

SKYCITY ENTERTAINMENT GROUP LIMITED**DIRECTOR INDEPENDENCE
LAST REVIEWED DECEMBER 2019**

- 1.1 The Board has adopted the definition of independence as set out in the NZX 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 (Fourth Edition).

NZX

- 1.2 The NZX defines an independent director as being a director who is not an employee of the company and who has no disqualifying relationship, where a disqualifying relationship is any direct or indirect interest, position, association or relationship that could reasonably influence, or could reasonably be perceived to influence, in a material way, a director's capacity to:
- bring an independent view to decisions in relation to the company;
 - act in the best interests of the company; and
 - represent the interests of the company's financial product holders generally, having regard to the factors described in the NZX Corporate Governance Code that may impact director independence, if applicable.
- 1.3 The factors described in the NZX Corporate Governance Code that may impact director independence include:
- being currently, or within the last three years, employed in an executive role by the issuer, any of its subsidiaries, and there has not been a period of at least three years between ceasing such employment and serving on the board;
 - currently, or within the last 12 months, holding a senior role in a provider of material professional services to the issuer or any of its subsidiaries;
 - a current, or within the last three years, material business relationship (e.g. as a supplier or customer) with the issuer or any of its subsidiaries;
 - a substantial product holder of the issuer, or a senior manager of, or person otherwise associated with, a substantial product holder of the issuer;
 - a current, or within the last three years, material contractual relationship with the issuer or any of its subsidiaries, other than as a director;
 - having close family ties with anyone in the categories listed above;
 - having been a director of the entity for a length of time that may compromise independence.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgment

to bear on issues before the Board and to act in the best interests of the issuer and to represent the interests of its financial product holders generally.

- 1.4 The Board must identify which directors it has determined to be independent, having had regard to the non-exhaustive factors described in the NZX Corporate Governance Code that may impact director independence, and advise the NZX of such determination at certain prescribed times.

ASX

- 1.5 The ASX Corporate Governance Council's guidelines on independence state that an independent director is free of any interest, position 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 as a whole rather than in the interests of an individual security holder or other party. Interests, positions 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
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity
- is, or has been within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship
- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder
- has close personal 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 their independence from management and substantial holders may have been compromised.

---ooo0ooo---