



REEF
CASINO TRUST

REEF CORPORATE SERVICES LIMITED

Responsible Entity of REEF CASINO TRUST (TRUST)

Compliance, Audit & Risk Committee

CHARTER

1. Overall Role and Responsibilities of Committee

The role of the Compliance, Audit & Risk Committee (“Committee”) is to assist the Board in fulfilling its responsibilities regarding:

- compliance with its Corporations Act obligations as a Responsible Entity and holder of an Australian Financial Services Licence (AFSL);
- financial statements and audit of the Trust and Responsible Entity; and
- risk management.

2. Composition

The Committee will comprise:

- at least three Directors or as determined by the Board;
- a majority of external members. A member is an external member if they are not, and have not been in the previous two (2) years:
 - a non-external director, a senior manager, or an employee of the responsible entity or a related body corporate; or
 - substantially involved in business dealings or in a professional capacity with the responsible entity or a related body corporate (individually or as a member of a partnership), and
 - do not have (or are related to a person having) a material interest in the responsible entity or a related body corporate.

The Board will appoint a Director as Chair of the Committee. The Chair of the Committee should not be Chairman of the Board.

The Committee may invite any Director, the Compliance Officer, the external Auditor of the Trust, Responsible Entity or Compliance Plan or other individuals to attend any meeting of the Committee.

At its discretion, the Committee may consult with the external Auditor outside the presence of management.

The Company Secretary of Reef Corporate Services Limited will be Secretary of the Committee.

3. Meetings

The Committee shall meet at least twice annually.

A quorum will comprise three Committee members.

The agenda and supporting documentation will be circulated to Committee members within a reasonable period in advance of each meeting.

4. Reporting

The Chair of the Committee reports the recommendations of the Committee to the Board at the next Board meeting after each Committee meeting.

Minutes of each meeting will be kept by the Secretary. Minutes will be distributed to all Committee members and will be included in the Board papers for the subsequent Board meeting.

5. Duties and Responsibilities

5.1 External reporting

Management is responsible for the preparation, presentation and integrity of the financial statements and to ensure compliance with applicable accounting standards, laws and regulations.

The external Auditor is responsible for planning and conducting the audit and forming an opinion on the financial statements.

It is the responsibility of the Committee in consultation with the external Auditor and management to exercise a high level of due diligence in relation to the accuracy and completeness of:

- the Trust's half-year and Annual Financial Reports and any Reports lodged with the ASX; and
- the Responsible Entity's Annual Financial Report and AFSL audit requirements.

This due diligence will include:

- requesting management to prepare a Report on the proposed accounting treatment for each reporting period outlining any significant matters or accounting standards impacting on the Trust's financial statements and any proposed changes in accounting policy;
- reviewing and discussing with management and the external Auditor the appropriateness of the Trust's accounting policies, compliance with accounting standards, ASX listing rules and relevant legislation and any significant changes to those policies;

- requesting management and the Operator of the Complex to complete a checklist/representation letter in relation to the Trust's half year and annual financial report and internal control procedures;
- reviewing the external Auditor's Report to the Board; and
- providing a recommendation to the Board concerning approval and release of the Financial Report and Directors' Report.

5.2 External and Compliance Plan Auditor

The duties of the Committee include:

1. Monitoring the activities of the Trust Auditor including:
 - reviewing the Half Year and Annual Audit Plan, terms of engagement and proposed fee with the Auditors;
 - reviewing the Auditors' findings in respect of weaknesses in controls or disagreement with management;
 - ensuring the provision of non-audit services are consistent with the role of Auditor; and
 - making an annual assessment of the performance of the Auditor.
2. Reviewing the independence of the external Auditor and timing of rotation of audit engagement partner having regard to requirements set out in the Corporations Act;
3. Recommending to the Board the selection or replacement of the Trust's external Auditor. The selection process includes the following steps:
 - the Committee will determine whether a formal tender or other process is appropriate;
 - if requested to do so by the Committee, the Chief Executive Officer and or Company Secretary will assist the Committee in the selection and appointment process and will provide a written recommendation; and
 - the Committee will ensure the proposed Auditor has appropriate processes in accordance with the Corporations Act to maintain independence, to rotate audit engagement partners and to manage provision of non-audit services.

5.3 Compliance

To perform the functions of a Compliance Committee identified in the Corporations Act and Compliance Plan including:

1. monitoring and reporting to the Board regarding the responsible entity's compliance with the Compliance Plan;
2. reporting breaches of the Corporations Act, Trust Constitution or Compliance Plan to the Board and to ASIC where required; and

3. assessing the adequacy of the compliance plan and making recommendations regarding any changes to the plan.

5.4 Risk management

The duties of the Committee include:

1. reviewing the Trust and Responsible Entity's Risk Management Framework at least annually to satisfy itself that the Risk Management Framework continues to be sound and that the Trust and Responsible Entity is operating with due regard to the risk appetite set by the Board;
2. reviewing and recommending to the Board the Risk Appetite Statement, Risk Management Plan and Policy for the Trust, Responsible Entity and sub-lessee of the Reef Hotel Casino;
3. monitoring and reviewing Reports from management on the effectiveness of the management of material business risks;
4. reviewing the external audit reports and any findings in respect of any breaches or weaknesses in internal controls relating to the Compliance Plan, Trust Bank Account, AFSL and any other external audit reports or material incident reports relating to Risk Management and consider the adequacy of management's planned corrective action; and
5. considering the need for internal audit.

6. Annual Review

The Committee should annually review its own performance and recommend any changes to this Charter. Any proposed changes must be referred to the Board for approval.

Approved by the board on 7 December 2023