



# **BOARD CHARTER**

Effective as of January 29, 2021

# **BRAGG GAMING GROUP INC.**

## **BOARD CHARTER**

### **1. PURPOSE AND GOAL OF THE BOARD**

The board of directors (the “**Board**”) of Bragg Gaming Group Inc. (the “**Company**”) directly, and through its committees, oversees the management of, and provides stewardship over, the Company’s affairs. The Board’s primary goal is to act in the best interests of the Company to enhance long-term shareholder value while considering the interests of the Company’s various stakeholders, including shareholders, employees, customers, suppliers and the community. The Board is obligated to act honestly and in good faith with a view to the best interests of the Company. The Board is also committed to the principles of good corporate governance and practices set out in National Policy 58-201 – Corporate Governance Guidelines (“**NP 58-201**”).

### **2. AUTHORITY**

The organization of the Board and its authority are subject to any restrictions, limitations or requirements set out in the Company’s constating documents, including its articles and by-laws, as well as any restrictions and limitations or requirements set out under applicable laws, including the Canada Business Corporations Act (the “**Act**”), Canadian securities laws as well as the standards, policies and guidelines of the TSX Venture Exchange (collectively, the “**Applicable Law**”).

The Board retains authority over the administration of its own affairs, including:

- (a) selecting the Chair of the Board;
- (b) forming Board committees (each a “**Committee**”, and collectively, the “**Committees**”);
- (c) delegating powers to each Committee; and
- (d) developing position descriptions for the Chair of the Board and the chair of each Committee.

The Board will develop and maintain the Company’s corporate governance approach, including developing a set of corporate governance principles specific to the Company (the “**Governance Principles**”) to guide the Board, its Committees, the Company’s officers, management and employees in completing their duties, responsibilities and obligations in relation to the Company. The Governance Principles will comply with the Act and include the best practices contained in NP 58-201 and any other practices approved by the Board.

The Board is responsible for approving the Company’s significant operating policies and procedures, including reviewing and approving material changes to existing policies. The Board

is also responsible for monitoring Company compliance, including Board compliance with these policies.

### 3. ORGANIZATION

The Company's shareholders elect directors annually to the Company's Board. Elections are conducted in accordance with the Act and the Company's constating documents, including its articles and by-laws. The number of directors comprising the Board is determined from time to time by the Company's shareholders

or by the Board itself, if permitted, within the minimum and maximum number of directors provided in the articles.

A majority of the directors on the Board must be "independent" in accordance with Applicable Law. Under Applicable Law, in order to be considered "independent", directors shall have no direct or indirect material relationship with the Company. The Board shall establish and maintain procedures and policies to ascertain director independence and address conflict of interest issues.

Every director shall serve until his successor is appointed, unless he or she resigns, fails to meet the qualifications to serve as a director or otherwise ceases to be a director of the Company.

### 4. COMMITTEES

In accordance with Section 2(c) and Section 2(d), the Board will establish and delegate some of its responsibilities and powers, permitted under Applicable Law, to its Committees. At a minimum, the Board will establish an Audit Committee, a Compensation Committee, and a Nominating Committee. The Board may form other Committees at its discretion.

- (a) Every Committee must be comprised of a majority of independent directors, with the exception of the Nomination Committee and Compensation Committee, which must be comprised entirely of independent directors.
- (b) Every Committee must create and maintain a Committee charter (the "**Charter**") outlining its responsibilities, including those responsibilities set out in NP 58-201, to be approved by the Board.
- (c) Every Charter must be disclosed in accordance with NI 58-101, and made publicly available on the Company's website.

## 5. RISK MANAGEMENT

The Board is responsible for the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks. The Board's responsibility to oversee risk management includes receiving reports from management on the status of risk management activities, reviewing reports on spending in relation to approved budgets and overseeing the financial reporting process of the Company. The Board should review the effectiveness of the Company's system of internal controls, at minimum, on an annual basis.

To ensure clear delineation of roles and responsibilities, the Board will develop management authority guidelines to distinguish between areas of Board authority, including Committee authority, and those delegated to the CEO and other management personnel. These guidelines must set out matters that must be presented to the Board for review. Matters to be presented to the Board for review include any significant acquisitions and capital expenditures, major contracts and marketing initiatives, and significant finance-related issues.

The Board will approve the Company's annual budget and will receive reports from management in respect of the Company's actual results and a comparison of the actual results to the Company's annual budget.

## 6. STRATEGIC PLANNING

The Board has primary responsibility for the development and adoption of the strategic direction of the Corporation. The Board is responsible for adopting the Company's strategic planning process (the "**Planning Process**"). Using the Planning Process, the Board will participate with management in creating the Company's strategic plan (the "**Plan**"). The Board must approve the Plan before its implementation. The Board will not approve the Plan if the Plan does not:

- (a) recognize, and capitalize or mitigate (as applicable) the opportunities and risks of the Company's business; or
- (b) does not describe how the Company will implement the Plan to achieve the Company's long-term goals.

The Board will seek regular status reports from the Company's management in relation to the Company's performance, as compared to the Plan. The Board reviews with management from time to time the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these developments for the strategic direction of the Corporation.

## 7. CODE OF BUSINESS CONDUCT AND ETHICS

The Board must adopt a written Code of Ethics and Business Conduct (the “**Code**”) as part of its efforts to promote a culture of integrity and honesty throughout the Company. The Code will apply to the Board itself and the Company’s management and employees.

Only the Board may grant any waivers to the Code. If the Board grants a waiver to the Code, the Board will determine if disclosure of the waiver is necessary in accordance with Applicable Law. Contents of such disclosure will be in compliance with NP 58-201 and NI 58-101.

On occasion, the Board must review and analyze the conduct of senior management to satisfy itself that these individuals are complying with the Code and are creating a culture of integrity throughout the Company.

## 8. MANAGEMENT OVERSIGHT

The Board will oversee Company’s management, including:

- (a) appointing and monitoring senior management;
- (b) developing the CEO’s position description in accordance with Section 5;
- (c) developing or approving the corporate goals and objectives of the CEO and of other senior management; and
- (d) in conjunction with the Compensation Committee, assessing the performance of the CEO and other senior management, taking into consideration:
  - (i) such person’s position description;
  - (ii) such person’s goals and objectives;
  - (iii) the Governance Principles, including the individual’s adherence to the Governance Principles;
  - (iv) the efforts made by such person to promote a culture of integrity at the Company; and
  - (v) the Plan.

All management incentive plans tied to the Company’s performance must first be approved by the Board.

## 9. COMMUNICATIONS AND DISCLOSURE

The Board will oversee the development and adoption of a disclosure policy to promote consistent disclosure practices by the Company in connection with the disclosure of material information about the Company and the Company's communications with external parties, including shareholders, the media and members of the investment community.

Representatives from the Board will be present at all shareholders' meetings to respond to shareholder questions relating to the Board's activities, duties and obligations.

The Board will appoint an independent, non-executive director to be available to shareholders with concerns should shareholder communications with the Board Chair, the CEO, or other executive officers fail to resolve the issue or such contact is inappropriate.

The Board will ensure the Company's financial performance is reported to shareholders, other security holders and regulators on a timely and regular basis in accordance with Applicable Law, and that reasonable steps are taken to ensure timely reporting of events, in accordance with Applicable Law, having a significant and material impact on the Company.

## 10. WHISTLEBLOWER POLICY

The Board will, in conjunction with the Audit Committee, establish a whistleblower policy for the Company allowing Company employees, officers, directors and other stakeholders, including the public, to raise, anonymously or not, questions, complaints or concerns about the Company's practices, including fraud, policy violations, any illegal or unethical conduct, and any Company accounting, auditing or internal control matters. The Board will ensure that any questions, complaints or concerns are adequately received, reviewed, investigated, documented and resolved.

## 11. MEETINGS

Meetings of the Board will be called, scheduled and held in accordance with the Company's constating documents, including its articles and by-laws, as well as under Applicable Law.

Quorum for a Board meeting will be as provided in the by-laws of the Company. All directors are expected to attend and be prepared to participate, including reviewing all meeting materials before every Board meeting. The chairman (the "**Chair**" or "**Chairman**") of the Board shall chair these meetings, unless the Chairman of the Board is not an independent director, in which case the Lead Director shall chair these meetings.

The Board will provide at least seven days' notice of a meeting, unless all members of the Board consent to another time period or waive notice.

The Chair of the Board will seek input from the directors and Company's management, when setting each Board meeting's agenda.

Any written material to be provided to directors for a Board meeting must be distributed in advance of the meeting to give directors time to review and understand the information. All material provided to directors will be relevant and concise.

The CEO and any other member of senior management may, if invited by the Chair of the Board, attend, give presentations relating to their responsibilities and otherwise participate at Board meetings.

The Company's secretary, or if there is no Company secretary, any Board member attendee nominated by the Chair of the Board, will be the secretary of the meeting.

The Company's secretary will circulate minutes of all Board meetings to the Board and will ensure that all minutes of meetings, or written resolutions in lieu of a meeting, are filed in the Company's minute book.

The independent directors will meet separately after every regularly scheduled Board meeting without non-independent members, and members of management in attendance. The independent directors may also hold other meetings at such times and with such frequency as the independent directors consider necessary.

## **12. DIRECTOR EDUCATION AND TRAINING**

The Board will provide newly elected directors with an orientation program to educate them on the Company, their roles and responsibilities on the Board or Committees, as well as the Company's internal controls, financial reporting and accounting practices. In addition, directors will, from time to time, as required, receive:

- (a) training to increase their skills and abilities, as it relates to their duties and their responsibilities on the Board; and
- (b) continuing education about the Company to maintain a current understanding of the Company's business, including its operations, internal controls, financial reporting and accounting practices.

## **13. ASSESSMENTS**

The Board, the Committees and each director will perform an annual self-assessment on its, his or her contribution and effectiveness. The Board and any Committee will consider this Charter, and any director will consider his or her position description, when performing a self-assessment.

The Board will assess, on at least an annual basis, any policy, procedure, guideline or standard, including this Charter, created by the Board to manage or fulfill its roles, duties and responsibilities, to ensure that they remain current and relevant. The Board will ensure that each Committee shall perform the same assessment in relation to any Committee policy, procedure, guideline or standard.

## **14. ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS**

To fulfill its roles, duties and responsibilities effectively, the Board may contact and have discussions with the Company's external auditors and the Company's officers and employees and request Company information and documentation from these persons.

The Board may, in its sole discretion, retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Board may set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Company.

## **15. COMPENSATION**

The Board is responsible for reviewing the compensation of members of the Board to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and for reviewing the compensation of members of the senior management team to ensure that they are competitive within the industry and that the form of compensation aligns the interests of each such individual with those of the Corporation.

## **16. ACCOUNTABILITIES OF INDIVIDUAL DIRECTORS**

The accountabilities set out below are meant to serve as a framework to guide individual directors in their participation on the Board, with a view to enabling the Board to meet its duties and responsibilities.

Principal accountabilities include:

- (a) assuming a stewardship role, overseeing the management of the business and affairs of the Corporation;
- (b) maintaining a clear understanding of the Corporation, including its strategic and financial plans and objectives, emerging trends and issues, significant strategic initiatives and capital allocations and expenditures, risks and management of those risks, internal systems, processes and controls, compliance with applicable laws and regulations, governance, audit and accounting principles and practices;



- (c) preparing for each Board and Committee meeting by reviewing materials that have been provided in a timely manner and requesting, where appropriate, information that will allow the director to properly participate in the Board's deliberations, make informed business judgments, and exercise oversight;
- (d) absent a compelling reason, attending every meeting of the Board and each Committee of which such director is a member, and actively participating in deliberations and decisions. When attendance is not possible a director should become familiar with the matters to be covered at the meeting;
- (e) voting on all decisions of the Board or any Committees of which such director is a member, except when a conflict of interest may exist;
- (f) preventing personal interests from conflicting with, or appearing to conflict with, the interests of the Corporation and disclosing details of such conflicting interests should they arise; and
- (g) acting in the highest ethical manner and with integrity in all professional dealings.

## **17. NO RIGHTS CREATED**

This Charter is a broad policy statement and is intended to be part of the Board's flexible governance framework. While this Charter should comply with all Applicable Law and the Company's constituting documents, including articles and by-laws, this Charter does not create any legally binding obligations on the Board, any Committee, any director, or the Company.

## **18. MANDATE REVIEW**

The Board will annually review and reassess the adequacy of this Board Charter.