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## **ROLE OF THE BOARD OF DIRECTORS**

**Dated : 29 May, 2009**

In accordance with ASX Corporate Governance Principles and Recommendations (Second Edition), eBet Limited (referred to as the Company) the role, functions and responsibilities of the Board of Directors (referred to as the Board) is set out in this policy document.

In addition, the Board is also subject to other requirements contained in the Company's Constitution, ASX Listing Rules and the Corporations Act.

### **Board Functions**

The general functions of the Board are to :-

- oversee the operation of the Company's businesses;
- outline the Company's strategy, business plans, budgets and financial direction, including agreeing with management reporting of performance indicators compared to the strategy, plans, budgets and finances;
- oversee the Company's financial position and its ability to meet its obligations as and when they fall due;
- oversee the role of the Chief Executive Officer and the Company Secretary, and put in place defined delegations of authority to enable them to perform their duties in accordance with the Board's wishes;
- work with the Company's management to identify the key risks and ensure the implementation of risk management and reporting systems, including :-
  - human resources policies, outlining training, remuneration, awards and incentives, succession planning, performance measurements, equal opportunity and anti-discrimination, and occupational health and safety requirements; and
  - compliance with the legal and regulatory framework where the company carries on business; and
  - implementation of insurance is in place to minimize the impact of risks.
- oversee the external audit and ensure that proper audit procedures are in place, and that accounts comply with the current Australian Accounting Standards;
- ensure effective communication between the Company, and its stakeholders, including shareholders, regulators and other interested parties; and
- review the Board's own processes, performance, composition, and the processes for the nomination of new Directors and the retirement of Directors.

### **Board Powers**

The Board's power includes the following :-

- approve business strategy, plans, budgets and financing;
- monitor the Company's management with the input of the Chief Executive Officer;
- ratify changes in accounting policies and practices;
- instruct the Chief Executive Officer;
- instruct the various Committees of the Board;
- act in any other matters that affect the Company which do not require shareholder approval; and
- appoint a Chairperson who will lead the Board.

## **Board Committees**

The Board can delegate any of its functions and powers as permitted by the Company's Constitution, ASX Listing Rules, the Corporations Act or other regulations to Committees or individuals.

## **Board Meetings**

- The Board will meet at least ten times a year and more often if required.
- Senior management, advisers and other external parties can be invited to attend meetings as required.

## **Company Secretary**

The Company Secretary's role is as the Secretary of the Board and shall attend meetings of the Board and its Committees as required. The Company Secretary will ensure minutes of meetings of the Board are prepared, which shall be circulated to all Directors and confirmed at the next meeting of the Board.

## **Board Matters**

The broad matters to be addressed and decided by the Board are as follows :-

### **Board and Management**

- Nomination and remuneration of Directors;
- Appoint the Chairperson;
- Appoint the Chief Executive Officer and the Company Secretary;
- Appoint and then set objectives, key performance indicators, remuneration and performance for the Chief Executive Officer and the Company Secretary;
- Plan for succession of Directors & Chief Executive Officer;
- Appoint of Board Committees and their terms of reference, and deal with the matters subsequently referred to it by them;
- Corporate Governance generally; and
- Related party transactions and disclosures.

### **Strategy**

- Overall strategy, business plans and budgets on the recommendation of the Chief Executive Officer and monitor their progress;
- Approve capital expenditure and the acquisition or disposal of operations, including mergers and partnerships outside the Chief Executive Officer approved authority limit;
- Listing, removal of the Company on a Stock Exchange.

### **Finance**

- Capital planning and raising;
- Executive and staff share, option and share-based plans;
- Risk management and treasury policies;
- Approve half-yearly and yearly profit announcements and reports;
- Set accounting policies, including authority levels;
- Appoint external auditors, and approve the scope for external audit;
- Approve issue documents or prospectuses for the Company;
- Establish dividends and dividend reinvestment plan;
- Establish finance and risk management controls;
- Approve the giving of securities or guarantees;

**Secretarial and other**

- Call Shareholders meetings;
- Delegate Board powers;
- Disclose directors' interests and related party matters;
- Ensure continuous disclosure;
- Implement Compliance;
- Implement securities trading policies; and
- Implement directors' and officers' insurance and indemnities.