



**REGULATORY AND COMPLIANCE  
(GAMING COMPLIANCE)  
COMMITTEE CHARTER**

**VERSION 1.007**

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**Version History**

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# COMMITTEE CHARTER

## GLOSSARY

"**Affiliate**" means a Person whom, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with AGT.

"**Board of Directors**" or "**Board**" means the Board of Directors of the Company.

"**CEO**" means the Chief Executive Officer of the Company.

"**Committee**" means the Regulatory and Compliance Committee of the Company and the Gaming Compliance Committee referred to in the Gaming Compliance Plan.

"**Company**" means Ainsworth Game Technology Limited, ACN 068 516 665.

"**Compliance Manager**" means the person appointed as compliance manager of the Company.

"**Derogatory Information**" means information, which, if true, may result in AGT or a *Relevant Person* being found unsuitable for approval, licensure, qualification or registration by a Gaming Authority.

"**Gaming Authority**" means any government authority, Nevada Gaming Authorities, the National Indian Gaming Commission of the United States and any other aboriginal or tribal authority which issues or grants any Licence or admits persons to any roll or list necessary or appropriate for the lawful operation of gaming and related businesses now or in the future undertaken or proposed to be undertaken by the Company or any Subsidiary.

"**Gaming Laws**" means the laws, regulations and administrative declarations made by a government or Gaming Authority in any jurisdiction in which the Company or any Subsidiary operates from time to time or has lodged an application to operate or proposes to lodge an application to operate.

"**Internal Auditor**" means the person appointed as Internal Auditor of the Company.

"**Licence**" means a licence or other regulatory approval issued or given by a Gaming Authority (including, without limitation, admission to a necessary or appropriate roll or list) for the lawful operation of gaming and related businesses now or in the future undertaken or proposed to be undertaken by the Company or any Subsidiary.

"**Nevada Gaming Authorities**" means the Nevada Gaming Control Board, the Nevada Gaming Commission, or any local gaming control entity located in the State of Nevada.

"**Person**" means any association, partnership, corporation, firm, trust or other form of entity or business association, as well as a natural person.

"**Plan**" means the approved First Amended Nevada Gaming Compliance Plan effective April 5, 2012 pursuant to Section 3.3 of the Plan and Paragraph 15 of Ainsworth's Third Revised Order of Registration and approved by the Chairman of the State of Nevada Gaming Control Board.

"**Procedures**" means the Compliance Procedures adopted by the Board from time to time.

"**Relevant Person**" means a person whose relationship or association with the Company is or may be relevant to the Company or any subsidiary of the Company obtaining or maintaining a Licence or an unconditional Licence.

"**Subsidiary**" means a subsidiary of the Company within the meaning of the Corporations Law.

"**Technical Compliance Manager**" means the person appointed as technical compliance manager of the Company.

# COMMITTEE CHARTER

## PURPOSE AND OBJECTIVES

The Regulatory and Compliance Committee (RCC) has been established by resolution of the Board to ensure a culture of compliance awareness is inherent throughout all operations and actions of the Company, and that all officers, employees and external parties are aware of the regulatory Gaming Laws that the Company operates within.

## COMPLIANCE POLICY

The overriding purpose of compliance is to ensure that integrity is maintained at the highest level in all aspects of the Company's operations.

The Company, as a manufacturer, distributor and slot route operator of gaming equipment (or other designation based on applicable Gaming Laws), is subject to licensing requirements and regulatory control under the applicable Gaming Laws in jurisdictions in which the Company does business.

The Company recognises that:

- its success is dependent upon obtaining and maintaining Licenses;
- in order to obtain and maintain Licenses, the Company and all Relevant Persons must act ethically and comply with applicable Gaming Laws in all jurisdictions in which the Company does business; and
- a commitment to regulatory compliance serves the best interests of the Company's shareholders and employees.

Accordingly, it is the Company's policy to fully comply with Gaming Laws as well as applicable regulatory requirements, in all jurisdictions in which the Company operates. To that end, the Company shall maintain effective compliance training, as well as management policies and procedures which will be overseen by the Compliance Manager and the Committee.

The Board will maintain a Compliance Policy and from time to time may adopt specific compliance policies dealing with any particular aspect of regulatory compliance.

The Company will act fairly and with integrity, adopting a balanced approach in the implementation of compliance in all aspects of the Company's operations. All officers, employees, suppliers, distributors, vendors and external parties will be obliged to comply with the Compliance Policy as outlined herein.

## ROLE

The role of the Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities relating to compliance by the Company consistent with all applicable laws and gaming standards.

The key areas of responsibility include but are not limited to:

- Monitor compliance systems and procedural requirements relative to gaming regulatory and licensing obligations;
- Ensure that effective compliance awareness and training programs are in place and continue to establish and monitor the Company's policies and procedures in an effort to maintain adherence to all gaming regulatory and licence obligations;

# COMMITTEE CHARTER

## ROLE (continued)

- Review issues relating to regulatory compliance, either on its own initiative or pursuant to a referral from the Board, the CEO or the Compliance Manager;
- Provide for and make recommendations to the Board regarding best practices of regulatory compliance, including ensuring the suitability of key employees, and other persons or entities with whom the Company has or intends to have an association or affiliation with, and as consistent with regulatory oversight and gaming authority jurisdiction;
- Oversee and review Company actions specific to reporting requirements, as well as review and assessment of items as detailed in the Plan;
- Assist the Company in its effort to maintain compliance with the Nevada Gaming Control Act, as amended, and the regulations adopted pursuant thereto; and
- Advise and assist the Board, CEO and the Compliance Manager in making decisions involving regulatory compliance.

## RESPONSIBILITIES

The Committee shall:

- (a) regularly review the standards of compliance employed by the Company to assist in ensuring that it meets all requirements outlined in the Compliance Policy;
- (b) address matters referred to it by the Board, the CEO or the Compliance Manager; including but not limited to: reports pertaining to regulatory requests; breaches of compliance standards; derogatory information related to the Company or individuals or businesses it does business with; or, matters raised by any Gaming Authority;
- (c) if necessary, investigate, independent of management, any breach, complaint and/or derogatory information which may adversely impact the company;
- (d) inform the Board of all investigations that it proposes to conduct, including but not limited to investigations pertaining to breaches of compliance standards, complaints and/or derogatory Information;
- (e) regularly report to the Board and, where appropriate, issue written reports and recommendations to the Board. Where a recommendation is made, the Board shall decide how the matter is to be dealt with;
- (f) review and evaluate the existing compliance program so that an effective training program is undertaken and maintained for all officers, employees, distributors, suppliers and external parties that the Company deals with;
- (g) make findings or recommendations concerning allegations of impropriety by an agent, employee, officer, director or shareholder of the Company;
- (h) review reports of the Internal Auditor specific to regulatory compliance and ensure adherence with compliance policies and procedures;
- (i) review Technical Compliance Manager's report at each Committee meeting and address all necessary items;

## COMMITTEE CHARTER

### RESPONSIBILITIES (continued)

- (j) review, as it considers necessary or appropriate, all records maintained by Compliance Manager, particularly correspondence and communication with Gaming Authorities;
- (k) as it considers necessary or appropriate, direct the Compliance Manager of the Company to conduct probity investigations and compliance related financial and business audits of individuals and companies which the Company does business with and to prepare reports;
- (l) adopt policies which encourage staff to report non-compliance without fear of retaliatory action.
- (m) provide assistance and advice to the Board on matters pertaining to the Company's continuing suitability to obtain and maintain gaming Licenses, particularly relating to the Company's continuing and proposed associations;
- (n) review operational policies and recommendations relating to compliance issues; and
- (o) provide all critical documentation, information and reports to the Board and Gaming Authorities as required.

### COMPOSITION

The Committee will comprise a minimum of four members and include:

- (i) two (2) independent non-executive directors of the Board;
- (ii) a senior executive of the Company; and
- (iii) an independent person, not employed by the Company, (but who may be an outside consultant to the Company), who has knowledge of Gaming Laws and has experience in dealing with issues of regulatory compliance.

In the event of a vacancy, the Committee may operate with only three members until the vacancy is filled, subject to the quorum requirements for meetings as set out in the following pages. In the event of a vacancy, the Board shall use all reasonable endeavours to fill it as soon as practically possible.

The members of the Committee are appointed by the Board, subject to approval of all applicable Gaming and regulatory approvals, and may be removed and replaced by the Board. All appointments, removal and resignations of Committee members must be recorded in the minutes of the Board and must be reported to every Gaming Authority whose rules, regulations, policies or procedures require such notification, within the prescribed notification period, or, in the absence of any such prescription, within 30 days of the date of the appointment or resignation.

The Chairman of the Committee will be appointed by the Board and shall be an independent non-executive director of the Board.

The independent person on the Committee is advisory only and is not a member of the Board and has no authority to act in any Board or management capacity. Any and all comments, statements and votes by the independent person that might be regarded as actions of the Board are advisory only.

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## ***Role of the Chairman***

The Committee Chairman shall have the following responsibilities:

- Planning and conducting meetings;
- Overseeing reporting requirements and making verbal presentations to the Board;
- Involvement in the selection of Committee members in conjunction with the Board; and
- Performance evaluation of the Committee and its members.

## **INDUCTION OF NEW MEMBERS**

An induction process for all new members is to be undertaken to ensure members: understand the roles and responsibilities of the Committee, are aware of current compliance and regulatory issues, and, meet the expectations of the Board concerning the performance of Committee members.

This induction process includes:

- Providing a copy of the Committee's Charter and recent Committee papers and minutes;
- Providing copies of relevant Company policies and procedures; and
- Facilitating discussions with relevant employees, directors and the independent members of the Committee in relation to any compliance related matter(s).

## **MEETINGS OF THE COMMITTEE**

The Committee will hold at least four (4) meetings per fiscal year (year ending 30 June). The Chairman may determine the procedure for meetings of the Committee, either generally or for any particular meeting. The procedure may allow attendance at the meeting by telephone or video conference. It is the duty of all members to attend each meeting of the Committee.

The minutes of all meetings shall be approved by the Committee and signed by the Chairman.

The Board or any member of the Committee may convene a meeting of the Committee by giving at least 24 hours (or less in an emergency) notice in writing or by telephone to the other members with a brief statement of the matter(s) to be dealt with at the meeting.

## **QUORUM**

A quorum for a meeting of the Committee is at least three members, unless the Chairman excuses a member from attendance because of ill health or other unavoidable cause, or unless there is a vacancy in respect of one of the four members, in which case the quorum for a meeting of the Committee shall be at least two members.

The Committee may act by simple majority decision of the members participating in a meeting.

If the Chairman is unable to attend a meeting, the Chairman shall nominate an alternate Chairman to conduct the meeting.

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## SECRETARY

The Committee shall appoint a secretary and the secretary's functions shall include the following:

- Circulate the Committee papers to all Committee members at least 5 days prior to the meeting. Said papers shall include, at a minimum: a draft agenda, minutes from the last meeting, all background papers necessary for consideration of current issues, reports from the Compliance Manager/and Technical Compliance Manager; and
- Ensure that the Committee meets at least every three months.

## ACCESS TO INFORMATION AND INDEPENDENT ADVICE

Each Committee member has the right to access all required information. This right also entitles each member to seek independent professional advice at the Company's expense, subject to giving prior notice to the Board. A copy of the advice received by a member should be made available to the Board.

This right applies to all directors of the Board whether serving on Board Committees or the Board itself. To ensure the independent role of the Regulatory and Compliance Committee members, this right to seek independent professional advice is extended to the Committee as it considers necessary.

The Committee has the authority to conduct any investigation necessary to fulfilling its responsibilities and shall be provided with direct access to any person within the Company.

## CONTINUING EDUCATION:

The Committee Chairman in consultation with the Board will monitor the needs and opportunities for Committee members for further education.

## SELF ASSESSMENT

The Committee will review the overall performance of the Committee on an annual basis in accordance with the performance assessment approach determined by the Remuneration and Nomination Committee. This will include an annual review of the Committee's Charter.

## INDEMNITY FOR MEMBERS

Each Committee member, acting as such, is indemnified by the Company as if that member was a director of the Company.

## ACCESS TO CHARTER

The Committee charter will be available, upon request, to all directors of the Board, management, shareholders and any other interested party.

The Charter will be made available to all employees through the intranet and external parties by posting on the Company's website.