

EXTERNAL AUDITOR INDEPENDENCE POLICY

Purpose

The purpose of this policy is to support the independence of the external auditor by providing guidance on their engagement. The external auditor will not be engaged to perform any service that may impair or be perceived to impair the external auditor's judgment or independence. This policy is to be interpreted in light of the specific requirements of the *Corporations Act 2001 (Cth)* and should be read in conjunction with the Charter of the Audit Committee (**Committee**).

Who this policy applies to

This policy applies to all directors, officers and employees of Tabcorp, and all contractors, consultants and other personnel who are required to comply with Tabcorp's policies (together, **team members**).

Audit services

The external audit engagement encompasses the external auditor's review of the half-yearly financial statements and the audit of the annual financial statements in accordance with annual external audit plans and the terms of engagement approved by the Committee. Any services included in, or necessarily incidental to, the terms of that engagement are regarded as **Audit Services**.

Prohibited services

The external auditor must not provide services that are considered to be in conflict with their role as the statutory auditors or that would otherwise be perceived to impair the external auditor's independence (**Prohibited Services**). Generally, these services include services where the external auditor:

- participates in activities that are normally undertaken by management;
- is remunerated through a "success fee" structure;
- acts in an advocacy role for Tabcorp; or
- provides services where the auditors may be required to express an opinion on its own work.

Permitted non-audit services and pre-approval process

The external auditor may be permitted to provide non-audit services that are not Audit Services or Prohibited Services (**Permitted Non-Audit Services**) in the circumstances outlined below.

While the external auditor may provide Permitted Non-Audit Services under applicable laws and regulations, it is intended the external auditor will only provide Permitted Non-Audit Services where there is a compelling reason to do so (for example, where the external auditor's specific expertise, know-how or company knowledge could benefit Tabcorp or permit material cost savings or output efficiencies) provided stringent independence requirements are satisfied.

The external auditor will only be engaged to perform Permitted Non-Audit Services with the prior written approval of the Committee Chairman. If the Committee Chairman deems it necessary and appropriate, the matter may be referred to the full Committee for consideration and determination.

Compliance with company policies is a condition of employment at Tabcorp. Tabcorp may vary its policies at its discretion from time to time, without prior notice or compensation to employees or contractors, and the content of this policy is not incorporated into any contract of employment or engagement. This policy is current at the date of printing.

Classification: Internal

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Employment of present or former external auditor employees

In addition to normal recruitment due diligence processes (see our Talent Acquisition Policy), the appointment of any present or former employee of the external auditor within two years following their resignation to a senior accounting role or financial reporting oversight role (for example, General Manager level or above) within Tabcorp must be approved in advance by the Committee Chairman.

Auditor rotation

The external auditor must rotate, every five years, the lead audit partner having responsibility for the audit and the audit partner responsible for reviewing the audit. The partners involved in the external audit should not return to the audit team for a further three years.

In limited exceptional circumstances and subject to the Committee's recommendation under section 324DAB of the *Corporations Act 2001*, the Board may, by resolution, grant an approval for an individual to play a significant role in the audit of the company or scheme for not more than 2 successive financial years in addition to the 5 successive financial years mentioned in subsection 324DA(1). The extension of the term, must be approved by the Board before the end of the 5 successive financial years and lodged with ASIC with a copy provided to the auditor within 14 days of Board approval.

A succession plan must be prepared and submitted to the Committee for approval no later than one year before the rotation is due to occur.

Reporting to Committee

The Chief Financial Officer will provide a report to the Committee at least twice yearly describing any Permitted Non-Audit Services approved by the Chairman of the Committee since the last report.

In accordance with the *Corporations Act 2001*, the external auditor will also provide the Committee with an annual letter confirming their independence having assessed all identified or perceived threats to independence.

Review

This policy will be periodically reviewed by the Committee and any changes approved by the Board.

Policies Control

Current from	23 June 2021	Sponsor	CFO
Replaces version dated	14 June 2019	Review period	Biennial
Approved by	Tabcorp Board		

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