



# REEF CORPORATE SERVICES LIMITED Responsible Entity of REEF CASINO TRUST (TRUST)

## Compliance, Audit & Risk Committee

### RISK MANAGEMENT POLICY

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#### **Purpose**

Reef Corporate Services Limited, the Responsible Entity has developed this Policy to summarise the approach to the management of the various types of risks confronting the Responsible Entity and the managed investment scheme Reef Casino Trust.

#### **Scope**

A Risk Management Framework has been implemented based on AS ISO 31000:2018 Risk Management – Guidelines. This framework has also been adopted by the sublessee/operator of the Reef Hotel Casino complex. The Framework also addresses ASIC's RG259 – Risk management systems of fund operators.

#### **Oversight**

The Board Charter sets out the responsibilities of the Board and includes approving and monitoring compliance with the Trust internal control system and risk management systems. The Board is responsible for setting the risk appetite and for approval of the Risk Management Plan.

The Compliance, Audit & Risk Committee Charter sets out specific responsibilities of the Committee including:

- reviewing the Trust'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;
- reviewing and recommending to the Board the Risk Management Plan and Policy for the Trust, Responsible Entity and sub-lessee of the Reef Hotel Casino;
- monitoring and reviewing Reports from management on the effectiveness of the management of material business risks; and
- 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 relating to risk management and consider the adequacy of management's planned corrective action; and

- Considering the need for internal audit.

The Committee reports its findings to the Board.

### **Risk Management and Reporting**

The Chief Executive Officer, Reef Corporate Services Limited and Management are responsible for developing and implementing a sound system of risk management and internal control. This includes:

- Risk Identification and Assessment as set out in the Board approved Risk Management Plan and based on AS ISO 31000:2018 Risk Management – Guidelines;
- maintenance of Risk Registers focussing on material business risks;
- drafting and maintaining policies and procedures;
- staff induction;
- staff training;
- incident reporting;
- compliance with RCT/RCS Compliance Plan obligations; and
- AFSL Checklists.

Management is responsible for reporting to the Board via the Compliance, Audit & Risk Committee on the effectiveness of Risk Management and internal control systems.

The external Compliance Plan Auditor Reports annually on whether the responsible entity has complied with the Trust's Compliance Plan.

This Policy and the Risk Management Framework are to be reviewed annually.

Amended and approved by the Board on 7 December 2023.