

SKYCITY ENTERTAINMENT GROUP LIMITED

DIRECTOR INDEPENDENCE LAST REVIEWED APRIL 2018

- 1.1 The Board has adopted the definition of independence as set out in the NZX Main Board Listing Rules. In addition to adopting the NZX definition of independence, the Board will report on any circumstances in which its assessment of independence does not correspond with the guidelines on independence as set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Third Edition).

NZX

- 1.2 The NZX defines an independent director as being a director who is not an executive of the company and does not have a "disqualifying relationship" defined by the NZX as being any direct or indirect interest or relationship that could reasonably influence, in a material way, the director's decisions in relation to the issuer.
- 1.3 The NZX further defines a "disqualifying relationship" as being where:
- (a) the director is a substantial security holder of the issuer, or is an associated person of the substantial security holder (other than solely as a consequence of being a director of the issuer); or
 - (b) where:
 - i) the director has a relationship (other than in his/her capacity as a director of the issuer) with the issuer or a substantial security holder of the issuer; or
 - ii) an associated person of the director has a relationship with the issuer or a substantial security holder of the issuer; and
 - iii) by virtue of the relationship in (b) i) or (b) ii) that director or any associated person of that director has derived or is likely to derive, in the current financial year of the issuer, a substantial portion of their annual revenue during such financial year.
- 1.4 In considering whether a director has a "disqualifying relationship" the issuer shall consider all the circumstances including the history of the relationship between the issuer and the director and/or any plans the issuer may have concerning its relationship with the director on an ongoing basis.
- 1.5 NZX considers that generally 10% of a director's or an associated person's annual revenue will be a "substantial portion" of their revenue for the purposes of this definition.
- 1.6 The Board must identify which directors it has determined to be independent and advise the NZX of such determination at certain prescribed times.

ASX

1.7 The ASX Corporate Governance Council's guidelines on independence state that an independent director is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally. Interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities
- is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship
- is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity
- has a material contractual relationship with the entity or its child entities other than as a director
- has close family ties with any person who falls within any of the categories described above
- has been a director of the entity for such a period that his or her independence may have been compromised.

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