



Crown Resorts Limited Audit & Corporate Governance Committee Charter

Crown Resorts Limited ACN 125 709 953
A public company limited by shares

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1. Role

The principal role of the Audit and Corporate Governance Committee (the **Committee**) is to assist the Crown Resorts Limited (the **Company**) Board to fulfill its responsibilities relating to monitoring the integrity of the Company's financial statements, the effectiveness of the systems of internal controls, and to monitor the effectiveness, performance, independence and objectivity of the internal and external auditors.

Ultimate responsibility for the Company's external financial reporting lies with the Board.

2. Membership of the Committee

2.1. Structure

Committee members are appointed by the Board and the Committee will at all times include a minimum of three directors, a majority of whom shall be independent.

The Chairperson of the Committee will be an independent director nominated by the Board. If the Chairperson of the Committee is not present at a Committee meeting, the members present must elect one of themselves who is also an independent director to Chair the meeting.

Independence of a Committee member will be determined in accordance with the principles described in paragraph 2.2 of the Company's Board Charter.

Unless otherwise nominated by the Board, the Company Secretary will act as secretary of the Committee.

The appointment of a Committee member will cease if that person ceases to be a director of the Company or as otherwise determined by the Board.

2.2. Relationship with the Risk Management Committee

To enable the free flow of information between the Committee and the Crown Resorts Risk Management Committee, there should be at least one member in common across the two committees.

2.3. Compensation

The only compensation to members will be fees paid to them as a director of the Company and for acting as a Chair or member of the Committee.

2.4. Expertise

Members will have a range of diverse and yet complementary skills and the Chair of the Committee should have a significant background in accounting and/or financial management disciplines.

3. Duties and responsibilities of the Committee

3.1. External financial reporting

The Committee will oversee the process of the Company's external financial reporting on behalf of the Board and convey its observations to the Board. In particular, the Committee will review the Company's financial statements, ASX Appendix 4E and ASX Appendix 4D prior to submission to the Board.

This review may include making recommendations to the Board on the following matters:

- whether the financial statements provide a true and fair view of the financial position and performance of the Company;
- formal accounting policies and practices, and any changes in them;
- whether Crown is compliant with relevant accounting standards and ASX Listing Rules relating to financial reporting;
- the impact of any unusual transactions or audit adjustments on the financial reports and the manner in which they are disclosed; or
- the clarity and adequacy of the financial reports.

3.2. Assessing accounting and financial controls

The Committee will discuss with the external auditors and management:

- the effectiveness of the Company's accounting and financial controls; and
- the report to the Committee and the Board from the external auditors on the results of the audit.

The Committee will report to the Board on:

- any significant unresolved differences of opinion over the Company's external financial reporting between management and the external auditors; and
- on the appropriateness of the accounting judgments exercised by management in preparing the Company's external financial reports.

3.3. External Audit

The Committee will:

- (a) Be responsible for recommending to the Board the appointment, reappointment and removal of the external auditor and the engagement terms of the external auditor.

The Committee will review the appointment of external auditor at least every five years

- (b) Ensure that the Company's external auditor, from time to time, has an internal policy requiring the rotation of audit partners every five years and will be responsible for recommending to the Board the rotation of the external audit engagement partner as required.

- (c) Periodically review the independence of the external auditors, having regard to any relationships between the external auditor and the Company beyond the external audit function that might compromise the independence of the external auditor;
- (d) Periodically consider any non-audit services provided by the external auditor to determine whether the provision of those non-audit services is compatible with the independence of the external auditor
- (e) The Committee will review the scope and adequacy of the external audit and the annual audit plan with the external auditors and will have particular regard to any areas of identified risk.
- (f) The Committee will discuss and review with external audit (in the absence of management where necessary) the results of its work in conducting the annual and any interim audit, including but not limited to any major issues which have arisen during the course of the audit (both resolved and unresolved issues), key accounting and audit judgements, levels of error identified during the audit, obtaining explanations from management (and where necessary the external auditors) as to why certain errors might remain unadjusted; and recommend appropriate action regarding those matters.

3.4. Taxation policies

The Committee will review the Company's taxation policies and will recommend to the Board any additional taxation policies it considers appropriate for the Company.

3.5. Internal Audit

The Committee shall:

- a) Review and approve the remit of internal audit as set out in the Internal Audit Charter. In particular, the Committee will ensure:
 - The Group General Manager – Internal Audit has a dual reporting line, administratively to the Chief Financial Officer – Crown Resorts and functionally to the Crown Resorts Audit & Corporate Governance Committee; and
 - The Group General Manager – Internal Audit has direct and unlimited access to the Board, including any sub-committees of Crown Resorts Limited and its subsidiary companies (the **Group**).
- b) On behalf of the Board, approve the appointment and removal of the Group General Manager – Internal Audit. This role shall be independent of the external auditor.
- c) Periodically review and ensure the independence of Internal Audit by way of:
 - Statement by, and inquiry of the Group General Manager – Internal Audit as to the independence and objectivity of the internal audit department; and
 - Meeting with the Group General Manager - Internal Audit independent of management, at least annually, to discuss relevant matters or issues.
- d) On behalf of the Board, review and approve the annual internal audit plan and budget, ensuring activities are aligned to the key risks of the business. Monitor the planned program of audits and ascertain the reason for any change or delay in the program.

- e) Ensure the adequate staffing of the internal audit function.
- f) At the Committee's discretion, request Internal Audit to perform reviews, investigations or other services in respect of matters of interest or concern to the Committee.
- g) Ensure that an external independent quality assessment of Internal Audit, against the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, is conducted at a minimum once every five years, by a qualified independent reviewer or review team from outside of Crown.
- h) Review and monitor management's responsiveness to Internal Audit's finding and recommendations, including any requests from management for extensions to previously agreed timeframes for remediation action(s).

This may include requesting management to discuss matters of interest with the Committee, including responsiveness, delays, interaction with internal audit and identified weaknesses in the control environment.

3.6. Systems of Internal Control

The Committee shall keep under review, the:

- a) Adequacy and effectiveness of the internal controls over financial reporting;
- b) Company's annual statement on its systems of internal control and risk management, and raise anything necessary to the Board, in particular:
 - the procedures for identifying business, operational, financial, compliance and other risks and controlling their impact on the Company having regard, in particular, to any significant failings or weaknesses in internal control that have been reported;
 - the actions taken to remedy any significant failings or weaknesses, including their timeliness;
 - the Company's policies for ensuring compliance with relevant regulatory and legal requirements; and
 - the operational effectiveness of these policies and procedures.
- c) Adequacy of the whistleblowing arrangements for employees and contractors to raise concerns, in confidence, about possible improprieties in financial reporting and other matters, and ensure that arrangements are in place for proportionate and independent investigation and appropriate follow-up action on such matters.

3.7. Corporate Governance practices

The Committee will review relevant corporate governance policies and practices of the Company at the request of the Board.

3.8. Board reporting

The Committee will update the Board from time to time as required and make relevant recommendations in relation to matters arising for consideration by the Committee.

4. Powers of the Committee

4.1. Right to information

The Committee will maintain unobstructed lines of communication with internal audit, the external auditor, taxation advisors, management and the Board.

4.2. Engage external consultants

The Committee has the full authority of the Board to engage external consultants to advise on matters it considers necessary to carry out its duties and responsibilities.

5. Proceedings

5.1. Meeting frequency

The Committee shall meet at least three times annually and additionally as required.

5.2. Committee papers

Relevant documents to be considered at Committee meetings shall be compiled and distributed by the Committee Secretary to all members of the Committee, as well as to any invitees of the Committee.

5.3. Attendance at Committee meetings

The Committee may extend an invitation to any person to attend all or part of a scheduled Committee meeting. This invitation may extend to management attending future meetings. Only Committee members shall be eligible to vote.

5.4. Quorum

A quorum for a meeting of the Committee is two members.

5.5. Minutes

Minutes of proceedings and resolutions of meetings of the Committee and resolutions passed by members of the Committee without a meeting are to be approved by the Committee (or in the case of written resolutions, tabled) at its next meeting.

Minutes of a meeting must be signed by the Chair of the meeting or the Chair of the next meeting within a reasonable time after the meeting at which the minutes are approved.

A resolution may be made if a document containing the relevant resolution is assented to by all Committee members eligible and willing to participate in the making of the resolution.

The resolution will be taken to have been passed when the document is last assented to by a Committee member. Where a Committee member has assented by means other than writing, that Committee member must sign the document containing the relevant resolution within a reasonable time after having provided their assent.

6. Amendment and review

The Committee must review this Charter on an annual basis to ensure it remains consistent with its objectives, the Constitution and existing regulatory requirements and recommendations. Any proposed changes must be referred to the Board for approval.

Crown Resorts Limited

August 2021