



Crown Resorts Limited

Risk Management Committee Charter

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

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1. Purpose

The principal role of the Risk Management Committee (“the **Committee**”) is to assist the Crown Resorts Limited (“the **Company**”) Board in fulfilling its responsibility to monitor, oversee and assess:

- the implementation, and effectiveness, of the Company’s Risk Management Policy, Risk Management Strategy and Risk and Compliance Culture Framework;
- the Risk Appetite as set by the Board;
- the management of risk across the Group, including the Risk Profiles; and
- the effectiveness, the resourcing and performance of the Company’s Risk Management function with respect to the Company’s size, scope, operations and complexity.

The duties and responsibilities of the Committee to fulfill this purpose are described in section 3.

2. Composition of the Committee

2.1. Structure

The Committee will be comprised of a minimum of three independent non-executive directors to be nominated by the Board.

The Chairperson of the Committee will be 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 to Chair the meeting.

Unless otherwise nominated by the Board, Crown Resorts Limited’s 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 Audit and Corporate Governance

To enable access to information and consistency across the Committee and the Crown Resorts Audit and Corporate Governance Committee, there should be at least one member in common across both committees, preferably the Chair.

2.3. Compensation

The Chairperson and individual members of the Committee may be entitled to fees additional to the directors’ fees to which they are entitled, as may be determined from time to time by the Board.

2.4. Expertise

Members will have a diverse array of skills and experience required to enable them to fulfill their duties and responsibilities as members of the Committee. The Chair should have demonstrable and substantial expertise in risk management.

3. Duties and responsibilities of the Committee

3.1. Risk Management

The Committee will review and assess the adequacy of the Company's Risk Management Framework, ensuring suitability and that the Company is operating within the Company's Risk Appetite. This will include:

- (a) commission of an independent review of the Risk Management Framework at regular intervals;
- (b) oversight and monitoring of the Risk Appetite Statement to ensure the Company is operating within the Risk Appetite set by the Board. If the residual risk or any risk appetite metric is outside of the Risk Appetite, appropriate mitigation and action plans are implemented;
- (c) annual, formal review of the Company's Risk Management Policy and Risk Management Framework including ensuring the risk matrix and thresholds are set at the appropriate levels;
- (d) bi-annual review of the Company's Risk Profile;
- (e) consideration of new and emerging risks for the Company;
- (f) monitoring insurance coverage for the Company to ensure that it is adequate for the nature and level of risk of the Company's operations; and
- (g) ensuring that management has implemented effective processes in relation to:
 - (i) the identification of areas of significant business risk or exposure;
 - (ii) the identification of new and emerging risks;
 - (iii) the implementation of appropriate risk management and internal control processes to mitigate those risks; and
 - (iv) the assessment of the adequacy and effectiveness of the risk management and internal control processes established to mitigate those risks.

The Committee will recommend to the Board any changes to the Risk Management Framework, Risk Management Policy, Risk Appetite and Risk Management Strategy.

3.2. Risk Management Function

The Committee will have oversight of the Risk Management function and monitor management performance against the Company's Risk Management Framework.

The Committee will also review the effectiveness, resourcing and operation of the Company's Risk Management function with respect to the Company's size, scope, operations and complexity.

The Committee may also recommend to the Board the appointment and removal of the Chief Risk Officer.

3.3. Role of the Chair

The Chair of the Committee is responsible for leading and ensuring the effective operation of the Committee, fostering an open, inclusive environment and ensuring adequate time is dedicated to the discussion of matters.

The Chair of the Committee has specific responsibility to:

- (a) act as the primary liaison between the Committee and the Board, Audit and Corporate Governance Committee and any other Board Committees.
- (b) communicate with the Chief Risk Officer to ensure quality of reporting and that the Committee has the information necessary to facilitate informed decision-making.
- (c) design and approve the Annual Workplan in conjunction with the Chief Risk Officer.

3.4. Risk Culture

The Committee is responsible for ensuring the Company is operating within a positive risk culture. This includes:

- (a) assisting management establish and maintain a sound risk culture.
- (b) annual review and assessment of risk culture, including, as appropriate, use of internal and external review to assess risk culture.
- (c) annual review of the Risk and Compliance Culture Framework.
- (d) forming a view of the Company's risk culture with respect to the Risk Appetite.
- (e) reporting to the Board on risk culture matters.
- (f) challenging and driving a risk and compliance culture across the Group.

3.5. Compliance, systems and controls

The Committee will review and assess the adequacy and effectiveness of the Company's compliance framework. This will include:

- (a) monitoring compliance with Company policies, relevant laws and regulatory requirements and reporting material non-compliance matters to the Board; and
- (b) ensuring that management has implemented effective processes in relation to:
 - (i) the implementation of appropriate internal control processes to ensure compliance with Company policies, relevant laws and regulatory requirements; and
 - (ii) the assessment of the adequacy and effectiveness of internal control processes for compliance with Company policies, relevant laws and regulatory requirements.

3.6. Internal and External Audit

The Committee is responsible for oversight of material risk related audit findings.

3.7. Board reporting

The Committee will update the Board as required and make relevant recommendations in relation to changes to be made to the Company's Risk Management Framework and Risk Appetite and certain other matters arising for consideration by the Committee.

4. Powers of the Committee

4.1. Right to information

The Committee will maintain unobstructed channels to the Chief Risk Officer, risk management function, management, and the Board.

The Committee should meet with the Chief Risk Officer, the Chief Financial Crime and Compliance Officer and the Group General Manager - Internal Audit, at least annually, without other management present. This may be done on an individual basis or collectively.

4.2. Engage with External Consultants

The Committee has the full authority of the Board to:

- (a) communicate and consult with external and internal stakeholders concerning the Company's risk management and compliance practices; and
- (b) appoint independent experts to provide advice on the Company's risk management and compliance practices.

5. Proceedings

5.1. Meeting frequency

The Committee will meet six times annually and additionally as required.

5.2. Committee papers

Relevant documents to be considered at Committee meetings will be compiled and distributed by the Company Secretary to all Committee members as well as, where relevant, to any invitees.

5.3. Attendance at Committee meetings

The Committee may extend an invitation, which may be a standing invitation, to any person to attend all or part of a scheduled Committee meeting. Non-members who may be invited to a meeting of the Committee include the Chief Executive Officer, Chief Risk Officer, Chief Financial Officer, Chief Compliance and Financial Crime Officer and the Group General Manager, Internal Audit and Chief of Staff (or equivalents).

Only Committee members shall be eligible to vote.

5.4. Quorum

A quorum for a meeting of the Committee is the majority of 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 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
December 2021