



THE STAR

# The Star Entertainment Group

## COMPLIANCE POLICY

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## FOREWORD

The nature of the Star Entertainment Group Limited's (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 employees conducting activities on behalf of the company.

That makes corporate compliance a particularly important topic for us, because corporate compliance means acting with integrity and observing both the letter and the spirit of the laws that apply to our business activities.

Corporate compliance is not a theoretical concept. It is the basis for a code of behaviour that applies to all employees in the company. The careless or improper actions of just one employee can seriously damage our hard-earned reputation as a good corporate citizen.

The Compliance Policy (Policy) set out in the following pages provides a framework for acting within legal and ethical boundaries. The Policy is entirely consistent with the values that underpin the company's business activities and strategic objectives.

By adhering to these standards of compliance we will 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. This will make us all continue to feel proud to work for SGR.

Corporate compliance refers to the lawful and proper conduct of the company's business activities. Every employee must comply with all applicable laws while working for SGR. SGR will forgo any business dealing that relies on a violation of the law of any country. No person in the company 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 to the Chief Risk Officer. Alternatively, the matter can be reported through the company's e-TIPS whistleblower 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 urge all employees to familiarise themselves with the Policy so they can understand the importance of corporate compliance and ethical behaviour. Employees should also take advantage of the training courses provided by the company so they can fully understand the compliance obligations that are relevant to them.

**John O'Neill AO**

Chairman

**Matt Bekier**

Managing Director & CEO

## 1. PURPOSE

This Policy sets out The Star Entertainment Group Limited's (SGR) 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 sets out SGR's compliance objectives and principles. It also articulates the:

- Elements of SGR's compliance management system; and
- Roles and responsibilities of all SGR employees in relation to the compliance management system.

This Policy has been approved by SGR's Board of Directors.

## 2. SCOPE

This Policy applies to every person who works for SGR. This includes directors, permanent full time and part time employees, fixed term 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 resort properties 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 by range of national laws.

SGR's business activities extend beyond Australia's borders through employees operating in a number of Asian countries.

SGR is a participant in several joint ventures to jointly build, own and operate integrated resort property assets.

SGR is subject to a wide range of compliance obligations. These include things that we must comply with by law (compliance requirements) and things we choose to do (compliance undertakings). These compliance obligations include:

- Commonwealth and State legislation, including regulations
- Laws applicable under the legal codes of other countries in which we operate
- The terms of operational licences and permits
- Rulings and guidelines issued by regulatory authorities
- Industry codes of practice
- Judgements of courts or other tribunals with authority to determine legal or administrative matters
- Internal policies and procedures
- Third party contracts.

Unlawful or unethical behaviour can have far reaching consequences for the company, including:

- Criminal penalties
- Administrative fines
- Civil and punitive damages

- Seizure of profits
- Loss or suspension of operating licences
- Termination of business relationships
- Loss of confidence of capital markets
- Damage to our reputation and our standing in the community.

In some cases, penalties for non-compliance can be imposed on individual employees (either in addition to or instead of penalties on the company). Penalties imposed on individual employees can include imprisonment.

All compliance violations ultimately harm the company. Employees who knowingly disobey compliance obligations cannot claim to have been acting in SGR's interests.

#### **4. COMPLIANCE MANAGEMENT OBJECTIVES**

The objectives of SGR's compliance management system are to:

- promote a consistent enterprise wide approach to management of SGR's compliance obligations;
- foster an organisational culture that understands that corporate compliance is central to our reputation as a company that acts lawfully and with integrity;
- provide SGR with a competitive advantage in any dealings with stakeholders;
- reduce the likelihood of occurrence of any inadvertent breaches of SGR's compliance obligations and to minimise the consequences of any such inadvertent breaches; and
- protect our reputation by giving stakeholders confidence that we act lawfully and with integrity.

#### **5. OUR PRINCIPLES OF BUSINESS CONDUCT**

##### **5.1 Maintaining our legal licences to operate**

SGR is subject to corporate, venue and individual licences to conduct operations relating to gaming.

Holding and maintaining the correct licences gives assurance that SGR is being run in a responsible and ethical manner, and helps to maintain SGR's positive reputation because our services are being delivered by competent people at reputable venues.

Employees must observe all conditions relevant to both SGR's licence to operate and their own personal licences. Actions which put at risk SGR's licence to operate are not permitted.

##### **5.2 Integrity in business dealings**

Integrity means acting honestly and ethically. Integrity is crucial to all SGR's business dealings. This means that SGR will:

- only enter into business relationships with parties who are subject to the same high standards of ethical behaviour to which SGR holds itself accountable;
- honour its contractual commitments; and
- comply with all relevant laws.

SGR will not tolerate 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.

Employees must comply with all relevant SGR Policies including (but not limited to) the Code of Conduct, the Gifts Policy, the Conflicts of Interest Policy, the Anti-bribery and Corruption Policy and the Securities Trading Policy.

### **5.3 Respecting the laws of foreign countries**

Laws, and the way that laws are administered in practice, vary from country to country. An activity which might be legal in some countries may not be legal in other countries. This is particularly the case in relation to gambling and activities which might be ancillary to the provision of gambling.

SGR will conduct its business activities in a foreign country with an understanding of, and respect for, the cultural and legal expectations of the country. Employees in a foreign country must not:

- undertake any activity which would breach the law of that country; or
- facilitate an action by a guest or any other person which would be a breach of the law of the country.

### **5.4 Protecting the privacy of our guests**

Our guests are the cornerstone of our business. They trust us with their personal information such as name, address, age, ethnicity, medical records, credit card details, and other personal records. We also collect information about our guests' activities while they are at our properties including details of gambling history, and visits to our hotels and restaurants. Protection of this information is critical if our guests are to continue coming to our properties.

SGR will put in place systems, policies and procedures to protect the confidentiality of information from or about our guests. We will collect and store information in a way that complies with the requirements of the Privacy Act. We will collect and store credit card data consistent with relevant Payment Card Industry (PCI) standards.

SGR will not provide personal information about a guest to any person other than the guest or a regulatory authority acting within its statutory powers to collect information.

An employee must not disclose personal information about a guest to any other employee, or third party, unless required in connection with that person's duties of employment. Employees must comply with our Privacy Policy.

### **5.5 Fair and respectful working conditions**

Maintaining the safety and wellbeing of our employees and our guests is in everybody's best interests – our employees, our guests and the company. Similarly, our employees and guests have the right to be protected against discrimination and harassment of any kind.

SGR expects employees to be friendly, objective, fair and respectful in dealings with fellow employees, with our guests and with any other person we come into contact with during the course of our employment.

Employees must comply with SGR's Health and Safety Policy and SGR's Bullying Policy.

## 5.6 Proper record keeping and transparent financial reporting

As a listed public company, SGR provides 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. Transparent reporting of relevant information is a central element of keeping all stakeholders fully informed, and is a foundation of maintaining the trust and confidence of those stakeholders.

SGR maintains a Disclosure and Investor Communications Policy to support compliance with legal obligations to keep the investment community fully informed. SGR also maintains a Securities Trading Policy to support compliance with legal constraints on using undisclosed information to gain an unfair advantage in trading in SGR securities.

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 and with the Securities Trading Policy.

## 5.7 Co-operating with regulatory authorities

Our company operates in a highly regulated industry. Regulatory authorities play an important role in giving the community confidence that we are complying with all our statutory obligations. We are regularly requested by regulatory authorities, both State based and Commonwealth based, 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 they make for information, while at the same time protecting and defending its own interests and rights and the rights and interests of its guests.

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).

## 5.8 Retaining our "social licence" to operate

SGR is committed to providing 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. SGR'S COMPLIANCE MANAGEMENT SYSTEM

SGR has adopted a "3 lines of defence" model to clarify responsibility for compliance management across the company.

**First Line of Defence**

This is the business managers who have responsibility for complying with the various obligations relevant to their business and for giving effect to the compliance management framework.

**Second Line of Defence**

This is SGR’s Group Risk & Compliance function which is responsible for:

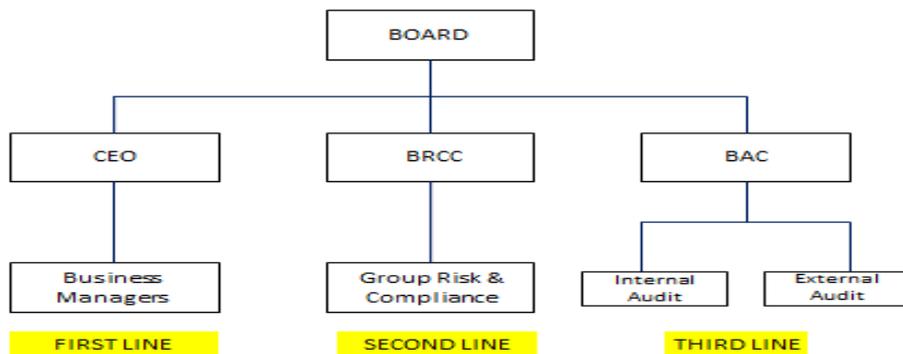
- developing policies, systems and processes to facilitate the identification, assessment and management of compliance risks;
- providing advice and training on compliance related matters;
- monitoring the extent to which business managers have adopted the compliance management framework; and
- reporting to senior management and the Board about SGR’s compliance framework including appropriate escalation of compliance breaches.

**Third Line of Defence**

This is SGR’s Internal Audit function which is responsible for:

- providing independent assurance that the compliance management framework has been complied with and is operating effectively; and
- reviewing the appropriateness, effectiveness and adequacy of the compliance management framework.

The diagram below illustrates how the three lines of defence fit within our overall governance structure.



The core elements of SGR’s compliance management framework are:

- **Identify our compliance obligations.** Groups of related obligations are referred to in this Policy as Compliance Strands. Typically, an individual Compliance Strand refers to the relevant overarching legislative instrument. For example, the Privacy Act imposes a number of compliance obligations, but these will typically be managed under a single compliance program. The compliance strand for the purposes of this Policy would be “Privacy”. Each Compliance Strand should have a person responsible for developing and implementing an appropriate compliance management plan.

- **Evaluate the compliance risks.** This would involve an analysis of potential causes and consequences of any non-compliance and consideration of the likelihood of non-compliance based on a review of the effectiveness of any existing controls. Risks should be evaluated and managed in accordance with the framework set out in SGR's Risk Management Policy and Risk Management Framework.
- **Develop and implement a plan to address compliance risks.** The plan might include, for example, additional training of employees, the addition of new controls to business processes to reduce the risk of non-compliance, automation of some processes, improved documentation of processes, revised approval processes, revised reporting including exception based reporting. The plan should include allocation of responsibility for its delivery and ongoing oversight.
- **Monitor and report.** The compliance management plan for each Compliance Strand should include ongoing monitoring to allow for an assessment of the overall effectiveness of the compliance management plan. The compliance management plan should also allow for reporting of compliance performance, including details of what is to be reported, who it is to be reported to, and when it is to be reported.
- **Identify, report and rectify compliance breaches.** The compliance management plan for a Compliance Strand should include controls which enable breaches to be detected and remediated on a timely basis. The compliance management plan should include processes for assessing the materiality of any breaches and details of how breaches should be reported to senior management and, if appropriate, to the relevant regulatory authority and/or to the Board or a Board Committee.
- **Audit and review.** Compliance management plans should be reviewed at regular intervals to assess their ongoing effectiveness in managing compliance risks and to identify opportunities for improvement. The Internal Audit Plan should include a periodic review of individual compliance management plans and/or SGR's compliance management framework to provide independent assurance as to their ongoing effectiveness and their consistency with AS ISO 19600:2015.

## 7. ROLES AND RESPONSIBILITIES

### Board

- Review and approve SGR's strategy to achieve effective risk management, including in relation to material compliance risks.
- Foster the importance of compliance in achieving SGR's strategic objectives.
- Review and approve any changes to the Policy.

### Board Risk and Compliance Committee (BRCC)

- Recommend to the Board any changes to the Policy.
- Monitor the ongoing effectiveness of SGR's compliance management framework.
- Monitor the implementation of actions to remediate any material breach of a compliance obligation.

### **Board Audit Committee (BAC)**

- Review audit reports in respect of SGR's compliance management framework or in respect of individual compliance management plans relating to a specific Compliance Strand.

### **Executive Team**

- Monitor key risks within their individual areas of responsibility.
- Identify and report to the CEO and the Chair of the BRCC the facts and circumstances of any major compliance breaches within their individual areas of responsibility.
- Execute SGR's strategy within the Board approved risk appetite.
- Demonstrate leadership to foster a compliant culture across SGR.

### **Management Risk and Compliance Committee (MRCC)**

- Oversee the embedding of compliance management plans across SGR.
- Monitor SGR's key risks and the implementation of appropriate risk treatment actions.

### **Group Risk**

- Develop the Policy and the compliance management framework for approval by the Board.
- Direct the review and development of other key policies to support effective compliance management across SGR.
- Monitor compliance with the Policy.
- Report to the BRCC and MRCC on the status of SGR's key compliance obligations.
- Monitor relevant changes in material compliance obligations.
- Support the business through provision of advice and training.

### **Internal Audit**

- Periodically review the adequacy and effectiveness of the compliance management system including the compliance framework and compliance management plans.
- Provide periodic independent assurance that actions to improve the effectiveness of compliance management plans have been implemented.

### **Divisional Business Units**

- Identify, evaluate and manage compliance risks that apply to the business unit.
- Establish and maintain appropriate controls and resources and demonstrate assurance that those controls are in place and are effective

## **8. NON-COMPLIANCE WITH OBLIGATIONS**

Any breach of a compliance obligation must immediately be notified to the relevant Compliance Strand Manager (refer to Appendix A).

The Compliance Strand Manager must immediately inform Group Risk of details of the breach, the circumstances in which it occurred, the controls that did not operate effectively in preventing the breach, and the actions proposed to be taken to remediate those control weaknesses.

Depending on the materiality of the breach, Group Risk must inform relevant stakeholders (which may include the Chair of the BRCC, the Managing Director and CEO, the Chief Legal and Risk Officer, or the General Manager Media and Communications).

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).

## 9. RELATED AND SUPPORTING POLICIES

This Policy is supported by other SGR policies including (but not limited to):

- Code of Conduct
- Risk Management Policy and Risk Management Framework
- Delegated Authorities Policy
- Whistleblower Policy
- Specific policies relating to individual Compliance Strands.

## 10. REVIEW OF POLICY

This Policy shall be maintained by Group Risk & Compliance.

The Policy shall be reviewed no less frequently than every 2 years or as required.

Changes to the Policy must be approved by the Board.

## 11. GLOSSARY

<b>BAC</b>	Board Audit Committee
<b>BRCC</b>	Board Risk and Compliance Committee
<b>Compliance Obligation</b>	A specific requirement to be met in accordance with a regulatory, legal or standardised commitment
<b>Compliance Strand</b>	Specific business area with a unified set of regulatory, legal or standardised obligation
<b>Compliance Strand Manager</b>	Business leader responsible for a business area meeting its regulatory, legal or standardised commitment
<b>Employee</b>	All people engaged by SGR whether on salary or wages or piece-work rates
<b>MRCC</b>	The Management Risk and Compliance Committee comprising the Managing Director and CEO, the Chief Legal and Risk Officer and other relevant members of senior management.
<b>Regulatory Authority</b>	Any government entity responsible for administering law that creates a compliance obligation for SGR. This includes law enforcement agencies such as State or Federal police or anti-corruption bodies.

## APPENDIX A – COMPLIANCE STRANDS

- Gaming Operations
- Privacy
- AML/CTF
- WHS
- Taxation
- China
- Corporations Act – Financial Reporting
- Corporations Act – Other
- ASX Listing Rules
- Consumer Law
- Planning Acts
- Environmental
- Food Safety
- Responsible Service of Alcohol
- Security Industry
- Payment Card Industry Standard
- Hotel & Property Operations
- Employment Laws