

Risk and Compliance Committee Charter

Tabcorp Holdings Limited

ACN 063 780 709

Adopted by the Board on 3 December 2019

Committee Charter

The Risk and Compliance Committee (“**Committee**”) is established under rule 90 of the Constitution of Tabcorp Holdings Limited (the “**Company**”).

1 Purpose

The purpose of the Committee is to assist the Board to fulfil its duties and responsibilities in overseeing activities relating to the Company’s identification, assessment, management and reporting of risk (for both financial and non-financial risks) and adherence with compliance obligations.

2 Membership of the Committee

The Committee must consist of:

- only non-executive directors;
- a majority of independent directors;
- an independent Chairman, who is not Chairman of the Board; and
- a minimum of 3 members of the Board.

The Board will appoint the Chairman and members of the Committee.

The Board may appoint additional non-executive directors as members of the Committee or remove and replace members of the Committee. Members may withdraw from membership of the Committee by written notification to the Board. If a member ceases to be a director of the Company, that member ceases to be a member of the Committee.

The Board or Committee will periodically assess the Committee’s membership and performance.

The Company Secretary will be the Secretary of the Committee and must attend all Committee meetings as recording secretary unless otherwise determined by the Committee.

3 Role and Responsibilities

The Committee’s primary roles with respect to risk management and compliance are to review, report to, and where appropriate make recommendations to, the Board in relation to:

- (a) the risk appetite for the Company;
- (b) the adequacy and effectiveness of the Company’s risk management framework (for both financial and non-financial risks) and supporting policies and processes to identify and manage the Company’s risks; and

- (c) the adequacy and effectiveness of the Company's compliance management framework and supporting policies and processes to ensure compliance with the Company's legal and regulatory obligations.

The Committee will consider any matter relating to the affairs of the Company delegated to it by the Board.

The Committee will undertake the following specific responsibilities:

Risk management

- (a) Monitor and review the strategic direction, objectives and effectiveness of the Company's risk management framework and supporting policies, procedures and controls to ensure the effective identification, assessment and prioritisation of potential material risks and management is operating within the risk appetite set by the Board.
- (b) Review, and recommend to the Board for approval any changes to, the Company's risk management framework, risk appetite and supporting policies.
- (c) Review material risks identified in the Company's risk profile, monitor changes in the risk profile, challenge the risk profile having regard to the Company's risk appetite, and report to the Board on any material risk issues where necessary.
- (d) Receive reports from management on new or emerging risks and the risk controls and mitigation measures to address those risks.
- (e) Evaluate the adequacy and effectiveness of the Company's operational risk management control systems (including the register of the Company's material risks).
- (f) Review at least annually the Company's risk management framework to satisfy itself that it continues to be sound, effectively identifies all areas of current and potential material risk and that the Company is operating with due regard to the risk appetite set by the Board.
- (g) Evaluate the adequacy and effectiveness of management reporting and control systems used to monitor adherence to the Company's risk management policies and to risk appetite approved by the Board (particularly in relation to the Company's material risks).
- (h) Evaluate the structure and adequacy of the Company's approach to business continuity.
- (i) Evaluate at least annually, the structure and adequacy of the Company's insurance program having regard to the Company's business and the insurable risks associated with its business.
- (j) Review the Company's disclosures in relation to risk, including in the operating and financial review in the Company's annual report.
- (k) Review the implementation of, and evaluate the adequacy and effectiveness of, the Company's policies, procedures and systems in relation to internal controls, management of business risks and safeguarding of assets.
- (l) Receive reports from internal audit concerning reviews of the Company's risk management framework, including the adequacy of the Company's processes for managing risk.
- (m) Monitor the Company's exposure to fraud, review any material incident involving fraud, failures of internal controls and the adequacy of management's response.

- (n) Monitor the Company's culture with respect to risk awareness and acting lawfully, ethically and responsibly, oversee measures to ensure a sound risk culture is established and report to the Board any significant or systemic issues or concerns.
- (o) Review and discuss with management and the internal and external auditors the overall adequacy and effectiveness of the Company's risk management practices.

Compliance

- (p) Review, and recommend to the Board for approval any changes to, the Company's compliance framework and relevant policies to ensure compliance with the Company's legal and regulatory obligations (particularly those which have a major potential impact on the Company).
- (q) Annually review and evaluate the adequacy and effectiveness of the Company's compliance framework, including relevant supporting policies, procedures and systems. Receive regular updates from management on the Company's compliance profile and compliance matters, and report to the Board on any material issue where necessary (particularly those which have a major potential impact on the Company).
- (r) Review and consider any findings by regulatory agencies or reports from management concerning any material breaches of the Group's legal and regulatory obligations, oversee management responses and action plans to address those findings or remediate any deficiencies in the Group's compliance practices.

4 Rights of access and authority

Except where expressly stated in this Charter, the Committee discharges its responsibilities by making recommendations to the Board. The Committee does not have any executive powers to commit the Board to the implementation of its recommendations except where expressly stated in this Charter or as authorised by resolution of the Board.

The Committee has authority to conduct or direct investigations into any matters within its Charter.

The Committee has rights of unrestricted access to management and to auditors (external and internal) without management present, and rights to seek explanations and additional information from both management and auditors.

The Committee may seek the advice or services of the Company's solicitors or such other independent advisers, consultants or specialists as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

As appropriate, the Committee will inform the Chairman of the Board of its decision to authorise such an investigation or obtain such external services.

5 Administrative matters and procedures

The proceedings of the Committee will be conducted in accordance with provisions set out in Attachment 1.

6 Interaction with other Committees

The Committee will, in discharging its duties, seek to co-ordinate its activities with the Audit Committee and People and Remuneration Committee where appropriate. The Committee Chairman will liaise with the Chairman of the Audit Committee and People and Remuneration Committee on an ongoing basis to ensure that no material matter is overlooked by the Committees.

7 Reporting

It is intended that a report of the actions of the Committee or a copy of the minutes of the Committee meeting or both will be included in the Board papers for the next Board meeting following a meeting of the Committee.

The Committee Chairman will, if requested, provide a brief oral report at the next Board meeting as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information from members of the Committee.

The Committee will, where appropriate, provide reports to the Audit Committee and People and Remuneration Committee on material risk issues or other matters relevant to those Committee's duties and responsibilities.

8 Review

The Committee will, at least annually, review the Committee Charter and recommend any proposed amendments to the Board for approval.

Administrative matters and procedures

Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil the Committee's role. However, it is intended that the Committee will meet no less than quarterly.

Quorum

A quorum of the Committee will comprise any two members.

Chairman

If the Chairman of the Committee is unable to attend a Committee meeting, the members present may appoint another member who is an independent director to act as Chairman at that meeting.

Convening and notice of meeting

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee.

Notice of Committee meetings will be given to every member of the Committee, as well as non-executive directors who are not members of the Committee and such directors may attend Committee meetings. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

Non-committee members, including the MD & CEO, CFO, Chief Risk Officer, the EGM Internal Audit, the external auditor, and other members of management may attend all or part of any meetings of the Committee at the invitation of the Committee Chairman.

Agenda and meeting materials

The Company Secretary will prepare an agenda for each Committee meeting for review by the Committee Chairman. Any member may require an item of business to be included on the agenda provided the Committee Chairman and the Company Secretary have been given prior notice.

The agenda and meeting materials for each Committee meeting will be issued to members and other attendees (as appropriate) within a reasonable timeframe prior to that meeting.

Circulating resolutions

The provisions of the Company's Constitution dealing with circulating resolutions apply to resolutions of the Committee.

Minutes

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee Chairman, be confirmed at the next Committee meeting and signed by the Chairman. All minutes of the Committee must be entered into a minute book maintained for that purpose and be open at all times for inspection by any director.