

ENFORCEABLE UNDERTAKING TO THE NSW INDEPENDENT CASINO COMMISSION

by The Star Pty Limited (ACN 060 510 410) and The Star Entertainment Group Limited (ACN 149 629 023)

Given under section 23 of the *Casino Control Act 1992* (NSW)

Dated: 28 August 2026

ENFORCEABLE UNDERTAKING

The Star Pty Limited (ACN 060 510 410) and The Star Entertainment Group Limited (ACN 149 629 023)

and

NSW INDEPENDENT CASINO COMMISSION

This enforceable undertaking is given by The Star Pty Limited and The Star Entertainment Group Limited to the NSW Independent Casino Commission pursuant to section 23 of the *Casino Control Act 1992* (NSW).

A. DEFINITIONS

1. In this enforceable:

Act means the *Casino Control Act 1992* (NSW).

AML/CTF means Anti-Money Laundering/Counter-Terrorism Financing.

CRAM means Customer Risk Assessment Model.

Disciplinary Action Notice means the notice under s 23(4)(a) of the Act notifying The Star of disciplinary action being taken against it by The Star.

ECDD means Enhanced Customer Due Diligence.

EU means this Enforceable Undertaking.

FCRMF means the Financial Crimes Risk Management Framework.

FCRO means Financial Crime Risk Operations.

ICM means Internal Control Manual.

L&GNSW means Liquor & Gaming NSW

NICC means the NSW Independent Casino Commission.

OCDD means Ongoing Customer Due Diligence.

SLA means Service Level Agreement.

Remediation Amount means AUD 5 million

Response to the Show Cause Notice means the submissions and other documents provided to the NICC, under cover of a letter dated 14 October 2025, from TSEG's Interim Chairman to the NICC in response to the Show Cause Notice.

Show Cause Notice means the notice under section 23(2) of the Act, dated 2 September 2025,

issued by the NICC to The Star.

Supreme Court means the Supreme Court of New South Wales.

The Star means The Star Pty Limited (ACN 060 510 410).

The Star Casino means the casino known as “The Star” located at 80 Pyrmont Street, Pyrmont, New South Wales.

The Star Entities means The Star and TSEG, jointly and severally.

TSEG means The Star Entertainment Group Limited (ACN 149 629 023).

B. BACKGROUND

2. TSEG is the ultimate parent company of The Star and a close associate of The Star within the meaning of the Act.
3. The Star is the operator of The Star Casino pursuant to a casino licence granted under the Act.
4. The Star Casino is part of an integrated resort complex in Pyrmont, operated by The Star and, to the extent applicable, TSEG.
5. The NICC is a NSW Government agency that has functions relating to the regulation of casinos in New South Wales.

C. DISCIPLINARY ACTION

6. This EU arises from breaches by The Star of its ICMs and the Act between 2023 and 2025 that were self-reported by The Star or identified by L&GNSW that occurred.
7. Between 2023 and 2025, three (3) separate investigations conducted by L&GNSW identified systemic failings within The Star’s Financial Crime Risk Operations (**FCRO**) function. Those failings include, but were not limited to:
 - (a) widespread breaches of ICM 3 – Customer Probity, including controls relating to customer risk assessment, ECDD and OCDD, and customer reactivation procedures;
 - (b) failing to implement its CRAM as approved by the NICC;
 - (c) chronic under-resourcing and operational incapacity within the FCRO function, affecting The Star’s ability to meet service level obligations under the Joint AML/CTF Program, including failing to undertake OCDD for over 7,000 patrons,

failing to take reasonable steps to determine whether at least 9,774 patrons identified in 23,507 Factiva alerts fell outside The Star's risk appetite, and over 4,000 instances of high-risk patrons not undergoing ECDD within SLA timeframes;

- (d) widespread staff involvement and poor supervision in permitting high-risk patrons to transact before mandatory due diligence was completed, including ECDD for more than 3,000 patrons; and
 - (e) failing to ensure staff across critical operational areas were adequately trained in ICM compliance and risk controls.
8. On 3 September 2025, the NICC issued the Show Cause Notice to The Star under section 23(2) of the Act, inviting The Star to show cause within 14 days why disciplinary action should not be taken against The Star on the grounds specified in the notice.
 9. On 14 October 2025, The Star provided the Response to the Show Cause Notice.
 10. On 8 May 2026, having considered the Response to the Show Cause Notice, the NICC decided that it was appropriate that disciplinary action be taken against The Star and issued the Disciplinary Action Notice to The Star. Among other things, the Disciplinary Action Notice required The Star Entities to give undertakings in the form of this EU as a form of disciplinary action within section 23(1)(c1) of the Act.

D. UNDERTAKINGS

11. The Star Entities undertake to:
 - (a) Establish and maintain a dedicated remediation fund (the **Remediation Fund**) in which there is held at least the Remediation Amount which will be used to uplift The Star's technological capability to comply with its regulatory obligations in respect of its financial crime risk management operations (the **Specified Purpose**).
 - (b) Provide to the NICC evidence that:
 - (i) at least \$2,500,000 of the Remediation Amount is held in the Remediation Fund by 31 August 2026
 - (ii) the full Remediation Amount is held in escrow by 30 June 2027.
 - (c) Propose to the NICC a variation to this EU to provide for additional funding if it becomes reasonably apparent to it or them that the Remediation Amount is insufficient to implement the measures so as to achieve the Specified Purpose described in clause 11(a).
 - (d) Notify the NICC as soon as reasonably practicable if any internal or external capital approvals are required to give effect to this EU or any proposed variation under clause

- (c).
- (e) By 31 December 2026, provide to the NICC a proposal for approval to release the full Remediation Amount by 31 December 2027, as a single amount or in tranches, to be used for the Specified Purpose. The proposal must:
 - (i) set out in adequate detail the proposed scope and cost of work, implementation timeframe, executive accountability, and schedule of progress updates
 - (ii) include but not be limited to uplifts to The Star's casino management system and customer risk assessment and management system
 - (iii) clearly and directly address specific regulatory obligations of The Star, particularly obligations under its ICM 3
 - (iv) demonstrate to the satisfaction of the NICC that the proposed expenditures are in addition to, rather than in place of what The Star Entities had or would otherwise have budgeted for technology related expenses in respect of The Star Casino, including sufficient evidence to demonstrate that technology related expenses in The Star's FY2027-28 budget are not less than those in its FY2026-27 budget.
- (f) Within six months of the commencement of this EU carry out training of all special employees within the meaning of section 43(1) of the Act in relation to the requirements of ICM 3 including testing of each employees' understanding of ICM3.

E. ACKNOWLEDGEMENTS

12. The Star Entities acknowledge that¹:

- (a) This EU may only be varied or withdrawn with the consent of the NICC.
- (b) The NICC may publish this EU, in the way the NICC considers appropriate, subject to section 26A(3)(a) to (c) of the Act, and that the NICC may issue a media release on execution of the EU referring to its terms.
- (c) This EU will remain in force until the NICC confirms, in writing, that it has been completed or it is otherwise withdrawn with the consent of the NICC.
- (d) This EU does not alter any statutory requirements imposed on The Star Entities, including under the Act.
- (e) The NICC may, pursuant and subject to section 26A(4), certify a failure to comply with this EU to the Supreme Court.

¹ If required by the NICC, a process may be implemented to verify claims of legal professional privilege, including independent review by senior counsel.

F. COMMENCEMENT OF UNDERTAKING

13. This EU comes into effect when:

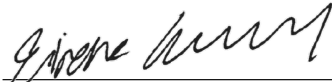
- (a) It is signed by each of The Star Entities; and
- (b) The NICC accepts the EU so executed.

EXECUTION AND ACCEPTANCE

Executed by **The Star Pty Limited** (ACN 060 510 410);
in accordance with section 127 of the *Corporations Act 2001* (Cth);



Bruce Mathieson
Director



Eirene Garnsey
~~Director~~/Secretary

Executed by **The Star Entertainment Group Limited** (ACN 149 629 023));
in accordance with section 127 of the *Corporations Act 2001* (Cth);



Bruce Mathieson
Director



Eirene Garnsey
~~Director~~/Secretary

Accepted by the **NSW Independent Casino Commission**;
by:

Philip Crawford
Chief Commissioner
For and on behalf of the NSW Independent Casino Commission