



THE STAR

The Star Entertainment Group Limited

(ABN 85 149 629 023)

Board of Directors
Terms of Reference

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1 Introduction to the Terms of Reference

1.1 General

The Board of Directors is established pursuant to the Company's Constitution.

These Terms of Reference set out the principles governing the Board and the functions and responsibilities of the Board.

The Board is primarily responsible for providing strategic guidance for the Company and effective oversight of management. The Board is also responsible for overseeing the governance and performance of the Company.

1.2 Board approval

The Board has approved these Terms of Reference.

The Board may approve updates and amendments to these Terms of Reference from time to time.

1.3 Definitions

Unless the contrary intention is expressed in the Terms of Reference, the following words (when used in this Terms of Reference) have the meaning set out below:

ASX means the Australian Securities Exchange.

Board means the Board of Directors of the Company from time to time.

CEO means the Managing Director and Chief Executive Officer of the Company.

CFO means the Chief Financial Officer of the Company.

Chairman means the Chairman of the Board.

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

Corporations Act means the Corporations Act 2001 (Cth).

Director means a person appointed as a director of the Company.

Executive Committee means the persons holding senior management positions and who report directly to the CEO.

Key Management Personnel has the meaning as defined in the Corporations Act.

Senior Manager means a person (other than a Director or the Company Secretary) who:

- (i) makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the Company; or
- (ii) has the capacity to affect significantly the Company's financial standing.

2 Role and Responsibilities of the Board

2.1 Key responsibilities

The Board has overall responsibility for:

- the corporate governance of the Company;
- demonstrating leadership; and

- defining the Company's purpose and setting its strategic objectives.

The role of the Board also includes oversight of the following areas:

- organisational culture and values;
- management actions and company performance;
- business and commercial risks;
- regulatory compliance;
- strategic plans, budgets, investments and capital projects;
- capital structure (including dividend policy, equity plans and dividend reinvestment plan);
- succession planning and matters relating to the composition of the Board;
- professional development and director remuneration;
- financial reporting;
- shareholder meetings and communications; and
- Board and Committees performance evaluations.

2.2 Matters reserved for the Board

Matters which are reserved for the Board or its Committees are:

- powers reserved to the Board and its Committees under the Constitution, Company policies and the Terms of Reference for Board Committees;
- any other specific matters nominated by the Board from time to time;

and include the matters listed below.

Corporate Governance

- (a) monitoring the effectiveness of the Company's governance, culture and accountability frameworks and practices, including:
 - the appropriateness of organisational arrangements and structure and the quality of the executive team;
 - the adequacy of internal controls and processes;
- (b) overseeing performance against targets and objectives;
- (c) overseeing reporting to shareholders on the direction, governance and performance of the Company;
- (d) reviewing and approving corporate governance matters, including frequency and agendas of Board and Committee meetings, matters for consideration at shareholder meetings, processes for meetings, reporting, disclosure requirements and disclosure policies;
- (e) oversee business issues associated with the Company's subsidiaries and other responsible entities;

Organisational Culture & Values

- (f) identifying the desired culture, setting the tone in relation to the Company's organisational culture and values, and determining if those principles are reflected in the Company's strategic plans and business plans;
- (g) approving the Company's statement of values and Code of Conduct to underpin the desired culture within the organisation, and charging the Executive Committee with the

responsibility of inculcating those values across the organisation (including providing appropriate training to all employees);

- (h) receiving periodic reports from management and/or the relevant Board Committees in relation to how management is implementing the Board's tone, the ongoing monitoring and assessment of the Company's organisational culture and values;
- (i) delegating authority to a relevant Committee of the Board to be kept informed of any material breaches of the Code of Conduct, the Whistleblower Policy and the Anti-bribery and Corruption Policy;

Management Oversight & Company Performance

- (j) overseeing the actions and decisions of management and whenever required, challenging management and holding it to account;
- (k) monitoring the Company's financial and operating results;
- (l) monitoring the Company's progress on important matters;

Business Risk & Regulatory Compliance

- (m) approving the Company's risk profile, risk appetite, Risk Management Policy and Risk Management Framework;
- (n) overseeing the Company's risk culture and monitoring any desirable actions to change the culture;
- (o) overseeing the management of business risk, including regulatory and legal risks which may jeopardise any licences held by the Company and key commercial risks (such as the degree of risk associated with high end discounted table game commission play);
- (p) overseeing material issues, incidents and risks;
- (q) overseeing the management of non-financial risks and potential threats to the Company's reputation;
- (r) overseeing compliance with relevant laws and regulations, and monitoring the progress of any major litigation;
- (s) providing strategic guidance on high-risk issues that could impact the Company;
- (t) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;

Strategic Plans, Budgets, Investments & Capital Projects

- (u) overseeing management in its implementation of the Company's strategic objectives, instilling of the Company's values and performance generally;
- (v) approving strategic plans, business plans and any significant changes to the Company's organisational structure;
- (w) approving prospective joint venture partners (if considered appropriate for specific investment or development projects);
- (x) approving the engagement (and as required, the removal) of external consultants and investment advisers;
- (y) establishing objectives and measures by which the performance of external consultants and investment advisers will be evaluated;
- (z) approving annual operating and capital expenditure budgets (including the Company's capital and equity contributions into joint venture projects);
- (aa) reviewing and monitoring the Board approved budgets from the perspective of the Company's capital, equity and other contributions in joint venture projects;

- (bb) providing appropriate delegation of authority to management to approve various types of capital expenditure, investment and development projects, up to a specified aggregate value;
- (cc) reviewing and approving investment, capital and funding proposals that exceed the level of authority delegated to management;
- (dd) approving the Company's investment strategy, capital investment framework, investment policy, prospective acquisitions, investment and development projects (including joint venture arrangements);
- (ee) overseeing investment activities carried out by management and monitoring the progress of the Company's acquisitions, investments and development projects (including joint venture projects);

Capital Structure

- (ff) approving changes to the Company's capital structure, including in relation to share capital and major financing arrangements;
- (gg) establishing due diligence committees to manage information and review documents in respect of new issues of shares;
- (hh) determining the Company's dividend policy and the nature and timing of dividend payments;
- (ii) determining the form and operation of the Company's equity plans and dividend reinvestment plan;

Succession Planning & Board Composition

- (jj) reviewing and approving proposed major organisational structure changes, succession plans, key performance indicators, and remuneration structures for Key Management Personnel (including terms and conditions of employee incentive plans, participation in and individual allocations under employee incentive plans);
- (kk) developing succession plans for the Board (including for the CEO);
- (ll) approving the appointment and (when necessary) the replacement of the CEO or the Company Secretary;
- (mm) approving the appointment and (when necessary) the replacement of the CFO and Senior Managers who will be reported as Key Management Personnel in the Remuneration Report section of the Company's Annual Report;
- (nn) considering matters relating to the composition, size, structure and diversity of the Board and Board Committees, including reviewing and assessing the necessary and desirable balance of skills, knowledge, experience, independence and diversity of Directors required to discharge the Board's duties, and the extent to which they are represented in the composition of the Board and each Board Committee;
- (oo) developing and implementing Board succession plans to enable an appropriate mix of skills, experience, expertise and diversity on the Board to be maintained and to facilitate orderly succession of Board membership;
- (pp) undertaking Director nomination matters and managing the process for the selection, appointment and re-election of Directors, including: (a) identifying the skills, expertise, experience and diversity required; and (b) engaging external consultants to identify and propose potential candidates who may complement the skills, expertise, experience and diversity of the Board and undertaking appropriate background checks on short-listed candidates;
- (qq) determining the terms and conditions on which Non-Executive Directors are appointed and hold office;
- (rr) determining the process for the induction of new Directors;

- (ss) determining which Director/s shall stand for re-election by shareholders under the retirement by rotation provisions of the Company's Constitution;

Professional Development & Director Remuneration

- (tt) identifying professional development and other educational opportunities for Directors including in relation to the Company's operations;
- (uu) assessing the adequacy of the Non-Executive Directors' fee pool;
- (vv) reviewing and approving Directors' remuneration and the Company's remuneration framework;

Financial Reporting and Shareholder Meetings & Communications

- (ww) approving half-year end and year-end financial statements, annual reports, associated ASX releases and other strategic ASX releases;
- (xx) approving matters pertaining to shareholders including calling meetings of shareholders and communications to shareholders.

2.3 Responsibilities of Individual Directors

Each Director is expected to:

- act in the best interests of the Company;
- critique and approve strategic and operating plans;
- actively, objectively and constructively prepare for and participate at meetings of the Board and its Committees;
- assist in representing the Company to the public;
- counsel on key organisational changes and corporate issues; and
- have a good understanding of strategies, businesses and general economic trends and corporate governance.

2.4 Role of the Chairman

Under the Company's Constitution, the Board may elect one of their number as Chairman and may decide the period for which that Chairman is to hold office as Chairman. It is intended that the Chairman should be an independent Non-Executive Director.

The Board has the responsibility for the management of the Company. Critical to meeting this responsibility is the relationship between the Board and management, shareholders, and the individuals on the Board.

The Chairman, as the presiding Board member, fosters these relationships in the best interests of the Company and is required to work closely with the CEO. In performing this role, the Chairman manages the Board and together with the CEO fosters effective relations with shareholders.

The Chairman, while working closely with the CEO, retains an independent perspective to best represent the interests of the Company, its shareholders and the Board.

The Chairman's responsibilities include:

Working with the CEO

- acting as the principal sounding board for the CEO including helping to define problems, reviewing strategy, maintaining accountability, building relationships and ensuring the CEO is aware of concerns of the Board and shareholders;

- leading the Board in monitoring and evaluating the performance of the CEO; and
- coordinating with the CEO to ensure that management strategy, plans and performance are appropriately represented to the Board and shareholders as appropriate.

Managing the Board

- leading the Board in governing the Company's business and affairs and directing the Board to be alert to its obligations to the Company, shareholders and management under the law;
- providing leadership to the Board and assisting the Board in reviewing and monitoring the aims, strategy, policy and directions of the Company and the achievement of its objectives;
- in conjunction with the CEO, the Chairman will set the frequency of the Board meetings as well as coordinate the agenda and Board materials;
- conducting Board meetings in an efficient, effective and focused manner; and
- where appropriate, attending Committee meetings.

2.5 Role of the Deputy Chair

The Board may elect one of their number as Deputy Chair and may decide the period for which that Deputy Chair is to hold office as Deputy Chair.

In the event that the Chairman is incapacitated, unavailable or uncontactable on a specific occasion or for a specific purpose, the remaining available Directors may elect one of their number as Deputy Chair for that specific occasion or purpose.

The responsibilities of the Deputy Chair include:

- chairing meetings in the absence of the Chairman;
- attending to any matters that have been delegated by the Board to the Chairman; and
- undertaking any other duties as required by the Board from time to time.

2.6 Role of the CEO

The Board delegates responsibility for the day-to-day management of the Company to the CEO, who is assisted by the CFO and other executives to whom management is properly delegated by the CEO.

The responsibilities of the CEO include:

- developing and recommending to the Board, strategies and operating plans to deliver strong market leading businesses and build shareholder wealth over the long term, and keeping the Board apprised of the status of key initiatives;
- providing strong, principled and ethical leadership and maintaining effective control of operations;
- working with the Board to ensure appropriate succession planning and management development;
- assisting in the planning and facilitation of, and provision of appropriate materials for, Board meetings to allow meaningful participation and provide for timely resolution of issues.

3 Role of Company Secretary

The Board will appoint at least one Company Secretary, who is accountable directly to the Board, through the Chairman, on all matters relating to the proper functioning of the Board.

The Company Secretary is responsible for:

- advising the Board and its Committees on governance matters;
- monitoring that Board and Committee policy and procedures are followed;
- co-ordinating the logistics of Board meetings and Board business, including preparation of agendas, and timely completion and despatch of Board and Committee papers;
- ensuring that the business at Board and Committee meetings is accurately captured in the minutes;
- helping to organise and facilitate the induction and professional development of Directors;
- communicating with regulatory bodies and the ASX; and
- ensuring compliance with the statutory requirements of the Corporations Act, the ASX Listing Rules and other regulatory requirements, and attending to necessary notification lodgements and filings with the relevant regulators.

All Directors have direct access to the Company Secretary for advice and services.

4 Composition and Structure of the Board

4.1 Composition

In accordance with the Corporations Act and the Company's Constitution, the Board will be comprised of a minimum of 3 directors and a maximum of 12 directors.

4.2 Appointment and removal of Directors

The appointment and removal of Directors is governed by the Company's Constitution and the Corporations Act.

In selecting new Directors, the Board must ensure that the candidate pool has the appropriate mix of skills, experience, expertise and diversity that will contribute to the effectiveness of the Board.

Any candidate for appointment to the Board must:

- (a) confirm that they have the necessary time to devote to the position as a Director of the Company prior to their appointment; and
- (b) consent to the Company undertaking appropriate checks (including on their character, experience, education, criminal record and bankruptcy history).

4.3 Nomination and rotation of Directors

Nomination and rotation of Directors is governed by the Corporations Act, the ASX Listing Rules and the Company's Constitution.

4.4 Establishment of Committees

The Board may from time to time delegate specific functions to a Committee comprised of such number of Directors as it thinks fit.

The following Committees have been established to operate under their respective terms of reference approved by the Board:

- Audit Committee;
- Risk and Compliance Committee;
- Remuneration Committee; and
- People, Culture and Social Responsibility Committee.

4.5 Director Independence

The Board will periodically assess the independence of each Director in light of information disclosed by each Director to the Board.

An independent director is a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

In considering the independence of a Director, the Board will consider whether the Director has any interests, positions and relationships that might raise issues about the independence of the Director, for example, if the Director:

1. is, or has been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
2. receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
3. is, or has been within the last three years, in a material business relationship (for example, as a supplier, professional adviser, consultant or customer) with the Company or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
4. is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
5. has close personal ties with any person who falls within any of the categories described above; or
6. has been a Director for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position, or relationship needs to be assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

5 Meetings of the Board

5.1 Frequency

The Board meets regularly in accordance with an agreed schedule and may also meet on other occasions to deal with specific matters as the need arises. The Board will meet as frequently as the Chairman determines necessary to fulfil its duties.

In addition, the Chairman is required to call a meeting of the Board when requested to do so by any Director, the CEO, the CFO, or the Company Secretary.

5.2 Minutes of meetings

The Company Secretary (or his/her authorised delegate) will be responsible for taking the minutes of Board meetings.

The Company Secretary (or his/her delegate) will circulate minutes of Board meetings to all Directors after the Chairman has given the preliminary approval.

To the extent practicable, copies of the minutes of each Board meeting will be included in the papers for the next Board meeting after each meeting of the Board.

The minutes of Board meetings will be approved by the Board and signed by the Chairman.

The Company secretary must retain for the Company's records, one hard copy of the signed minutes of each Board meeting (including the respective meeting agendas and supporting papers).

Minutes, meeting agendas and supporting papers shall be made available to any Director upon request to the Secretary, providing no conflict of interest exists and subject to compliance with relevant Company policies (including, but not limited to, the Board Papers Retention Policy).

5.3 Meeting attendance

Unless otherwise directed by the Board, the CEO and the Company Secretary will attend each Board meeting. The Board may invite other people or employees to attend meetings at its discretion.

5.4 Quorum, voting and resolutions

A quorum will comprise any two Directors. Should the Chairman be absent from any meeting, and there are at least two members still present, the members of the Board present shall appoint one of their number to be Chairman of that meeting.

Each Director will have one vote. Questions arising at any meeting of the Board are decided by a majority of votes. In the case of an equality of votes, the Chairman meeting has a second or casting vote (except when only two Directors are eligible to vote on the question).

The Board may pass resolutions by circulating resolution by adopting the procedures set out in the Company's Constitution.

Members of the Board will not participate in discussions and will not vote on any issue in respect of which there is an actual or perceived conflict of interest, unless otherwise unavoidable.

6 Independent External Advice

The Board may engage an independent external adviser or consultant in relation to any matter being considered by the Board, at the expense of the Company. Before such external advice is sought, consent must be obtained from the Chairman.

The Chairman may determine that any external advice may be circulated to the other Directors of the Company.

7 Access to employees, other persons and resources

Any Director may:

- (a) access any employee or other individual (including members of management) to ask questions and/or seek explanations and additional information relating to Board matters;
- (b) access internal and external auditors;
- (c) access all relevant Company records, subject to compliance with relevant Company policies (including, but not limited to, the Board Papers Retention Policy);
- (d) invite any employee or other individual to attend a meeting of the Board; and
- (e) access the Company's resources to enable the Board to discharge its duties as the Board considers appropriate.

8 Company Policies

Directors are required to comply with Company policies including, but not limited to the following:

- The Star Entertainment Group Code of Conduct;
- Confidentiality and External Communications Policy;
- Securities Trading Policy;
- Market Disclosure Policy;
- Board Papers Retention Policy.

9 Assessment and Evaluation of Board of Directors

The Board will review and evaluate on an annual basis or as considered appropriate by the Chairman:

- the effectiveness of the Board against the requirements of these Terms of Reference and the performance of the Board as a whole;
- the performance of Board Committees; and
- the performance of individual Directors.

In addition, the Board will facilitate an independent three yearly review of the performance of the Board, Board Committees and individual Directors.

10 Access to the Terms of Reference

These Terms of Reference will be available for viewing by any person on the Company's website or a copy will be sent upon request.

11 Review of the Terms of Reference

These Terms of Reference will be reviewed every two years or as required and will be amended as appropriate to reflect current market practice in good corporate governance and the required duties and responsibilities of Directors. Any amendments made will be in accordance with applicable securities exchange requirements.