

NATIONAL LEISURE & GAMING LIMITED

MATTERS RESERVED FOR THE BOARD AND DELEGATED AUTHORITY POLICY

1. PURPOSE

i.1 The purpose of this policy is to:

- Detail NLG's policy in relation to the Company's delegation of functions to key management personnel;
- Set out the limits of such delegated authority; and
- Provide a list of matters that require approval from the Board.

2. BOARD RESPONSIBILITY

2.1 Definitions

NLG means National Leisure & Gaming Limited and its related bodies corporate.

Board means the board of directors of National Leisure & Gaming Limited from time to time.

Constitution means the constitution of National Leisure & Gaming Limited.

Delegated Authority Limit means an authorised limit designated to a position to allow for expenditure incurred on behalf of NLG.

2.2 The Board oversees the conduct of the management of NLG.

2.3 The Board has delegated day-to-day management of the business and affairs of NLG to the Chief Executive Officer.

3. DELEGATED AUTHORITY

3.1 Delegated Authority Limits

The Board has approved Delegated Authority Limits for the Chief Executive Officer and certain Senior Managers, as set out in the attached Schedule, that may be exercised in accordance with NLG's Delegated Authority General Policy.

Senior Managers, as set out in the attached Schedule, may delegate their authority with the prior written authority of the Chief Executive Officer.

No person has the authority to enter a transaction or expend money not expressly approved by this Policy without the prior written authority of the Chief Executive Officer.

3.2 NLG's Delegated Authority General Policy

It is a policy of the Board and NLG to ensure that all purchases and disbursements made by NLG are made exclusively for the benefit of NLG, in a manner which is fair, objective and financially sound. This policy applies to purchases of capital items, both budgeted and unbudgeted and operating costs.

In making purchases, employees are required at all times to:

- act solely in the best interest of NLG;
- act in accordance with NLG's Code of Conduct;
- avoid even the appearance of favouritism or conflict of interest.

In particular, no employee must benefit personally as a result of purchases or sales made for NLG.

3.3 Delegated Authority Controls

Financial and procedural controls are to be maintained by management to ensure adherence to these Delegated Authority Limits and NLG's Delegated Authority General Policy. Where considered appropriate by the Board these financial and procedural controls may be amended.

4. BOARD APPROVAL

The following matters (including amendments to such matters) require approval from the Board, except where they are expressly delegated to a Committee of the Board within the criteria set by the Board.

4.1 Strategy and direction

Establishment of NLG's:

- i. Overall strategic direction and plans for each of NLG's major businesses, including any geographic expansion and NLG's entry into substantially new business areas;
- ii. Key business and financial objectives; and
- iii. Dividend policy, and the approval or recommendation of any dividend pursuant to that policy.

4.2 Acquisitions and Disposals

Approval of acquisitions or disposals of assets which exceed the authority limits delegated to the Chief Executive Officer.

4.3 Ceasing business

Decisions to cease operating all or any material part of the business of NLG.

4.4 Financial controls, compliance and risk management

- i. Establishment of NLG's operating and capital expenditure budgets;
- ii. Development of NLG's internal financial management policies, including foreign currency exposure, hedging and borrowing limits and policies on the use of financial derivatives;
- iii. Approval of NLG's financial statements and published reports, including the Directors' report, NLG's corporate governance structure, corporate social responsibility and remuneration reports, annual review and other significant statements to the press, stock exchange, any regulatory authority and/or shareholders;
- iv. Approval of any significant changes in accounting policies or procedures;
- v. Matters impacting on compliance with statutory and regulatory obligations;
- vi. Significant internal control systems and risk management processes, and authorising the required changes (if any) to such procedures upon completion of annual audits;

- vii. Action taken in connection with any legal or other proceeding (including an investigation or inquiry by a regulatory authority) which may have significant consequences for NLG; and
- viii. Approval of the overall levels of insurance for NLG, including directors' and officers' liability insurance and indemnification arrangements for Directors.

4.5 Corporate Structure

- i. Changes to NLG's capital structure, including reductions of share capital, share buy-backs or issue of new securities and any other major funding securities, other than:
 - a. Grants under employee option/share schemes, which are dealt with in the Remuneration & Nomination Committee's Charter; and
 - b. Issue of shares on the exercise of awards under option or share schemes, which have been delegated to the Company Secretary.
- ii. Substantial changes to NLG's capital or internal corporate structure including the disposal of subsidiary companies;
- iii. Changes to NLG's status as public listed company or as a listed entity; and
- iv. Any purchase by NLG of its own shares.

4.6 Appointments

- i. Appointments to the Board, following a review by the Remuneration and Nomination Committee;
- ii. To the extent they may not be Directors, the appointment and termination of the Chief Executive Officer and Chief Financial Officer;
- iii. The appointment or removal of the Company Secretary; and
- iv. The appointment or removal of the external auditors (on the recommendation of the Audit & Compliance Committee and subject to Shareholder Approval where necessary).

4.7 Delegation of Authority

- i. Changes to membership or Charter of any Committee of the Board;
- ii. Changes to the delegated authority limits; and
- iii. Matters which exceed the delegated authority limits.

4.8 Policies

The establishment and amendment of substantial policies affecting NLG as a whole, including:

- i. The Board Charter;
- ii. The Charters of the Committees of the Board;
- iii. The Code of Conduct;
- iv. The Securities Trading Policy;
- v. Risk Management Policy; and
- vi. Continuous disclosure and communications policies.

4.9 Corporate Governance Matters

- i. Determining the independence of non-executive directors;

- ii. Determining the remuneration of the non-executive directors, within shareholder approved limits;
- iii. Determining (pursuant to shareholder approval, where necessary) the appointment of the external auditors for audit related work and ratifying the related fees following recommendation from the Audit & Compliance Committee;
- iv. Resolutions and related documentation to be put to shareholders in general meeting;
- v. Approval of circulars and listing particulars;
- vi. Approval of announcements and press releases concerning matters decided by the Board; and
- vii. Where within the Board's power, major changes in the rules of, or changes to the identity of, the trustee of pension or superannuation schemes to which the Company contributes on behalf of employees.

4.10 Other

- i. Charge or encumber in any way (other than arises by lien in the ordinary course of business or by a statutory charge) and of the assets of NLG;
- ii. Borrow any money, obtain any financial accommodation, cause any money to be borrowed or cause any financial accommodation to be obtained on behalf of NLG; and
- iii. Take any corporate action on behalf of NLG or take any action which NLG is required under the Corporations Act to take.

Schedule – Delegated Authority Limit

Capital Expenditure	Budgeted (\$)	Unbudgeted (\$)
Chief Executive Officer	1,000,000	500,000
Chief Financial Officer	500,000	250,000

Operating Expenditure	Budgeted (\$)	Unbudgeted (\$)
Chief Executive Officer	To limit approved in annual budget plan	500,000
Chief Financial Officer	To limit approved in annual budget plan	250,000

Definitions:

Capital Expenditure (Budgeted) means specifically listed budgeted funds used by NLG to acquire or upgrade fixed assets, including the discounted cash flow of all operating and finance leases.

Capital Expenditure (Unbudgeted) means non identified budgeted funds, unbudgeted funds or reallocation of specifically listed budgeted funds used by NLG to acquire or upgrade fixed assets, including the discounted cash flow value of all operating and finance leases.

Operating Costs (Budgeted) means expenditure on stock, products and services within the approved annual Budget plan.

Operating Costs (Unbudgeted) means expenditure on stock, products and services outside of that approved as part of the annual Budget plan.