

# Risk & Compliance Committee Charter

## 1. Introduction

- 1.1. The Risk & Compliance Committee (**Committee**) has been established as a standing committee of the Board and delegated authority to carry out the responsibilities set out in this Charter.
- 1.2. This Charter sets out responsibilities of the Committee and how it will discharge its responsibilities.

## 2. Role

- 2.1. The role of the Committee is to support the Board to oversee the risk management framework and the compliance management framework and their effectiveness, assess the risk profile and set the risk appetite, and oversee the risk culture of The Star Entertainment Group Limited (**The Star**) and its related bodies corporate (**The Star Group**).

## 3. Responsibilities

- 3.1. The Committee is responsible for the following.

3.1.1. <b>Risk culture</b>	<p>a. Monitoring The Star Group’s risk culture and assessing its effectiveness in supporting robust and effective risk management, operating within the approved risk appetite, and effectively discharging its legal and regulatory obligations.</p> <p>b. Monitoring and making recommendations to the Board about management’s instilling of a robust risk culture.</p>
3.1.2. <b>Risk management</b>	<p>a. Reviewing and making recommendations to the Board about the design, implementation and operation of the risk management framework (<b>RMF</b>) and key risk policies.</p> <p>b. Reviewing and making recommendations to the Board about the risk appetite statement (<b>RAS</b>) and any changes to the RAS.</p> <p>c. Reviewing reports from management about the adequacy and effectiveness of the RMF in supporting The Star Group to operate within the approved risk appetite.</p> <p>d. Reviewing and making recommendations to the Board about significant breaches of either the RMF or the RAS.</p> <p>e. Monitoring and making recommendations to the Board about The Star Group’s risk profile through reviewing regular reports from management about the current and future risk profile.</p>

	<p>f. Evaluating internal processes for identifying, assessing, monitoring and managing key operational, project and strategic risks (including risks which may jeopardise any licences held by The Star) with reference to the RMF and RAS.</p> <p>g. Monitoring operational risks (including financial crime, safer gambling and harm minimisation, patron due diligence and exclusions, health and safety, technology, cyber security and privacy) and strategic risks (including joint venture projects).</p> <p>h. Monitoring the risks specific to each of The Star Sydney, The Star Gold Coast, Treasury Brisbane and The Star Brisbane.</p> <p>i. Monitoring treasury risk, including liquidity and capital risks, and making recommendations to the Board about the treasury risk management framework and key policies.</p> <p>j. Receiving reports from management about new and emerging sources of risk and the controls and mitigations being implemented by management to address such risks.</p> <p>k. Receiving reports and information from management risk committees including the Financial Crime Oversight Committee.</p> <p>l. Reviewing and making recommendations to the Board about the adequacy of risk-related disclosures, including in the Directors' Report and the Corporate Governance Statement.</p> <p>m. Reviewing and making recommendations to the Board about business continuity and disaster recovery strategies and plans.</p> <p>n. Reviewing reports from management about business continuity disaster recovery training and testing outcomes.</p> <p>o. Reviewing any material risk matters referred to the Committee by the Board or another Board Committee.</p>
<p><b>3.1.3. Compliance and controls</b></p>	<p>a. Reviewing and making recommendations to the Board about the design, implementation and operation of the compliance management and controls frameworks and key compliance and controls policies.</p> <p>b. Monitoring the adequacy and effectiveness of the compliance management and controls frameworks, including those relating to financial crime, harm minimisation/safer gambling, and patron due diligence and exclusions.</p> <p>c. Monitoring the management of material legal and regulatory compliance matters.</p> <p>d. Receiving and reviewing considering reports from management about how new and proposed legal and regulatory changes will affect The Star's operations and management's proposed approaches to address new or revised compliance obligations.</p>

<p><b>3.1.4. Casino regulation compliance</b></p>	<p>a. Receiving and considering reports and updates from the Compliance Committees of each of the casino licensee subsidiaries, where requested to do so by the Board, including in the event a scheduled Committee meeting precedes a scheduled Board meeting.</p> <p>b. Monitoring compliance with obligations specific to each of The Star Sydney, The Star Gold Coast, Treasury Brisbane and The Star Brisbane, including under the terms of the respective casino licences.</p> <p>c. Overseeing The Star’s engagement and relationship with the casino regulators in New South Wales and Queensland and receiving reports from management about the state of the relationships with each regulator.</p> <p>d. Receiving and considering copies of, and management’s response to, correspondence relating to any of The Star Sydney, The Star Gold Coast, Treasury Brisbane and The Star Brisbane from the New South Wales or Queensland casino regulators or government agency or body charged with responsibility for casino regulation.</p>
<p><b>3.1.5. Risk and Controls functions</b></p>	<p>a. Approving the appointment and replacement (as required) of the Group Chief Risk Officer (<b>CRO</b>) and the Group Chief Controls Officer (<b>CCO</b>) on recommendation from the Group Chief Executive Officer &amp; Managing Director (<b>CEO &amp; MD</b>).</p> <p>b. Assessing the performance of each of the CRO and CCO.</p> <p>c. Monitoring the performance of the risk officers whose roles and responsibilities are focused exclusively on risk management for each of The Star Sydney, The Star Gold Coast, Treasury Brisbane and The Star Brisbane.</p> <p>d. Annually assessing the independence and performance of, and the adequacy of resourcing for, each of the Risk function and the Controls function, and providing feedback to the CRO and the CCO (respectively).</p>
<p><b>3.1.6. Insurance</b></p>	<p>a. Reviewing and making recommendations to the Board about The Star Group’s insurance program.</p> <p>b. Receiving reports from management about matters impacting (or which could potentially impact) insurance coverage.</p>
<p><b>3.1.7. Performance assessment</b></p>	<p>a. Assessing and making recommendations to the Culture, People &amp; Remuneration Committee about any risk-related matters relevant to consideration of performance and variable remuneration outcomes for the CEO &amp; MD, senior executives and key personnel.</p>
<p><b>3.1.8. Remediation program</b></p>	<p>a. Reviewing and making recommendations to the Board about implementation of initiatives for each of the following Remediation Plan workstreams:</p> <ul style="list-style-type: none"> <li>• 04 Risk Management &amp; Controls;</li> <li>• 05 Compliance;</li> </ul>

	<ul style="list-style-type: none"> <li>• 06 Exclusions Management;</li> <li>• 07 Financial Crime; and</li> <li>• 10 Technology &amp; Data.</li> </ul> <p>b. Reviewing reports from management relating to the progress of implementation of initiatives relating to each of the above-listed Remediation Plan workstreams.</p>
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- 3.2. In performing its role and fulfilling its responsibilities, the Committee will have regard to The Star Group's culture and suitability to hold licences to operate casinos in New South Wales and Queensland.
- 3.3. The Committee will also be responsible for any other matters delegated to the Committee by the Board from time to time.

## 4. Composition

- 4.1. The Committee will comprise at least three independent non-executive directors (**NEDs**) appointed by the Board.
- 4.2. The Committee chair (**Committee Chair**) is appointed by the Board and must be an independent NED who is not the Chairman of the Board (**Board Chairman**).
- 4.3. Committee members should have between them the necessary technical knowledge and a sufficient understanding of the gaming and entertainment industry, as well as tourism, hospitality, retail, marketing and property development, to be able to discharge the Committee's mandate effectively.
- 4.4. To facilitate the flow of risk-related information between the Committee and each of the Audit Committee, the Culture, People & Remuneration Committee, and the Safer Gambling, Governance & Ethics Committee, at least one member of the Committee will also be a member of one of the Audit Committee, the Culture, People & Remuneration Committee, and the Safer Gambling, Governance & Ethics Committee.
- 4.5. The Group Company Secretary of The Star (or their delegate) will act as secretary for the Committee (**Secretary**).

## 5. Meetings

- 5.1. The Committee will meet at least four times each year, and more frequently if required.
- 5.2. A quorum will constitute two Committee members.
- 5.3. Meetings may be held in person, by electronic means, or by a combination of both methods, as determined by the Committee Chair.
- 5.4. Except in circumstances where there is an urgent need for the Committee to meet, Committee members must be given at least seven days' notice of scheduled meetings.
- 5.5. Each Committee meeting must have an agenda which, except in circumstances where an urgent meeting has been called, is distributed along with the papers for each scheduled meeting to each director at least seven days prior to the scheduled meeting.

- 5.6. The Committee may invite any person (including employees and contractors of The Star and any advisers to The Star) to attend meetings at its discretion.
- 5.7. The following will have a standing invitation to Committee meetings:
  - 5.7.1. the CEO & MD;
  - 5.7.2. the Manager – The Star Sydney Casino, Special Manager – Treasury Brisbane, Special Manager – The Star Gold Coast Casino;
  - 5.7.3. the CRO;
  - 5.7.4. the CCO;
  - 5.7.5. the Group Chief Legal Officer (**CLO**);
  - 5.7.6. the Group Chief Financial Officer (**CFO**);
  - 5.7.7. the Group Chief Audit Officer; and
  - 5.7.8. the Audit Partner of The Star’s external auditor.
- 5.8. The draft minutes of each Committee meeting that have been approved by the Committee Chair will be circulated to the Committee for approval at the Committee meeting immediately following each Committee meeting.
- 5.9. The Secretary is responsible for retaining and maintaining all records of the Committee, including meeting papers and minutes.

## **6. Reporting and escalation of material matters**

- 6.1. All directors will have a standing invitation to, and may attend, all Committee meetings.
- 6.2. All directors will receive Committee papers (subject to any conflict of interest with any matter being considered by the Committee).
- 6.3. The Committee Chair must provide a verbal briefing about material matters considered by the Committee and will communicate any recommendations from the Committee to the Board at the Board meeting that is scheduled immediately following each Committee meeting.
- 6.4. The Committee Chair must formally escalate and report to The Star Board via the Board Chairman any matters determined by the Committee to have or which could have a material adverse impact on The Star or The Star Group within 24 hours of the Committee meeting at which the determination was made by the Committee.
- 6.5. The Committee will refer issues and matters to another Board committee if the issue / matter:
  - 6.5.1. falls within the mandate of another Board committee; or
  - 6.5.2. would be useful for another Board committee to be informed about or consider.

## **7. Access to information, personnel and resources**

- 7.1. The Committee will have access to any information (including company records), personnel and resources of The Star it requires to discharge its responsibilities.
- 7.2. The CRO will have unfettered access to the Committee.
- 7.3. The Committee will regularly meet with each of the CRO and the CCO without management present.

- 7.4. The Committee will have direct and unfettered access to each of The Star's internal auditor and external auditor.
- 7.5. The Committee has the right to seek information and ask any questions of management, the internal auditor and the internal audit team, the external auditor and the external audit team, the CRO, the CCO, the CLO, the CFO and any other external / independent expert or adviser to enable the Committee to discharge its responsibilities.
- 7.6. Provided Committee members are not aware of any reasons not to do so, the Committee is entitled to rely on:
  - 7.6.1. any advice, information, and assurances provided by management about matters within their respective areas of expertise; and
  - 7.6.2. the expertise of external / independent advisers and experts.

## **8. Independent advice**

- 8.1. The Committee may, with the prior approval of the Board Chairman, seek independent professional advice at The Star's expense.

## **9. Performance review**

- 9.1. The performance of the Committee and its members will be reviewed and assessed as part of the Board's annual performance review, including an external review of the performance of the Committee every three years.

## **10. Review of Charter**

- 10.1. The Committee will review this Charter every year, and more often if required, and make recommendations for amending the Charter to the Board for approval.



Approved on: 30 November 2023

Approved by: The Star Entertainment Group Limited Board

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