

NATIONAL LEISURE & GAMING LIMITED

BOARD CHARTER

1. OVERVIEW

- 1.1 The Board of National Leisure and Gaming Limited (NLG) has primary responsibility for guiding and monitoring the business affairs of NLG, including that an appropriate corporate governance structure is in place to ensure the creation and protection of shareholder value.
- 1.2 The Board is also responsible for ensuring that NLG recognises its legal and other obligations to all legitimate stakeholders from time to time where and to the extent appropriate. “Stakeholders” are groups that are likely to feel a social, environmental or economic impact from NLG’s actions. They include shareholders, employees, customers, contractors, regulatory bodies and the general community.
- 1.3 This Board Charter explains NLG’s commitment to corporate governance and sets out the role, responsibilities and conduct of the Board. It is not an “all inclusive” document and should be read as an expression of principle.
- 1.4 To the extent practicable, NLG endorses the Australian Securities Exchange (ASX) Corporate Governance Council’s *Corporate Governance Principles and Recommendations (ASX Principles)*.

2. COMPLIANCE AND GOVERNING MATERIALS

2.1 Constitution

NLG’s Constitution is NLG’s key governance document. The Board must ensure that it and NLG comply at all times with the provisions of the Constitution.

2.2 Compliance with Laws

As a public company listed on the ASX, NLG must comply with the *Corporations Act*, the ASX Listing Rules (Listing Rules) as well as all other applicable laws and statutes.

2.3 Governance Materials

The operations and conduct of NLG are administered in accordance with all governance materials adopted by the NLG Board, including but not limited to:

- i. this Charter;
- ii. Remuneration and Nomination Committee Charter;
- iii. Audit and Compliance Committee Charter;
- iv. Securities Trading Policy
- v. Code of Conduct;
- vi. Continuous Disclosure Policy; and
- vii. Shareholder Communications Policy.

3. COMPOSITION OF THE BOARD

3.1 Number of Directors

In accordance with the Constitution and the *Corporations Act*, the Board shall at all times have at least 3 Directors.

3.2 Chairperson

The Directors will appoint an independent Non-executive Director to be Chairperson of the Board. The role of Chairperson is as described in Section 6 below.

3.3 Alternate Directors

Directors may appoint Alternate Directors in accordance with the Constitution.

3.4 Appointment and Removal of Directors

General

Directors will be appointed and removed in accordance with the *Corporations Act* and the Constitution.

Considerations

In selecting new Directors, the Board must ensure that the candidate has the appropriate range of skills, experience and expertise that will best complement Board effectiveness. The Board Remuneration & Nomination Committee will consider and make recommendations to the Board regarding new appointments, including a review against desired skills for the Board.

In addition, any candidate must confirm that they have the necessary time to devote to their NLG Board position prior to appointment.

Information and Induction

Prior to any formal offer, any potential Director must be given sufficient information about NLG as part of his/her personal due diligence. The information will extend to non-public information and care must be taken to ensure confidentiality.

Upon appointment, a new Director will be given a formal letter of appointment from the Chairman setting out the key terms and conditions of their position.

New Directors undergo an induction process in which they are given a full briefing about NLG. Where possible, this includes meetings with key executives, tours of the relevant sites, an induction package and presentations. Information conveyed to new Directors includes:

- i. details of the role, responsibilities, rights and duties of a Director;
- ii. formal policies on Director appointment as well as conduct and contribution expectations;
- iii. details of all relevant legal requirements;
- iv. a copy of the Board Charter and other governance documents;
- v. guidelines on how the Board processes function, including meeting arrangements and director interaction;
- vi. details of past, recent and likely future developments relating to the Board;
- vii. background information on and contact information for key people in the organisation;
- viii. NLG's financial, strategic, operational and risk management position;

- ix. the culture and values of NLG;
- x. a synopsis of the current strategic direction of NLG including a copy of the current strategic NLG's Constitution; and
- xi. any other relevant information.

3.5 Nomination and Rotation of Directors

Nomination and rotation of Directors will be governed by the *Corporations Act*, the Listing Rules and the Constitution. The Board will review each director being proposed for re-election.

3.6 Board Committees

The Board will establish Committees to assist in the discharge of its responsibilities from time to time. At this stage, the Board has established a Remuneration & Nomination Committee and an Audit & Compliance Committee.

However, ultimate responsibility for remuneration, diversity and nomination matters, integrity for the financial reporting, compliance, risk oversight and risk management rests with the Board.

The Board will adopt Committee Charters in respect of all Committees, addressing the composition, responsibilities, administration and any other matters the Board determines relevant to such a Committee.

All Directors will receive copies of Committee papers for each Committee meeting. All Directors may be invited to attend meetings of Committees of which they are not members.

3.7 Independence

Independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationships and are willing to express an objective opinion.

It is the approach and attitude of each Non-executive Director which is critical to determining independence and this must be considered in relation to each Director while taking into account all other relevant factors, which include whether the Non-executive Director:

- i. is a substantial shareholder of NLG or an officer of, or otherwise associated directly with, a substantial shareholder of NLG;
- ii. has, within the last three years, been employed in an executive capacity by the NLG Group;
- iii. has, within the last three years, been a principal of a material professional adviser or a material consultant to NLG Group or an employee materially associated with the service provided. In this context, the relationship with the professional adviser or consultant shall be deemed to be material if payments from the NLG Group exceed 10% of the NLG Group's annual expenditure to all professionals and consultants or exceed 10% of the recipient's annual revenue for advisory or consultancy services;
- iv. is a material supplier or customer of NLG, or an officer of or otherwise associated directly or indirectly with, a material supplier or customer. In this context, the relationship with the supplier or customer shall be deemed to be material if annual payments to or from that supplier or customer exceed 10% of the annual consolidated gross revenue of either NLG or of that supplier or customer;
- v. has any material contractual relationship with NLG other than as a Director;
- vi. has served on the Board for a period which, the Board has determined would, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of NLG; or

- vii. has any interest and any business or other relationship which, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of NLG.

Each Director must notify the Board of any circumstances which may reasonably be perceived as potentially affecting the independence of that Director immediately the event becomes imminent or, in any event, immediately upon the circumstances occurring.

4. INFORMATION AND INDEPENDENT ADVICE

4.1 Ongoing Information

The Chairman, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other Executive Officers must be conscious to ensure that updated information is provided to the Board in a timely fashion to enable them to effectively discharge their duties as Directors. This may be part of, or in addition to, the periodic board reporting process.

4.2 Requested Information

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he/she requires from any employee or contractor (Employee) of NLG and all Employees must comply with such requests.

Unless a conflict exists or to do so would be inconsistent with the Director's duties, the Director is to request such information via the Chairman or Chief Executive Officer.

4.6 Independent Professional Advice

The Board collectively and each Director, subject to informing the Chairman, has the right to seek independent professional advice from a suitably qualified advisor, at the Company's expense, up to specified limits, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

5. DUTIES AND RESPONSIBILITIES

- 5.1 The Board is responsible to shareholders for the management and performance of NLG, including:

Strategic and Financial Objectives

- i. Evaluating, approving and monitoring the strategic and financial plans for the NLG Group;
- ii. Evaluating, approving and monitoring the annual budgets and business plans;
- iii. Evaluating, approving and monitoring major capital expenditure, capital management and all major corporate transactions including the issue of any securities of NLG;
- iv. Approving all financial reports and associated announcements and disclosures;
- v. Monitoring other material reporting and external communications by NLG;
- vi. Approving the payment of dividends; and

- vii. Appointing external auditors (subject to shareholder approval).

Management

- i. Appointing, removing and monitoring the performance of the:
 - a. Chief Executive Officer;
 - b. Chief Financial Officer; and
 - c. Company Secretary;
- ii. Overseeing and ratifying the terms of appointment of senior management (reporting directly to the Chief Executive Officer) including their remuneration; and
- iii. Reviewing any performance rewards to be provided to senior management.

Risk and compliance management

- i. Monitoring NLG's corporate governance framework;
- ii. Approving and monitoring NLG's risk management strategy and internal controls and their effectiveness;
- iii. Approving and monitoring compliance with the Code and other policies; and
- iv. Monitoring and reviewing NLG's operations in relation to and compliance with legal and regulatory requirements.

5.2 In discharging his/her duties, each Director must:

- i. exercise care and diligence;
- ii. act in good faith in the best interests of NLG;
- iii. not improperly use his/her position or misuse information of NLG; and
- iv. commit the time necessary to discharge effectively his/her role as a Director.

5.3 All Directors are entitled to be heard at all Meetings and to the extent practicable, should bring an objective judgement to bear in decision-making.

6. THE CHAIRMAN

The Chairman will be an independent, non-executive Director and is responsible for:

- i. leadership of the Board;
- ii. overseeing the Board in the effective discharge of its supervisory role;
- iii. the efficient organisation and conduct of the Board's function and Meetings;
- iv. facilitating the effective contribution of all Directors;
- v. briefing all Directors in relation to issues arising at Meetings;
- vi. the promotion of constructive and respectful relations between Directors; and
- vii. committing the time necessary to discharge effectively his/her role as Chairman.

7. MEETINGS

7.1 The Board should meet as often as the Chair of the Board determines necessary. Board Meetings may however be requested by any Director. The Board may hold ad-hoc meetings which may be held in addition to scheduled meetings and also pass resolutions by circulation in between Board Meetings.

7.2 Supporting papers for each meeting of the Board will be distributed by the Company Secretary to all Directors in a reasonable time in advance of the meeting.

- 7.3 The Non-executive Directors may meet without executives present when and as required.
- 7.4 A quorum for a Board Meeting is when at least two Directors are present.
- 7.5 Minutes of all meetings of the Board are to be kept by the Company Secretary.
- 7.6 Relevant NLG employees may be invited to attend Board Meetings.

8. DIRECTOR SHARE TRADING

The NLG Policy on Securities Trading imposes certain restrictions on the trading of securities by Directors and others, including specified trading windows, with undisclosed price sensitive information. All Directors must follow that Policy.

9. CORPORATE GOVERNANCE

- 9.1 The Board is responsible for the adoption, oversight and administration of relevant corporate governance materials of NLG, including but not limited to those documents listed in paragraph 2.3.
- 9.2 The Annual Report will include a Corporate Governance Statement which will contain the content required by the *ASX Principles* (as well an explanation of any departures from the Best Practice Recommendations).
- 9.3 As part of an effective communications strategy, NLG will maintain and keep current its Corporate Governance website.

10. PERFORMANCE

To determine whether it is functioning effectively, at least once in each financial year, the Board shall:

- i. review this Charter; and
- ii. perform an evaluation of its performance in the manner and form determined by the Board.