

ODYSSEY GAMING LIMITED

CORPORATE GOVERNANCE POLICY

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Policy

The board of directors of Odyssey Gaming Limited (**Company**) is committed to implementing the highest standards of corporate governance in accordance with the expectations of the Company's employees, clients, customers, creditors, government authorities and the community as a whole (**Stakeholders**).

1. Board of Directors

1.1 Role and Responsibilities of the Board

The Company's board of directors (**Board**) is responsible to its shareholders for the overall governance of the Company with the main role of the Board being to drive the performance of the Company. The Board determines the policies, practices, management and operations of the Company.

In general, the members of the Company's management (**Management**) is responsible for, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objective of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibility of the Board include the following:

- i. monitoring Management: appointing and monitoring senior managers and approving management remuneration policies;
- ii. leadership of the Company: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees;
- iii. strategy formulation: providing direction to the Company through communications with the Management in the setting, ratifying and reviewing of the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company;
- iv. overseeing planning activities: overseeing the development of the Company's strategic plan and approving that plan;
- v. financial reporting: approving and monitoring financial reporting of the Company including the annual and long-term budgets;
- vi. shareholder liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company;

- vii. monitoring, compliance and risk management: overseeing the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company to ensure that all contractual, statutory, and other legal obligations, including the requirements of any regulatory body that are imposed on the Company (**Regulatory Requirements**) are met;
- viii. capital expenditure: approving and monitoring any major capital expenditure.

1.2 Role of Management

Management is responsible for the overall management of the Company. Management manages the organisation in accordance with the plans, policies and strategies ratified by the Board to achieve goals set by the Board.

Ultimate responsibility for the management of the Company is borne by the Board who may delegate powers to Management in accordance with its discretion.

Management is conducted under the Chief Executive Officer (**CEO**) as designated by the Board.

The Board will ensure that Board functions are independent from the functions of Management.

1.3 Role of Company Secretary

The secretary of the Company (**Company Secretary**) supports the effectiveness of the Board and is responsible for monitoring compliance with the Board policies and procedures and co-ordinating the drafting and despatching of the Board agenda and briefing materials within a sufficient time period before any Board meetings.

The Company Secretary is accountable, through the Chairperson, to the Board on all corporate governance matters relating to the Company.

1.4 Composition of the Board

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The majority of the Board are independent directors. Directors on the Company's Board (**Directors**) are appointed based on the specific governance skills required by the Company and on the independence of their decision-making and judgment.

The Company recognises the importance of directors who are not executives of the Company (**Non-Executive Directors**) and the external perspective and advice that Non-Executive Directors can offer.

An Independent Director:

- i. is a Non-Executive Director and;
- ii. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;

- iii. within the last three years, has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- iv. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- v. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- vi. has no material contractual relationship with the Company or other group member other than as a Director of the Company;
- vii. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- vii. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Board has adopted the policy that the Chairman should be an independent Director and that the Chairman should not hold the position of CEO.

1.5 Appointment of Directors

Nominations of new directors are considered by the full Board.

The Board considers a wide pool of prospective directors taking into account the skills and experience required in the context of the:

- current composition of the Board;
- need for independence;
- role of the Board;
- nature of the Company's business; and
- amount of commitment required from a Director.

From time to time, the Board may use external consultants in this process.

1.6 Board Policies

1.6.1 Conflicts of Interest

Each Director must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interest of the Director and the interests of any other parties in carrying out the activities of the Company; and

- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.6.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.6.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executive employees of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.6.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to Australian Securities & Investments Commission and where relevant the Australian Stock Exchange (ASX), as well as communicating with the ASX. In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

- i. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- ii. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

1.6.5 Risk oversight and management and Internal Control

The Board will at least annually review the effectiveness of the Company's implementation of the risk management and internal control policies .

The Company will have an internal audit function which is independent of the external auditor. Internal audit reports to Management and maintains the right to seek information and explanations where appropriate.

1.6.6 Remuneration Policy

The Board reviews the following annually or more frequently where appropriate:

- executive remuneration and incentive packages;
- remuneration packages of senior management;
- Company's recruitment, retentions and termination policies for Management;

- incentive schemes;
- superannuation arrangements; and
- remuneration framework for Directors.

1.6.7 Performance Reviews, Education and Induction

New Directors and key executives in Management undergo an induction process in which they are given a full briefing on the Company. This includes meetings with key executives to discuss:

- the Company's financial, strategies, operational and risk management positions;
- their rights, duties and responsibilities; and
- compliance in relation to fulfilment of the Regulatory Requirements.

In order to achieve continuing improvements in Board performance, all Directors are encouraged to undergo continual professional development relevant to the industry and business environment within which they operate. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

The performance of the Board and members of the Management is reviewed at least semi-annually to ensure fulfilment of quantitative and qualitative goals.

1.6.8 Independent Professional Advice

The Board collectively and each Director (with the prior approval of the Chairman) has the right to seek independent professional advice at the Company's expense to assist them to carry out their duties and responsibilities.

1.6.9 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company and will be reported in writing at each Board meeting.

1.6.10 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- timely and balanced disclosure of all material matters concerning the Company;
- establishing written policies and procedures that are designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure that Management are held accountable for that compliance;
- communicating effectively with shareholders through releases to the market via ASX, newsletters mailed to shareholders and notice of general meetings of the Company;

- iv. giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- v. making it easy for shareholders to participate in general meetings of the Company;
- vi. requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and fax number for shareholders to make enquiries of the Company.

1.6.11 Trading in Company Shares

The Company has an insider trading procedure under which Directors, the CEO and chief financial officer (**CFO**), Company Secretary and employees of the Company and any of its subsidiaries who are involved in material transactions concerning the Company and any other employee of the Company who is likely to be in possession of inside information (each referred to as a **Prescribed Person**) should not participate in any dealing in Company securities, financial products issued or created over the Company's securities:

- i. in the period from the end of a half year/ financial years result announcement is released to the ASX; or
- ii. at any time when it is known by that Prescribed Person that announcement of a major event or release of price sensitive information is likely to occur; or
- iii. at any time when that prescribed Person has any price sensitive information not generally available.

Notice of an intention to trade must be given prior to trading in the Company's securities as well as a confirmation that the person is not in possession of any unpublished price sensitive information. The completion of any such trade by a Director must also be notified to the Company Secretary who in turn advises the ASX.

1.6.12 Performance Review/Evaluation

The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance.

2. Board Committees

2.1 Audit Committee

An Audit Committee will be established prior to listing on the ASX. Below is a summary of the role, composition and responsibilities of the Audit Committee.

2.1.1 Role

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the external audit of the Company in alignment with the Audit Committee charter.

2.1.2 Composition

The Audit Committee consists of three members. Members are appointed by the Board from amongst the Non-Executive Directors, a majority of whom are also independent. The chairperson of this Audit Committee will be independent and separate from the chairperson of the Board.

2.1.3 Responsibilities

The Audit Committee assists the Board to discharge its duties in regards to:

- appointment, removal, remuneration and independence of the auditor;
- reviews the reliability and appropriateness of the annual and half-yearly financial statements and any reports which accompany published financial statements and recommends to the Board whether the financial statements and reports should be signed;
- maintenance of an effective internal control and business risk management framework; and
- adequacy of the Company's insurance programme, including Directors' and officers' professional indemnity insurance cover.

2.2 Remuneration Policy

The objective of the remuneration framework is to ensure that performance is competitive and appropriate for the results delivered and aligns reward with achievement of strategic objectives and the creation of value for shareholders.

Factors taken into consideration include the overall performance of the Company, particular experience of the individual concerned, level of responsibility and the demands made on the Directors. The contracts for the service between the Company and Directors are on a continuing basis and are not expected to change in the immediate future. All equity-based executive remuneration is made in accordance with shareholder approved plans and is set out in the Company's set remuneration packages.

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses or options over Company securities and do not participate in equity schemes of the Company. Further Non-Executive Directors are not provided with retirement benefits, except for statutory superannuation.

The Company will ensure that the remuneration policy is formulated in such a way that it:

- motivates Directors and Management to pursue the long-term growth and success of the Company within an appropriate risk management and control framework; and
- demonstrates a clear relationship between key executive performance and remuneration.

2.3 Criteria for Selection of Directors

Directors are appointed based on the specific governance skills required by the Company.

Directors should have the relevant blend of personal experience in:

- accounting and financial management; and/or
- legal skills; and/or
- CEO/Management level business experience.

This summary has been provided by Odyssey Gaming Limited. It is **not** intended to be an exhaustive statement of the law and should not be relied upon as more than a mere summary. Individuals should seek their own professional advice in relation to the matters dealt with in summary herein.

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