



THE STAR

ASX Announcement

15 September 2022

MESSAGE FROM BEN HEAP

The Star Entertainment Group Limited (ASX code: SGR) (**The Star**) today releases a message from Ben Heap, Interim Chairman, to its shareholders, team members and guests.

Authorised by:

Ben Heap
Interim Chairman

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MESSAGE FROM BEN HEAP TO SHAREHOLDERS, TEAM MEMBERS AND GUESTS

As Interim Chairman of The Star Entertainment Group, I have spent the past few days carefully considering the contents and findings of the Report prepared by Mr Adam Bell SC with respect to our Sydney business.

This Report makes for difficult reading; we acknowledge its findings and recommendations and the gravity of the matters as set out in the Report. We also acknowledge the public criticism of our governance, behaviours and culture, including by the NSW Independent Casino Commission Chief Commissioner, Mr Philip Crawford. We have fallen short of expectations. The people of NSW placed their trust in us as the holder of a casino license, and we have not lived up to that trust. For that we offer a sincere and unreserved apology.

Over the coming days, we are working to respond to the notice from the NSW Independent Casino Commission as to why we should be able to continue to operate. We are taking stock of our existing programs, the changes made to date, and planned initiatives. We recognise the seriousness of the matters raised by Mr Bell and Mr Crawford and we are determined to address them and to do so with urgency.

In the meantime, I want to share with you our immediate priorities.

It is clear from the Report that we need to fundamentally transform our culture. We need more transparency, more robust governance, and greater accountability. At its heart, we need to be a workplace where our team members feel free to raise concerns, where we have open and honest dialogue with our regulators and Independent Monitor, and where our leadership is both vigilant and listens when concerns are raised. We need to ask not only “Can we?”, but “Should we?”, and act swiftly where there is an issue. I accept that there have been times we’ve been arrogant and closed off to criticism. That will not be the case in the future.

Our goal is to earn back your trust and the trust and confidence of the NSW Independent Casino Commission, and indeed all our regulators. I recognise that we won’t be judged by our words, but by our actions. You have my commitment, and that of my fellow directors and senior management team, that we will do everything in our power to make the necessary improvements.

We are developing and will implement a comprehensive remediation plan, which we refer to as our Renewal Plan, to serve as the Company’s integrated roadmap for improving our governance, culture and controls. We will not only fix the issues raised in the Report but will examine and address their root causes. Given the extent and breadth of the issues raised, our Renewal Plan is a multi-year plan, to fully address and embed the fundamental changes required in all aspects of our business.

Examples of actions we've taken to date include introducing stronger controls, enhancing our regulatory compliance functions and training, adding new members to our Board, rebuilding our senior leadership team, separating our Risk and Legal functions, hiring a new Chief Risk Officer, and voluntarily appointing an Independent Monitor to oversee our progress.

We acknowledge there is much more to be done and we will do it working constructively and transparently with the NSW Independent Casino Commission, our other regulators, and our Independent Monitor.

As we transform our business, we will share our progress, including the quarterly reports from our Independent Monitor, at: starentertainmentgroup.com.au/transformation.

We are fully committed to the long term, to transform The Star for the better for our 18 million annual guests, our 8,000 team members and almost 75,000 shareholders.

In the spirit of openness and transparency, I hope to answer whatever questions you may have after reading this and as we move forward you can reach me at bheap@star.com.au.

Thank you.

Ben Heap
Interim Chairman
The Star Entertainment Group