

AQUIS ENTERTAINMENT LIMITED

ACN 147 411 881

(Company)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 20 April 2017 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.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.</p>	Yes	<p>The Company:</p> <ul style="list-style-type: none"> • undertakes appropriate checks including character references, criminal history and insolvency checks before appointing or putting forward to security holders a candidate for election, as a Director • security holders are provided with all material information relevant to a decision on whether or not to elect or re-elect a Director. The information is included in the Company's Annual Reports, Notices of Meeting and website.
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>	Yes	The Company has written agreements with each Director and senior executive setting out the terms of their appointment.
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>	Yes	The Board Charter establishes that the Company Secretary is accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board.
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p>	<p>Yes - Partly</p> <p>Yes</p>	<p>Aquis Entertainment acknowledges the positive outcomes that can be achieved through a diverse workforce and recognises and utilises the diverse skills and talent from its directors, officers and employees. To this end the Company has developed a diversity policy which can be viewed on the Company's website.</p> <p>The Remuneration & Nomination Committee is responsible for reviewing and making recommendations to the Board on the effectiveness of the Diversity Policy. If the Committee considers necessary, it will advise the Board on the establishment of</p>

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<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>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 2017, 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="1189 544 2040 791"> <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>1</td> <td>2</td> </tr> <tr> <td>Management – Casino Canberra (excl. Exec Directors and Senior Executives)</td> <td>5</td> <td>4</td> <td>9</td> </tr> <tr> <td>Staff</td> <td>87</td> <td>164</td> <td>251</td> </tr> <tr> <td>Total</td> <td>94</td> <td>174</td> <td>268</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	1	2	Management – Casino Canberra (excl. Exec Directors and Senior Executives)	5	4	9	Staff	87	164	251	Total	94	174	268
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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 is responsible for the conduct of the evaluation.</p> <p>At the time of approving this statement a performance evaluation for the 2016 year is being conducted.</p>																								
<p>Recommendation 1.7</p>																										

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<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 are assessed.</p> <p>A performance evaluation of executives against KPI's set for the 2016 financial year has been conducted.</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, 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 Board succession issues and to ensure that the Board has the appropriate balance of skills, experience,</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"> • Mr Russell Shields (Chair) • Mr Raymond Or Ching-Fai • Mr Alex Chow <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>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.		
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	Yes	<p>The Remuneration and Nomination Committee has developed a Board Skills Matrix to assist in identifying the experience, skills, expertise and diversity required for the Board to discharge its mandate to maintain the necessary mix of expertise. Key skills held by Board members include: corporate financing and administration, banking, finance, property development, business strategy and business management.</p> <p>The Board is of the view that at this stage of its development the current directors possess an appropriate mix of skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the company's strategic priorities. To the extent that skills are not directly represented on the Board, they are augmented through management and external advisors.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the</p>	<p>Yes</p> <p>Yes</p>	<p>The names of the Directors considered to be independent are as follows:</p> <ul style="list-style-type: none"> • Mr Alex Chow and • Mr Russell Shields <p>The names of the Directors who are not considered independent are:</p> <ul style="list-style-type: none"> • Mr Tony Fung • Mr Raymond Or Ching-Fai

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<p>opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	Yes	<ul style="list-style-type: none"> • Mr Justin Fung • Ms Jessica Mellor <p>Ms Mellor was appointed on 14 August 2015.</p> <p>Mr Chow was formally appointed on 7 September 2015.</p> <p>All other Directors were appointed with 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 6 members, 2 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 the Chief Executive Officer who is an 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>
<p>Principle 3: Act ethically and responsibly</p>		

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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	<p>The Company has a Code of Conduct for its Directors, senior executives and employees.</p> <p>A copy of the Code of Conduct may be viewed on the Company's website.</p>
<p>Principle 4: Safeguard integrity in financial reporting</p>		
<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</p>	Yes	<p>The Audit and Risk Management 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"> • Mr Alex Chow (Chair) • Mr Russell Shields and • Mr Justin Fung <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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reporting, including the processes for the appointment 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	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>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	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.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1		

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<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>
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	<p>The Company's Corporate Governance Statement, Charters and Corporate Governance Policies are included on its website.</p>
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	<p>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.</p>
<p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Yes	<p>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.</p>
<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	<p>The Shareholder Communications Policy establishes the Company's commitment to receive communications from, and send communications to, the entity and its security registry electronically.</p>

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Principle 7: Recognise and manage risk		
<p>Recommendation 7.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of 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, <p>and disclose:</p> <ul style="list-style-type: none"> (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 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>	Yes	<p>The Audit and Risk Management Committee has three members the majority of whom are independent Directors. The Committee is chaired by an independent Director. A copy of the Committee 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) • Mr Russell Shields and • Mr Justin Fung <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>	Yes	<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</p>

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		<p>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> <p>During the year the Audit Committee conducted various risk reviews of aspects of the operations and commenced an overall review of the Company's risk management framework and risk registers.</p>
<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	<p>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.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration 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, 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 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"> • Mr Russell Shields (Chair) • Mr Raymond Or Ching-Fai • Mr Alex Chow <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</p>	Yes	<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>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
reflected in the level and composition of their remuneration.		These policies and practices are disclosed in the Company's Annual Report.
<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>	Yes	<p>The Company has established an equity-based remuneration scheme (Plan). 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>