

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 December 2023 As at 31 December 2023

The following Statement is by reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (the **Governance Principles**).

The Trust is an externally managed entity and therefore recommendations 1.1 to 1.7, 2.1, 2.2, 2.4, 2.5, 2.6 and 8.1 to 8.3 are not applicable. Notwithstanding this the Corporate Governance Statement describes relevant practices adopted by the board of the Responsible Entity to support the principles of corporate governance developed by the ASX Corporate Governance Council.

This Corporate Governance Statement is dated 31 December 2023 and was approved by the board on 22 February 2024. It reflects the corporate governance practices that were in place throughout the 2023 financial year, unless otherwise stated. In this statement, "the board" means the board of directors of the Responsible Entity of the Trust.

This corporate governance statement and other related information is available on the Trust's website <https://www.reefcasino.com.au/corporate-governance/>.

Role of the Responsible Entity and Board

Reef Corporate Services Limited is jointly owned by Casinos Austria International Limited (CAIL) and Accor Casino Investments (Australia) Pty Limited (Accor) who are substantial shareholders in the Trust.

The Responsible Entity's role is provided for in the Trust Constitution. Its role covers the provision of all corporate services in connection with the Trust, including investor relations, government and operator liaison, secretarial and administrative services, maintenance of financial and taxation records and statutory compliance plus overall corporate governance of the Trust, including the protection of unitholders' interests.

The responsibilities of the board and management are set out in the board charter which is available on <https://www.reefcasino.com.au/corporate-governance/>.

The responsibilities reserved for the board are:

- Final approval of the strategic plans of the lessee.
- Final approval of the annual budgets including capital expenditure of the Trust and lessee.
- Approving and monitoring the progress of major refurbishment programs, acquisitions or divestments.
- Approving the issue of securities and establishment of debt facilities.
- Approving the appointment of the Chief Executive Officer of the Trust, the Company Secretary and the external auditor (taking guidance from the Compliance, Audit & Risk Committee).
- Monitoring the performance of the Chief Executive Officer of the Trust.
- Monitoring the performance of the Operator of the complex.
- Distribution policy and approval of any distribution payment.
- Approving (taking guidance from the Compliance, Audit & Risk Committee) all half yearly and annual financial reports including the directors' report and corporate governance statement and any related announcements to the ASX or communications with unitholders.
- Approving corporate governance policies including code of conduct, continuous disclosure, trading in units and monitoring their effectiveness.
- Overseeing the integrity of the accounting and corporate reporting systems, including external audit (taking guidance from the Compliance, Audit & Risk Committee).
- Satisfying itself that the Responsible Entity has in place an appropriate risk management framework (for both financial and non-financial risks), setting the risk appetite and approving the risk management plan and policy.

Role of the Responsible Entity and Board (continued)

- Monitoring (taking guidance from the Compliance, Audit & Risk Committee) the Trust's and Responsible Entity's obligations and compliance with relevant regulatory requirements.
- Considering the competencies of directors, board succession plans and board evaluations.
- Reviewing the remuneration framework for directors.
- Reviewing the diversity policy, monitoring performance against diversity objectives and reviewing and reporting on the proportion of men and women employed.
- Approving the statement of values.
- Whenever required, challenging Trust management and the operator of the complex and holding them to account.

Day to day management of the Trust and matters not specifically referred to have been delegated to the Chief Executive Officer from 29 September 2023 and prior to that the Executive Director but are subject to oversight by the board. The separation of responsibilities between the board and management is clearly understood and respected.

The Board of the Responsible Entity

As at 31 December 2023, the board comprised six directors (six non-executive directors including the Chairman). The names and skills, experience and relevant expertise of the directors in office at the date of this statement, and the length of office of each director, are set out in the directors' report on pages 9 to 12.

The constitution of the Responsible Entity reflects its joint ownership by CAIL and Accor and requires directors to be appointed as follows:

- Two directors may be appointed by the unitholders - currently Ms Morris who is considered independent following review of her annual independence declaration against the criteria for independence set out in the board charter.
- Three directors may be appointed by CAIL - as at 31 December 2023 CAIL had appointed three directors: Mr Pühringer, Mr Tan and Mr van Lambaart, who are not considered independent. Mr Macdonald ceased to be a director appointed by CAIL on 26 May 2023; and
- Three directors may be appointed by Accor - as at 31 December 2023 Accor had appointed two directors: Mr Basha and Ms Derry, who are not considered independent.

The Reef Casino Joint Venture Shareholders Agreement provides that the number of votes able to be cast by directors representing each of CAIL and Accor is not affected by the number of directors present at the meeting.

In assessing the independence of a director, materiality is assessed on a case-by-case basis and having regard to each director's individual circumstances. No director is a professional adviser, supplier or customer of the Trust or Responsible Entity.

The Responsible Entity's constitution provides that each of the directors shall have regard to the following interests (in descending order of priority):

- the interests of the unitholders of the Trust as a whole;
- the interests of the person who has a right to appoint and remove the director except to the extent those interests conflict with the interests of unitholders as a whole; and
- the interests of the members of the Responsible Entity except to the extent those interests conflict with either or both of the interests of the unitholders of the Trust as a whole or the appointer.

Each director is able to seek independent professional advice at the Trust's expense, with prior approval of the Chairman.

Directors appointed by the unitholders remain in office for a term of three years (unless removed earlier) and are then subject to re-election. The directors appointed by the unitholders may be nominated by unitholders holding not less than 5% of the total number of units on issue other than restricted units or by the board of directors. Before a candidate is nominated by the board consideration is given to the range of skills, experience, expertise and diversity that will best complement the board's effectiveness. All other directors remain in office until removed by their appointers.

The Board of the Responsible Entity (continued)

All directors must be approved by the Minister responsible for the administration of the *Casino Control Act 1982 (Queensland)* before appointment.

Background checks are undertaken before the board appoints a director or executive or puts forward a candidate for election. In an election year the notice of meeting for the annual general meeting sets out relevant material information regarding a candidate's nomination for election of directors appointed by unitholders.

Mr Brad Sheahon commenced employment on 1 August 2023 and was formally appointed Chief Executive Officer of the Trust and Responsible Entity on 29 September 2023. Reference and background checks were conducted as part of the process to appoint him including experience, education, criminal record and bankruptcy history.

Each new director appointed undergoes an induction with the Chairman and Chief Executive Officer (previously the Executive Director), with management available for discussions as required. Directors maintain their skills and knowledge through regular management updates on accounting, tax, regulatory and corporate governance matters relevant to the Responsible Entity and the Trust, meetings held at the Reef Hotel Casino complex and periodic externally facilitated sessions on selected topics. Directors are provided with relevant corporate governance materials and policies in a board portal. The board considered whether there were any areas requiring training or professional development as part of the annual board evaluation.

Notwithstanding that recommendation 1.3 of the Governance Principles does not apply to the Responsible Entity the current directors have each signed a letter setting out the terms of their appointment. The Chief Executive Officer has an employment contract setting out the terms of his employment.

Company Secretary accountability

The Company Secretary is accountable directly to the board, through the chairman, on all matters to do with the proper functioning of the board as set out in the board charter.

Diversity

As an externally managed entity the Trust is not required to have a diversity policy. The Trust has no direct employees. Since 1 August 2023 the Responsible Entity has one direct employee, the Chief Executive Officer, Mr Brad Sheahon. The Responsible Entity has a diversity policy available at <https://www.reefcasino.com.au/corporate-governance/> which includes requirements for the board to establish measurable objectives for achieving gender diversity of the board of the Responsible Entity and to complete an annual assessment.

The ongoing objective is that when considering candidates for nomination to board positions efforts will be made to identify and consider candidates who have a diverse range of attributes, including but not limited to gender.

Board and Executive performance assessments

The board continuously reviews its performance. On an annual basis the Chairman leads a formal discussion during a board meeting evaluating the performance of the board, the Compliance, Audit & Risk Committee and individual directors. This was conducted on 7 December 2023.

The board continuously reviews the performance of executive management. For the Chief Executive Officer and previously for the Executive Director, an annual review is done by the Chairman against agreed performance targets. For the Company Secretary an annual review is done by the Chief Executive Officer (previously by the Executive Director) against agreed performance targets. The reviews in respect of the year ended 31 December 2022 were conducted in 2023 as described. The reviews for the year ended 31 December 2023 will be completed in 2024.

The Board of the Responsible Entity (continued)

Board skills matrix

The board believes that it has an appropriate mix of skills and experience and is complemented by the Compliance, Audit & Risk Committee. Notwithstanding that recommendation 2.2 does not apply to the Responsible Entity the board has adopted the following board skills matrix: casino industry experience, hotel industry experience, corporate governance, financial, accounting and risk management, experience on the board of other listed entities, previous CEO experience, government and regulatory experience, local knowledge (Queensland) and commercial acumen. All these skills are represented on the current board.

Chairman

The Chairman of the board of directors of Reef Corporate Services Limited is appointed by agreement of the directors. Any of the directors may be appointed Chairman. Mr Basha, a non-executive director was appointed Chairman on 18 March 2022.

While the board does not consider Mr Basha to be an independent director, he has the appropriate skills and experience to fulfil the responsibilities of the Chairman.

Since 29 September 2023 the Trust has a Chief Executive Officer, Mr Brad Sheahon. Prior to that a similar role was carried out by the then Executive Director, Mr Allan Tan. These functions have always remained separate from the functions performed by the Chairman and are set out in the board charter.

Ethical and responsible decision making

Values

Our statement of values is available at <https://www.reefcasino.com.au/corporate-governance/>.

Code of conduct including anti-bribery and corruption

The code of conduct which applies to all employees and directors of the Responsible Entity, the Trust and the lessee is available at <https://www.reefcasino.com.au/corporate-governance/>. The code of conduct includes the practices necessary to maintain confidence in the integrity of the Responsible Entity, the Trust and the lessee and covers conflicts of interest, insider trading, confidentiality, anti-bribery and corruption, privacy, treatment of others, political contributions and gambling at The Reef Hotel Casino. It also sets out the practices necessary to ensure compliance with legislation relevant to an employee's responsibilities.

The board is kept informed of any material breaches of the code.

Whistleblower policy

The whistleblower policy is available at <https://www.reefcasino.com.au/corporate-governance/>.

The board is kept informed of any material incidents reported under that policy.

Safeguard integrity in financial reporting

Compliance, Audit and Risk Committee

The members of the Compliance, Audit and Risk Committee during the financial year were:

Name	Status	Meetings Attended
Ms Wendy Morris (Chair)	Independent, non-executive director	4
Mr Philip Basha	Non-executive director	4
Mr Benjamin Macdonald until 26 May 2023	Non-executive director	2
Mr Fritz Pühringer appointed 26 May 2023	Non-executive director	2

The Committee met four times during the year.

Safeguard integrity in financial reporting (continued)

Details of directors' qualifications are set out in the directors' report on pages 9 to 12.

The structure of the Committee did not comply with recommendation 4.1(a) of the Governance Principles. There was not a majority of independent directors on the Committee as the board had only one independent director.

Nevertheless, the board is confident that all committee members bring an independent mind to Committee matters. The Committee comprised a majority of external members (as defined in s601 JB(1) of the *Corporations Act 2001* (Cth)).

All members of the board are invited to attend Committee meetings and commonly do attend.

The Committee charter is available from <https://www.reefcasino.com.au/corporate-governance/>. The responsibilities of the Compliance, Audit & Risk Committee include:

- Exercising 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 Australian Financial Services Licence (AFSL) audit requirements;
- Reviewing the performance, independence and timing of rotation of the Trust's external auditor;
- Recommending to the board the selection or replacement of the Trust's external auditor;
- Monitoring the audit plan, auditor's findings and provision of non-audit services for the Trust;
- Performing the functions of a compliance committee identified in the *Corporations Act 2001* (Cth) and Compliance Plan;
- Reviewing the Trust's 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;
- 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;
- Monitoring and reviewing reports from management on the effectiveness of the management of material business risks;
- 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;
- Considering the need for internal audit.

The external auditors, Executive Manager Finance, the Chief Executive Officer and previously the Executive Director and other relevant experts attend committee meetings at the invitation of the Committee. The Committee meets at least twice per year. It is authorised to take such independent professional advice as it considers necessary.

Integrity of financial reporting

Before the board approved the Trust's financial statements for the half-year ending 30 June and the full-year financial period ending 31 December it received the declarations from the Chief Executive Officer (previously from Executive Director) and Executive Manager Finance that, in their opinion, the financial records of the Trust have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Trust and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Integrity of periodic corporate reports

Processes are in place to verify the integrity of any periodic corporate reports (as defined in the Principles and Recommendations) released to the market that are not audited or reviewed by the external auditor. The processes include review by management against source documents and obtaining advice from legal, accounting or taxation advisors as necessary prior to approval by the board.

Make timely and balanced disclosure

The board has established a continuous disclosure policy to ensure the Trust complies with legal obligations and ASX Listing Rules and to ensure accountability at a senior level for that compliance. Since 29 September 2023, the Chief Executive Officer (prior to that the Executive Director) has primary responsibility for making sure that the Responsible Entity complies with its disclosure obligations for the Trust. The Company Secretary has primary responsibility for communications with the ASX.

A copy of the policy is available from <https://www.reefcasino.com.au/corporate-governance/>.

Directors receive copies of ASX announcements as they are made utilising the external notifications feature of the ASX Online Company Portal.

New and substantive investor or analyst presentation materials are released to the ASX ahead of the presentation. No new investor or analyst presentations were made in 2023.

Respect the rights of unitholders

Website

The website of the Trust is <https://www.reefcasino.com.au/reef-casino-trust/>. The website enables unitholders to obtain a range of information and includes links to the unit registry and ASX as well as a copy of this Corporate Governance Statement. The website is updated throughout the year as policies are reviewed.

Investor relations

The Trust's investor relations program involves:

- Engagement with unitholders at the Annual General Meeting (AGM).
- Responding to unitholder enquiries made from time to time.
- Occasional meetings with investors, generally conducted by the Chief Executive Officer and previously by the Executive Director.
- Informing the board of any significant comments or concerns raised by unitholders or their representatives.

The unitholder communications policy available from <https://www.reefcasino.com.au/corporate-governance/> aims to ensure that the unitholders are informed of all major developments affecting the Trust's state of affairs and to encourage participation at general meetings.

Annual general meeting

It is the Trust's usual practice to hold an AGM annually, usually in May. The board encourages full participation of unitholders to ensure a high level of accountability.

Transcripts of the Chairman's address are released to the ASX before the commencement of the AGM. The notice of AGM informs unitholders of the opportunity to ask questions of either the board or the Trust's Auditor. The board intends to respond to as many of those questions as is practicable.

In 2023 the only resolution was decided on a poll.

The engagement partner of the external auditor, Grant Thornton, attends the AGM and is available to answer questions from unitholders relevant to the audit.

Electronic communication

Unitholders may elect to receive the Trust's communications electronically. The Trust's unit registry provides unitholders with the option to update their details electronically. Unitholders have the option to send communications to the Trust and the unit registry electronically.

Recognise and manage risk

Risk management framework

The Compliance, Audit & Risk Committee and the board review the risk management framework at least annually. An internal review of the risk management framework was completed in December 2023. The board was satisfied that the framework continues to be sound and that the trust is operating with due regard to the risk appetite set by the board. The risk management framework is based on AS ISO 31000:2018 Risk management - Guidelines and has regard to ASIC Regulatory Guide 259 Risk management systems of fund operators. The risk management framework includes the risk appetite, risk management plans and supporting policies and procedures and encompasses:

- The Reef Hotel Casino complex.
- Compliance risks, including the Australian Financial Services Licence (AFSL)
- Operational and other risks for the Responsible Entity and Trust
- Financial reporting risks

The board requires management to maintain risk registers and be responsible for ongoing identification, assessment, monitoring and management of risk and reporting to the board via the Compliance, Audit & Risk Committee on the effective management of the Responsible Entity's and Trust's material business risks by interim and final (coinciding with sign off of the annual financial statements) reports on the effectiveness of the Responsible Entity's management of the material business risks. These reports include summaries of management's monitoring of internal controls and detail any external or Casinos Austria group / Accor Asia Pacific group internal audit report findings.

As a registered managed investment scheme, the Trust has a compliance plan which has been lodged with ASIC. The compliance plan sets out measures to ensure compliance with the Trust Constitution, the *Corporations Act 2001* (Cth), the AFSL and other material legislation and contracts. The compliance officer provides written reports to the Compliance, Audit & Risk Committee regarding compliance with the plan. The external auditor, Grant Thornton, conducts an annual audit of compliance with the compliance plan.

Internal audit

Given the small number of transactions the Responsible Entity and Trust does not have an internal audit function, however the Trust's accounts are subject to half yearly external audit. The Casinos Austria and Accor Group have internal audit functions which may review aspects of the lessee's business as part of their annual program.

The board periodically engages external consultants or auditors to review aspects of its governance, risk management or internal control processes.

Environmental and social risks

The board considered environmental and social risks as a component of its ongoing review of the risk management framework.

The Trust's sole investment is the Reef Hotel Casino located in Cairns. The Trust is exposed to climate change risks affecting the region including weather events, the health of the Great Barrier Reef and the tourism industry. Whilst this risk is in part mitigated by emergency planning and local engagement it continues to manifest itself in significant increases in insurance premiums and reductions in insurance coverage available on commercially reasonable terms for certain risks.

The casino industry is highly regulated and is exposed to the risk of increased oversight including in relation to anti-money laundering and gaming harm minimisation. The operator of the Reef Hotel Casino maintains an Anti-Money Laundering and Counter-Terrorism Financing (AML / CTF) Program and a responsible gaming program to minimise the potential harm caused by gaming. The board receives regular reporting from the Operator of the Reef Hotel Casino on a range of matters including continued management and monitoring of the AML / CTF Program and in relation to the responsible service of gaming.

Remunerate fairly and responsibly

Details of the directors' remuneration are set out in note 18 to the financial statements. The Trust pays directors fees only to non-executive directors who are not full-time executives of Casinos Austria International group or Accor Asia Pacific group. Other non-executive directors receive no remuneration from the Trust.

Mr Brad Sheahon commenced employment on 1 August 2023. Prior to that, the Responsible Entity had no direct employees. Other executives involved in the management of the Trust are employed by CAIL. The Trust reimburses a portion of the payroll related costs based on time spent on Trust management.

There are no equity-based remuneration schemes in operation. No retirement benefits are payable to directors.

Details of the fees payable by the Trust to the Responsible Entity are contained in note 18 to the financial statements and in the Directors' Report on page 8.