risk Officer
5.	Group Marketing Advertising Rewards Program	Chief Marketing Officer
6.	Group IT	Chief Information Officer
7.	Central Gaming Unit	Group Executive Gaming
8.	Finance	Chief Financial Officer
9.	Corporate Affairs	Group Executive External Affairs
10.	People and Performance	Chief People and Performance Officer
11.	Property Development	General Manager Property Development

2. POLICIES AND COMPLIANCE STRAND OWNER *[SAMPLE EXTRACT]*

Policy	Owner	Review Period	Due date	Approver
Advertising and Promotional Review	Chief Legal and Risk Officer	2 Years	12/02/2022	SGR Board
AML/CTF Program	Chief Legal and Risk Officer	2 Years	1/06/2022	SGR Board
Anti-Bribery and Corruption Policy	Chief Legal and Risk Officer	2 Years	22/05/2021	SGR Board
Delegated Authorities Policy	SGR Board	Annual	23/10/2020	SGR Board
Diversity & Inclusion Policy	SGR Board	Not specified in policy*	24/10/2021	SGR Board
Domestic Violence and Support Policy	Chief People and Performance Officer	Not specified in policy*	22/02/2021	Chief People and Performance Officer
Dress Standards and Personal Grooming Policy	Chief People and Performance Officer	Not specified in policy*	18/12/2020	Chief People and Performance Officer

*Where no review cycle is contained in the policy a standard 2-year review period is applied

**APPENDIX C
INCIDENT REPORT STANDARD**

Link to Standard to be included here.

**APPENDIX D
BREACH REPORTING STANDARD**

Link to Standard to be included here.

**APPENDIX E
COMPLIANCE STRAND OBLIGATIONS REGISTER TEMPLATE**

OBLIGATION SOURCE	SPECIFIC WORDING	OBLIGATION CONTROL	LAST DATE CONTROL WAS REVIEWED
<p><i>Casino Control Act 1992 Section 44 Special employees to be licensed and hold certificate of competency</i></p>	<p><i>A special employee must hold both a licence and a certificate of competency for the functions that the special employee exercises. A licence authorises the holder of the licence to exercise in or in relation to a casino the functions for which the licensee holds a certificate of competency, subject to the functions being exercised in accordance with the provisions of this Act and the conditions of the licence.</i></p>	<p><i>Licensing process to validate Each licensed Person listed in Oracle has a Certificate of Competency on Record</i></p>	<p><i>September 2019</i></p>

**APPENDIX F
NEW PRODUCT/SERVICE COMPLIANCE ASSESSMENT**

Extract of the Compliance Assessment to be introduced to the RG and AML Risk Assessment undertaken as part of the 'New Product / Service Risk Assessment' (below)

Section D - Compliance Assessment

Complete Assessment (Sections 1-3) then return to the requesting Manager.

1. Identify Compliance Obligations associated with this proposal with the exception of AML/CTF or Responsible Gambling	Consultation (details):	
2. Does this proposal conform to those obligations – if a nonconformance is identified detail that non-conformance.		
3. Will Regulator Approval be required prior to implementation, if so what Regulator(s)		
Group Compliance Manager	Name: Date:	Comment / Signature:

APPENDIX G FIRST LINE OF DEFENCE – WHO IS THIS AND WHAT ARE THEIR RESPONSIBILITIES?

First Line accountability for compliance management rests with the Executive Management Team in conjunction with the Operational Management teams. They own the risks and are responsible for managing those risks, which entails implementing corrective actions to address process and control deficiencies. Executive and Business Unit Management is responsible for ensuring appropriate resources are available to facilitate a high level of compliance across SGR. They are also required to demonstrate leadership and commitment by actively promoting compliance and take clear and transparent action to rectify issues of non-compliance.

A breakdown of each strand's compliance obligations is detailed in the Compliance Obligations Register contained in **Appendix A**. These will be reviewed and updated on a yearly basis or earlier in response to organisational change.

At SGR, First Line of Defence obligations have been broken into compliance strands with each strand leader having ultimate responsibility for the obligations within that strand. The strands and the manager responsible for that strand are detailed in **Appendix B**.

The First Line of Defence responsibilities can be summarised as follows:

- adhering to the approved Compliance Framework, compliance policies, and compliance obligations;
- ensuring that SGR products and services are provided in a manner that adheres to legal obligations, regulatory requirements, voluntary codes of practice to which SGR subscribes and SGR's own policies;
- operating in a socially acceptable manner in accordance with SGR's policies regarding Responsible Gambling and AML/CTF matters;
- maintaining a Compliance Obligations Strand Register (refer to **Appendix E**) specific to the Compliance Strand which details not only the obligation but references the policy or process that has been put in place to deal with that obligation and reviewing that register on an annual basis;
- Ensuring that appropriate processes and policies have been developed and implemented to enable compliance with the obligations assigned to the Compliance Strand;
- Conducting a review of the risk assessments for all obligations contained within the Compliance Strand Risk Register and provide that review to the Chief Legal and Risk Officer on an annual basis;
- Allocating resources to ensure there is the right capability to effectively manage compliance obligations, and implement appropriate risks and controls;
- Participate in (and require employees to participate in) appropriate compliance training;
- Notify Group Compliance of any new or amended obligations;
- Promote a compliance aware culture, where employees understand their obligations and feel comfortable to identify and report compliance issues in a timely fashion; and
- Where policies and processes are not adhered to, ensure appropriate action is taken.

Executive management identifies, assesses, controls, and mitigates risks, guiding the development and implementation of internal policies and procedures and ensuring that activities are consistent with goals and objectives. Through a cascading responsibility

structure, Business Unit managers design and implement detailed procedures that serve as controls and supervise execution of those procedures by their team members.

Operational Management naturally serves as the first line of defence because controls are designed into systems and processes under their guidance of operational management. Operational managers are required to implement adequate managerial and supervisory controls to ensure compliance and to highlight control breakdown, inadequate processes, and unexpected events. They also are responsible for implementing corrective actions to address process and control deficiencies.

As noted above, at SGR the Compliance Obligations have been broken into compliance strands with each strand leader having responsibility for the obligations within that strand. This does not mean that other managers or team members do not have responsibilities. They do and the following table specifies the responsibility of each level of First line Management under this Compliance Framework.

<p>Executive Management/ Compliance Strand Leaders</p>	<ul style="list-style-type: none"> • Establish a strong set of compliance values which are well embedded in the SGR culture. • Establish, support and promote continual improvement of the compliance management system. • Actively communicate the importance of an effective compliance management system. • Ensure that the commitment to compliance is maintained and that noncompliance and noncompliant behaviour are dealt with appropriately. • Allocate adequate and appropriate resources to implement, evaluate, maintain and improve the compliance management system and performance outcomes. • Ensure that the responsibilities and authorities for relevant compliance roles are assigned and communicated. • Ensure that effective and timely compliance reporting is in place. • Be measured against key compliance performance measures and outcomes.
<p>Compliance Strand Leaders</p>	<ul style="list-style-type: none"> • Complete the annual Compliance Management Plan in a manner consistent with the Compliance Strand Obligations Register template (Refer to Appendix E). • Assess and document training requirements associated with the compliance strand. • Be measured against key compliance performance measures and outcomes.
<p>Operational Management</p>	<ul style="list-style-type: none"> • Operate within the approved business and compliance strategies, compliance objective and compliance management Compliance Framework and SGR policies. • Develop and implement effective processes and controls that ensure compliance obligations and risk are appropriately identified, assessed, managed and communicated.

	<ul style="list-style-type: none"> • Ensure controls are adequately maintained, monitored and assessed to negate against compliance issues and incidents. • Cooperate with and support the compliance function and encourage team members to do the same. • Comply with and be seen to comply with compliance obligations. • Ensure responsibility for compliance is incorporated into position descriptions & individual Key Performance indicators. • Develop employee awareness of compliance obligations and support compliance training activities and direct employee to meet training and competence requirements. • Promote a culture where employees are encouraged, supported and empowered to raise compliance issues, incidents and breaches. • Support the timely resolution of compliance issues and incidents through the provision of adequate resources. • Govern and report on the implementation of robust and sustainable corrective actions and improvements.
<p>All Employees</p>	<ul style="list-style-type: none"> • Be aware of and comply with compliance obligations relevant to their roles and responsibilities. • Adhere to policies and procedures required for their role. • Attend and complete appropriate compliance training and accreditation. • Identify and report compliance issues and incidents in a timely and appropriate fashion.

**APPENDIX H
SECOND LINE OF DEFENCE - WHO IS THIS AND WHAT ARE THEIR RESPONSIBILITIES?**

The Second Line is a support function which provides guidance and advice to the Operational Managers to assist them meet their compliance obligations. This line will also provide reports to the SGR Executive Committee and SGR Board to enable those groups to monitor SGRs adherence to its compliance obligations. At SGR the departments that undertake Second Line of Defence and those general responsibilities are:

<p>Group Compliance</p>	<ul style="list-style-type: none"> • Supporting management policies, defining roles and responsibilities, and setting goals for implementation. • Identifying known and emerging issues. • Assisting management in developing processes and controls to manage risks and issues. • Monitoring the adequacy and effectiveness of internal control, accuracy and completeness of reporting, compliance with laws and regulations, and timely remediation of deficiencies. • Alerting operational management to emerging issues and changing regulatory and risk scenarios. • Design an effective and efficient compliance management system. • Develop a compliance framework and policies to support the achievement of compliance with specific aspects of SGR's compliance obligations. • Review the effective of the design and monitor the implementation of the compliance management system. • Identify regulatory compliance requirements and translate into obligations, policies procedures and processes. • Establish an effective obligations library structure and maintain the quality and integrity of relevant regulatory requirements. This obligations register will be reviewed on an annual basis. • Provide and support compliance training to ensure that all relevant employees are trained on a regular basis. • Ensure the inclusion of compliance responsibilities in Position Descriptions and Key Performance Indicators. • Develop and implement processes for managing compliance information and documentation. • Establish, monitor and measure compliance performance indicators to identify corrective actions or improvements. • Provide employees with access to resources on compliance procedures and practices. • Provide objective advice on compliance related matters. • Identifying known and emerging issues. • Identifying shifts in the organisation's implicit risk appetite. • Assisting management in developing processes and controls to manage risks and issues. • Providing guidance and training on risk management processes. • Facilitating and monitoring implementation of effective risk management practices by operational management.
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	<ul style="list-style-type: none"> • All Compliance Risk assessments to be recorded within the Protecht system and reviewed on annual basis. • Undertaking an annual review of all legislative obligations to confirm any legislative changes during the previous 12 months have been factored into the obligations register.
Risk Management	<p>Providing risk management frameworks</p> <ul style="list-style-type: none"> • Identifying shifts in the organisation’s implicit risk appetite. • Facilitating and monitoring implementation of effective risk management practices by operational management. • Providing guidance and training on risk management processes. • Providing risk management frameworks.
AML/CTF	<p>Identifying known and emerging issues</p> <ul style="list-style-type: none"> • Alerting operational management to emerging issues and changing regulatory and risk scenarios. • Design an effective and efficient AML/CTF management system • Review the effective of the design and monitor the implementation of the AML/CF Program
Governance	<ul style="list-style-type: none"> • Monitoring the adequacy and effectiveness of internal control, accuracy and completeness of reporting, compliance with laws and regulations, and timely remediation of deficiencies • Monitoring the adequacy and effectiveness of internal control, accuracy and completeness of reporting, compliance with laws and regulations, and timely remediation of deficiencies • Supporting management policies, defining roles and responsibilities, and setting goals for implementation.
WHS	Identifying known and emerging issues.

Specific activities that will be undertaken in relation to identifying and reviewing the compliance obligations are as follows:

- The Compliance Risk Assessments and Ratings will be recorded in Protecht with an annual review of those assessments to be conducted by Group Risk Management. This process will:
 - a. require Key Stakeholders to identify their risks and controls to be put in place to mitigate the risk where possible;
 - b. Group Risk to evaluate those risks and identify risks that the stakeholders have not identified and seek risk mitigation measures by those stakeholders;
 - c. Compile a risk register with each risk assessed in accordance with the SGR template;

- d. Conduct an annual review to validate the risk rating with the stakeholders and identify any new risks.
- Group Compliance will:
 - a. undertake an annual Review and update of the Compliance Obligations Register to identify new obligations and changes to existing obligations;
 - b. This review will identify legislation changes for the previous 12 months and consider the impact of those changes; and
 - c. An annual report will be provided the Chief Legal and Risk Officer and General Manager Internal Audit identifying each legislative obligation, if there had been a change to that obligation and nature of the change.
 - *The LexisNexis module within Protecht may be used to monitor legalisation obligations changes as they occur, inform the Compliance Strand owner of the obligation and obtain an attestation from that person that appropriate changes have been implemented.*

APPENDIX I

THIRD LINE OF DEFENCE - WHO IS THIS AND WHAT ARE THEIR RESPONSIBILITIES?

Internal Audit is an independent department within SGR. It is part of the Third Line of Defence by providing the Board of SGR assurance on the effectiveness of governance, risk management, and internal controls, including the way the first and second lines of defence achieve risk management and control objectives.

While the day to day operations of Internal Audit are overseen by the Chief Legal and Risk Officer, this department provides independent reporting to the Board of SGR through Board Audit Committee, including as to adequacy and effectiveness the company's compliance systems included governance, risk management and internal controls.

The Internal Audit department will take into consideration the Obligations Register and Risk Registers when constructing its Annual Audit plan. It will liaise with the Group Compliance Manager in relation to the timing and scope of proposed audits and Group Compliance reviews that may be planned for the same period.

The scope of this assurance, which is reported to senior management and to the SGR Board Audit Committee, covers a broad range of objectives, including:

- Undertaking reviews as to the adequacy and effectiveness of the systems of financial, operational and management control and their operation in practice in relation to the key risks facing SGR; and
- Assessing compliance with and relevance of policies, standards and procedures established by management and the Board of SGR and the compliance with relevant laws and regulations.

EXTERNAL AUDIT

SGR will use the services of External Auditors to validate its financial statements and to augment the work undertaken by the Internal Audit team.

POLICY VERSION HISTORY

Version	Date	Change Overview	Approved by