



THE STAR

ASX Announcement

13 September 2024

SHOW CAUSE NOTICE RELATING TO BELL TWO REPORT

The Star Entertainment Group Limited (ASX: SGR) (**The Star** or the **Company**) notes that following the release of the final report in connection with the 2024 Independent Inquiry into The Star, undertaken by Adam Bell SC in accordance with the *Casino Control Act 1992* (NSW) on Friday 30 August 2024 (**Bell Two Report**), the New South Wales Independent Casino Commission (**NICC**) has today served on The Star a 'show cause' notice in respect of matters arising from the Bell Two Report (**Notice**). A copy of the Notice is attached.

In addition to the Notice, the NICC has also asked the Company to make submissions as to the actions being taken by the Company in respect of a number of findings in the Bell Two Report relating to, among other things, the Company's suitability to hold the casino licence for The Star Sydney and progress in respect of its remediation plan. The NICC has also requested information about the Company's current financial position and its proposed plans to address these issues on an ongoing basis so that it can make informed decisions about the Company's (and The Star Sydney's) financial suitability.

The Star expects to respond to the Notice by Friday 27 September 2024.

The Star is currently considering the matters raised in the Notice, the additional requests by the NICC as well as the Bell Two Report.

The Star is continuing to work with various stakeholders and advisers in respect of its financial position. These discussions are ongoing and involve, among others, State governments, regulators and the Company's lenders.

Authorised by:

The Board of Directors

For further information:

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NOTICE UNDER SECTION 23(2) OF THE CASINO CONTROL ACT 1992 (ACT)

FROM: NEW SOUTH WALES INDEPENDENT CASINO COMMISSION (NICC)
TO: THE STAR PTY LIMITED (ACN 060 510 410) (THE STAR)
DATE: 13 SEPTEMBER 2024

BACKGROUND:

1. On 19 February 2024, the NICC appointed Mr Adam Bell SC to preside over an inquiry under sections 143(1) and 143A of the Act into certain matters (Inquiry).
2. On 31 July 2024, Mr Adam Bell SC delivered the report and recommendations of the Inquiry (Report).
3. The findings of the Inquiry included that:
 - 3.1 on numerous occasions between 7 June 2023 and 24 July 2024, The Star contravened paragraph 32 of Internal Control Manual (ICM) 11 (“Cage & Revenue”) and paragraph 5 of ICM 12 (“AML & CTF”) in connection with the TICO fraud incident;
 - 3.2 between 1 July 2023 and 19 February 2024, The Star contravened:
 - 3.3 paragraph 17(c) of ICM 12 on at least 148 occasions; and
 - 3.4 paragraph 17(e) of ICM 12 on at least 12 occasions;
 - 3.5 The Star contravened paragraphs 3.5 and 3.6(b) of ICM 3 (“Customer Probity”) in connection with the process adopted for certain members of the Remediation ECDD cohort (as defined in the Report);
 - 3.6 on numerous occasions between 1 July 2023 and 24 July 2024, The Star contravened paragraphs 12(a) and (b) of ICM 13 (“Responsible Gambling & Exclusions”) in connection with the Guest Support Officer issue (as defined in the Report),

(collectively, **Breach Findings**).
4. Pursuant to section 124(1) of the Act, it is a condition of a casino licence that the casino operator is to conduct operations in the casino in accordance with the system of internal controls and administrative and accounting procedures for the casino that have been approved of in writing by the NICC.
5. Pursuant to section 124(4) of the Act, a casino operator must not contravene a requirement of an internal control or administrative or accounting procedure that is approved under that section for the casino.
6. ICMs 3, 11, 12 and 13 are internal controls for the purpose of sections 124(1) and (4) of the Act.

NICC CONSIDERATION

7. Having regard to the Breach Findings and the terms of the Act set out in paragraphs 4 - 6 above, the NICC is considering under section 23 of the Act taking disciplinary action against The Star on the basis of certain grounds for disciplinary action specified in that section.
8. Under section 23(1) of the Act, disciplinary action means any one or more of the following actions in respect of a casino licence:
 - (a) the cancellation or suspension of the licence,
 - (b) the imposition on the casino operator of a pecuniary penalty of up to \$100 million,
 - (c) the amendment of the terms or conditions of the licence (other than under section 22),
 - (c1) a requirement that a casino operator, or a close associate of a casino operator, give an undertaking (an enforceable undertaking) to do or refrain from doing something,
 - (d) the issue of a letter of censure to the casino operator.
9. The NICC is considering taking disciplinary action on the following grounds for disciplinary action (as defined in section 23(1) of the Act):
 - 9.1 that the casino operator, a person in charge of the casino, an agent of the casino operator or a casino employee has contravened a provision of this Act or a condition of the licence, being the Breach Findings.

PURSUANT TO SECTION 23(2) OF THE ACT, BY THIS NOTICE THE NICC AFFORDS THE STAR AN OPPORTUNITY TO SHOW CAUSE WITHIN 14 DAYS WHY DISCIPLINARY ACTION SHOULD NOT BE TAKEN AGAINST THE STAR ON THE GROUNDS FOR DISCIPLINARY ACTION SPECIFIED IN THIS NOTICE.

IF THE STAR WISHES TO MAKE SUBMISSIONS ON ANY OF THESE ISSUES, THE NICC REQUESTS THAT THESE BE PROVIDED BY 27 SEPTEMBER 2024.



PHILIP CRAWFORD, CHIEF COMMISSIONER, NEW SOUTH WALES INDEPENDENT CASINO COMMISSION.