

AQUIS ENTERTAINMENT LIMITED

ACN 147 411 881

(Company)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 27 April 2016 and has been approved by the Board of Directors on that date.

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

The Company's Corporate Governance Plan is available on the Company's website at www.aquisentertainment.com.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	Yes	The Company has a Board Charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management. A copy of the Charter can be viewed on the Company's website.

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<p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.</p>	Yes	<p>necessary, it will advise the Board on the establishment of measurable objectives set to achieve gender diversity to enable the Board to annually assess and report the Company's progress in achievement of its objectives. If developed, the measurable objectives will be included in either the Annual Corporate Governance Statement or the Company's Annual Report.</p> <p>At 31 March 2016, the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation were as follows:</p> <table border="1" data-bbox="1697 576 2018 770"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Board (including Executive Directors)</td> <td>1</td> <td>6</td> <td>7</td> </tr> <tr> <td>Senior Executives (excl. Executive Directors)¹</td> <td>1</td> <td>2</td> <td>3</td> </tr> <tr> <td>Management and staff</td> <td>86</td> <td>157</td> <td>243</td> </tr> <tr> <td>Total</td> <td>88</td> <td>165</td> <td>253</td> </tr> </tbody> </table> <p>¹ For the purposes of this statement, Senior Executives are defined as Key Management Personnel (excluding Directors).</p>		Female	Male	Total	Board (including Executive Directors)	1	6	7	Senior Executives (excl. Executive Directors) ¹	1	2	3	Management and staff	86	157	243	Total	88	165	253
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<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>yes</p>	<p>The Board Charter establishes the requirement and process to conduct an annual evaluation of the performance of the Board, its committees and individual Directors. The Remuneration & Nomination Committee will be responsible for the conduct of the evaluation.</p> <p>Due to the short time frame between the date of formation of the Board (August 2015 and the end of the reporting period (December 2015), the Board considers that a performance evaluation at this time would be premature.</p>																				

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<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>yes</p>	<p>The Board is responsible for reviewing the performance of senior management against strategies established by the Board. To this end the Board has established KPI's against which the performance of its senior executives will be assessed.</p> <p>Due to the short time frame between the date of formation of the Board (August 2015 and the end of the reporting period (December 2015), the Board considers that a performance evaluation of executives at this time would be premature.</p>
<p>Principle 2: Structure the Board to add value</p>		
<p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address</p>	<p>Yes</p>	<p>The Remuneration and Nomination Committee has three members the majority of whom are independent Directors. The Committee is chaired by an independent Director.</p> <p>The names of the Committee Members are as follows:</p> <ul style="list-style-type: none"> • Dr Kenneth Chapman (Chair) • Mr Raymond Or Ching-Fai • Mr Russell Shields <p>A copy of the Committee Charter may be viewed on the Company website.</p> <p>The qualifications and experience of the members of the Committee are set out on the Company's website and in the Annual Reports. The number of times the committee met throughout a period and the individual attendances of the members at those meetings are disclosed in the Annual Report.</p>

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		<p>all necessary Government approvals for his appointment.</p> <p>All other Directors were appointed at the EGM with the appointments taking affect from 7 August 2015.</p>
<p>Recommendation 2.4</p> <p>A majority of the Board of a listed entity should be independent Directors.</p>	Yes	<p>At the date of this report, the Board comprises 7 members, 3 of whom are independent and 4 of whom are non-independent Directors.</p> <p>The Company considers this to be an appropriate balance given its majority shareholder and the importance to the company at this time to have 1 Executive Directors, who is not considered independent.</p>
<p>Recommendation 2.5</p> <p>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	No	<p>The Chair of the Board is Mr Tony Fung who is also the owner of the majority shareholder and therefore is not independent. Mr Fung is a highly experienced Director and Chairman. The Company considers that, reflective of the majority shareholding, the Board will function more effectively with Mr Fung as Chairman.</p>
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.</p>	Yes	<p>The Company has an induction program for new Directors and encourages ongoing professional development of directors and senior management.</p>

Principle 3: Act ethically and responsibly

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<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	Yes	The Company has a Code of Conduct for its Directors, senior executives and employees. A copy of the Code of Conduct may be viewed on the Company's website.
Principle 4: Safeguard integrity in financial reporting		
<p>Recommendation 4.1</p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, who is not the Chair of the Board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment</p>	Yes	<p>The Audit and Risk Management Committee has three members all of whom are independent Directors. The Committee is chaired by an independent Director.</p> <p>The names of the Committee Members are as follows:</p> <ul style="list-style-type: none"> • Mr Alex Chow (Chair) • Dr Kenneth Chapman and • Mr Russell Shields <p>A copy of the Committee Charter may be viewed on the Company website. The qualifications and experience of the members of the Committee are set out on the Company's website and in the Annual Report. The number of times the committee met throughout a period and the individual attendances of the members at those meetings are disclosed in the Annual Report.</p>

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and removal of the external auditor and the rotation of the audit engagement partner.		
<p>Recommendation 4.2</p> <p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity 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 entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	<p>The Audit and Risk Management Charter requires the CEO and CFO to provide to the Board prior to the Company's financial statements being approved, a declaration that the financial records 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 entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	<p>The Shareholder Communications Policy of the Company states that the external auditor will attend the AGM and will be available to answer questions from security holders relevant to the audit.</p>
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company has a Disclosure Policy which sets out the process by which the Company complies with its continuous disclosure obligations under the Listing Rules.</p> <p>A copy of the Policy may be viewed on the Company's website.</p>

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Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company's Corporate Governance Statement, Charters and Corporate Governance Policies are included on its website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has a Shareholder Communication policy which is aimed at to facilitating effective two-way communication with investors. A copy of the Policy can be viewed on the Company's website.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	The Shareholder Communications Policy sets out the policies and processes the Company's has in place to facilitate and encourage participation at meetings of security holders.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Shareholder Communications Policy establishes the Company's commitment to receive communications from, and send communications to, the entity and its security registry electronically
Principle 7: Recognise and manage risk		
Recommendation 7.1 The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which:		The Audit and Risk Management Committee has three members all of whom are independent Directors. The Committee is chaired by an independent Director. A copy of the Committee

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<p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>		<p>Charter may be viewed on the Company website.</p> <p>The names of the Committee Members are as follows:</p> <ul style="list-style-type: none"> • Mr Alex Chow (Chair) • Dr Kenneth Chapman and • Mr Russell Shields <p>The qualifications and experience of the members of the Committee are set out on the Company's website and in the Annual Report. The number of times the committee met throughout a period and the individual attendances of the members at those meetings are disclosed in the Annual Report.</p>
<p>Recommendation 7.2</p> <p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>Yes</p>	<p>The Audit and Risk Management Committee Charter tasks the Committee with the responsibility for reviewing and monitoring the Company's risk management framework to provide assurance that major business risks are identified, consistently assessed and appropriately addressed. The Charter requires the Committee to undertake a review of the Company's risk management framework with management (at least once annually) to satisfy itself that Aquis Entertainment's risk management framework continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain with the risk appetite set by the Board.</p>

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		Due to the short time frame between the date of formation of the Board (August 2015 and the end of the reporting period (December 2015), the Board considers that a review of the Company's risk management framework at this time would be premature.
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	No	<p>The Company does not, at this stage, have an Internal Audit function. The Board is of the view that the Company's size and scale does not currently support an independent internal audit function. The Board from time to time may utilise external parties to undertake internal audit control reviews.</p> <p>The Audit and Risk Management Committee Charter sets out the processes the Committee employs to oversee the Company's risk management framework. The Company's proposed operational subsidiary, Casino Canberra Limited, also maintains a robust risk management framework related to all operational matters as required under the relevant casino legislation. This includes the maintenance of a risk register identifying relevant operational risks and recording proposed solutions and risk management procedures where appropriate.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	The Company's exposure to economic, environmental and social sustainability risks and the way it manages or intends to manage mitigate those risks is set out in the Annual Report.
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p>		

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<p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		<p>The Remuneration and Nomination Committee has three members the majority of whom are independent Directors. The Committee is chaired by an independent Director.</p> <p>The names of the Committee Members are as follows:</p> <ul style="list-style-type: none"> • Dr Kenneth Chapman (Chair) • Mr Raymond Or Ching-Fai • Mr Russell Shields <p>A copy of the Committee Charter may be viewed on the Company website.</p> <p>The qualifications and experience of the members of the Committee are set out on the Company's website and in the Annual Report. The number of times the committee met throughout a period and the individual attendances of the members at those meetings are disclosed in the Annual Report.</p>
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>Yes</p>	<p>The Remuneration and Nomination Committee is tasked with developing policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.</p> <p>These policies and practices are disclosed in the Company's Annual Report.</p>

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<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Yes</p>	<p>The Company has submitted equity-based remuneration scheme (Plan) to its Shareholders for consideration at the 2016 AGM. The Plan rules specifically prohibit participants from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Plan.</p> <p>The Company's Securities Trading Policy also prohibits participants in any such scheme from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p> <p>A copy of the Securities Trading Policy can be viewed on the Company's website.</p>