



THE STAR

The Star Entertainment Group Limited

(ABN 85 149 629 023)

**Risk and Compliance Committee
Terms of Reference**

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1 Introduction to the Terms of Reference

1.1 General

The Risk and Compliance Committee is a committee of the Board established pursuant to the Company's Constitution.

These Terms of Reference set out the functions and responsibilities of the Risk and Compliance Committee and detail the manner in which the Risk and Compliance Committee will operate.

1.2 Authorities

The Risk and Compliance Committee has the authority and power to exercise the responsibilities set out in these Terms of Reference and under any separate resolutions of the Board granted to the Risk and Compliance Committee from time to time.

The Risk and Compliance Committee does not have the power or authority to make decisions for or on behalf of the Board, unless specifically authorised to do so under these Terms of Reference or as directed by the Board.

1.3 Board approval

The Board has approved the Risk and Compliance Committee Terms of Reference.

The Board may approve updates and amendments to the Risk and Compliance Committee Terms of Reference from time to time.

1.4 Definitions

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

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.

Committee means Risk and Compliance Committee of the Board.

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

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

Group means the Company and its subsidiaries.

2 Role of the Committee

The role of the Committee is to assist the Board, and exercise due care, diligence and skill in fulfilling the Company's responsibilities to its shareholders, in relation to the following areas:

- risk and compliance policies and frameworks, including underlying systems, processes and controls;

- risk management; and
- compliance management.

For the avoidance of doubt:

- (a) the People, Culture and Social Responsibility Committee has primary responsibility for assessing, monitoring and reporting to the Board on any workplace health and safety risks (including in relation to any investment, capital and development projects);
- (b) the Audit Committee has primary responsibility for assessing, monitoring and reporting on key risks associated with the preparation of financial reports, treasury management and taxation issues.

3 Responsibilities of the Committee

3.1 Key responsibilities

The responsibilities of the Committee include:

Risk & Compliance Policies and Frameworks

- (a) reviewing and recommending to the Board for approval any changes in relation to the Company's risk management and compliance management policies and frameworks;

Systems, Processes & Controls

- (b) evaluating the effectiveness of the Company's systems, processes and controls:
 - (i) to confirm that they are performing adequately and that compliance requirements are being satisfied (other than the financial reporting obligations for which the Audit Committee is responsible);
 - (ii) to enable compliance with legal, regulatory and contractual obligations, including compliance with applicable licence conditions;
 - (iii) to monitor and manage risks that are significant to the fulfilment of the Company's business objectives;
 - (iv) for consistency with the Company's Compliance Policy and Framework;
- (c) reviewing and monitoring the adequacy of the Company's reporting systems for providing requisite statutory reports;
- (d) reviewing and monitoring the sufficiency of resources dedicated to managing risk and compliance;

Risk Management

- (e) evaluating the Group's internal processes for identifying, assessing, monitoring and managing its key operational, financial, strategic and compliance risks (including regulatory and legal risks which may jeopardise any licences held by the Company), having regard to the Board approved Risk Appetite Statement, Risk Management Policy and Risk Management Framework;
- (f) reviewing the adequacy and appropriateness of the Company's public disclosures of material business risks (including disclosures in the Directors' Report and the Corporate Governance Statement);
- (g) assessing management reports covering key risk areas, including risk profiles;
- (h) monitoring the effectiveness of the Company's risk management policies and risk mitigation strategies (including disaster recovery systems and business continuity plans);

- (i) monitoring the Company's risk profile to assess whether the Company is operating with due regard to the risk appetite approved by the Board, including receiving reports from the Executive with responsibility for risk in accordance with the Risk Management Framework and bringing to the attention of the Board any matters which require the Company to operate outside of the current risk appetite set by the Board;
- (j) reviewing the adequacy of the Group's fraud and corruption control processes including monitoring compliance with relevant policies;
- (k) reviewing the Group's insurance program (including the terms of annual policy renewals and the creditworthiness of the Company's principal insurers) having regard to the Group's business and the insurable risks associated with the Group's business;
- (l) reviewing the adequacy of the Group's insurance policies that protect the Company's Directors and other officers from the consequences of personal liability arising from the performance of their duties;
- (m) evaluating and monitoring any matters referred from other Committees that may have a bearing on the Company's corporate and stakeholder reporting, or that may potentially involve an element of risk for the Company, and assessing how to manage that risk;

Compliance Management

- (n) monitoring the effectiveness of the Company's key compliance management policies and frameworks (including assessing whether the Company's risk management framework deals adequately with contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change);
- (o) monitoring the management and resolution of significant legal and regulatory matters that may have a material effect on the Company's reputation;
- (p) considering how new and proposed regulations will affect the Company, and monitoring them in the context of the Company's projected business performance;
- (q) evaluating the effectiveness of the Company's policies and procedures aimed at fostering an appropriate standard of corporate governance and ethics in the Company;
- (r) supporting improvements in compliance management procedures and processes; and
- (s) reviewing findings of any examination, enquiries, or litigation initiated by regulatory agencies and any necessary responses.

3.2 Other responsibilities

The Committee will perform other oversight functions, duties and responsibilities as requested by the Board or expressly delegated to the Committee from time to time.

The duties and responsibilities of a member of the Committee are in addition to those set out for a member of the Board.

4 Composition and Structure of the Committee

4.1 Composition

The Committee should be of sufficient size, independence and technical expertise to conduct its duties effectively. The Committee will comprise at least three members appointed by the Board, of which a majority must be independent Non-Executive Directors.

The Board will appoint one of the Committee members as the Chairman of the Committee. The Committee Chairman may not be the Chairman of the Board.

Other members of the Board are entitled to attend Committee meetings, but will not be entitled to vote on any matter being considered by the Committee.

4.2 Removal or resignation

If a member of the Committee ceases to be a Director, that member ceases to be a member of the Committee. The Board may remove a member of the Committee.

4.3 Secretary

The Secretary of the Committee is the Company Secretary. The Secretary of the Committee will be responsible, in conjunction with the Chairman of the Committee, for determining the agenda for each meeting.

5 Meetings of the Committee

5.1 Frequency

The Committee will meet as frequently as required but not fewer than four times a year.

The Committee may call such additional meetings as the Chairman of the Committee decides are necessary for the Committee to fulfil its duties.

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

5.2 Minutes of meetings

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

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

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

The Secretary of the Committee must retain for the Company's records, one hard copy of the signed minutes of each Committee 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).

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

5.3 Meeting attendance

Unless otherwise directed by the Chairman of the Committee, the CEO, the CFO, and the Company Secretary will attend each meeting of the Committee.

The Committee may invite other people or employees to attend meetings at its discretion.

The CEO, the CFO, the Company Secretary and any other invitees do not have any voting rights at any Committee meeting, regardless of the resolution being considered at the meeting.

5.4 Quorum, voting and resolutions

A quorum will comprise any two Committee members.

Should the Chairman of the Committee be absent from any meeting, and there are at least two members still present, the members of the Committee present shall appoint one of their number to be Chairman of that meeting.

Only Committee members are entitled to vote in relation to any decisions made by the Committee. Each Committee member will have one vote. Questions arising at any meeting of the Committee are decided by a majority of votes. In the case of an equality of votes, the Chairman of the Committee meeting has a second and casting vote (except when only two Committee members are eligible to vote on the question).

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

Members of the Committee 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.

6 Reporting to the Board

The Committee will, as is appropriate, on a timely basis:

- (a) circulate minutes of Committee meetings to all Directors after each Committee meeting, subject to the existence of any conflict of interest;
- (b) update the Board about Committee activities and make recommendations to the Board as required;
- (c) inform the Board of matters that may significantly affect the financial condition or affairs of the business; and
- (d) report to the Board as soon as practicable after becoming aware of any significant breach, or suspected breach of compliance standards, laws, regulations or other legal obligations.

7 Independent External Advice

The Committee may engage an independent external adviser in relation to any Committee matter, at the expense of the Company.

A Committee member may engage an independent external adviser in relation to any Committee matter, at the expense of the Company, although before the external advice is sought, consent must be obtained from the Chairman of the Board.

The Chairman of the Committee may determine that any external advice received by the Committee or by an individual Committee member be circulated to the other Directors.

8 Access to employees, other persons and resources

The Committee may:

- (a) access any employee or other individual (including members of management) to ask questions and/or seek explanations and additional information relating to Committee 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 Committee; and
 - (e) access the Company's resources to enable the Committee to discharge its duties;
- as the Committee considers appropriate.

9 Assessment and Evaluation of Committee

An evaluation of the Committee's performance against the requirements of the Committee Terms of Reference will be conducted on an annual basis or as considered appropriate by the Chairman of the Committee.

The Board will evaluate the effectiveness of the Committee at regular intervals as considered appropriate by the Chairman of the Board.

10 Access to the Terms of Reference

The Committee 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

The Committee Terms of Reference is subject to review by the Committee and the Board 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 risk management committees. Any amendments made will be in accordance with applicable securities exchange requirements.