

WOODBINE ENTERTAINMENT GROUP CORPORATE GOVERNANCE GUIDELINES

1.0 Introduction

The board of directors (the “**Board**”) of Woodbine Entertainment Group (“**WEG**”) is committed to adhering to the highest possible standards in its corporate governance practices. The Board has approved the following corporate governance guidelines which, together with the position descriptions for the Chair of the Board and for the Chief Executive Officer, the charters of the committees of the Board, Standards of Director Independence, the Board of Directors Code of Business Conduct and Ethics and Conflict of Interest Policy, the Code of Ethical Business Practices and the Financial Irregularities Whistleblower Policy provide the general framework for the governance of WEG. These guidelines are general expressions of intent rather than a code of regulations; they are intended to be flexible and enabling rather than rigid and limiting. The Board believes that these guidelines will continue to evolve to address applicable regulatory requirements and best practices relating to corporate governance. These guidelines will be reviewed regularly by the Governance and Compliance Committee (the “**Committee**”) and will be amended, modified and updated as circumstances warrant.

The basic responsibility of each director is to exercise his or her powers and discharge his or her duties honestly and in good faith with a view to the best interests of WEG. Directors are entitled to rely on the honesty and integrity of WEG’s executives and outside advisors and auditors to the fullest extent permitted by law.

2.0 Board Responsibilities

2.1 *Board Mandate*

The Board has responsibility for the stewardship of WEG and including:

- adopting a strategic planning process;
- risk identification process to ensure that procedures are in place for the management of risks;
- review and approve annual operating plans and budgets;
- corporate social responsibility, ethics and integrity standards;
- succession planning, including the appointment, training and supervision of executive management;
- delegations and general approval guidelines for management;
- monitoring financial reporting and management;
- monitoring internal control and management information systems;
- corporate disclosure and communications;

- adopting measures for engaging with and receiving feedback from stakeholders; and
- adopting key corporate policies designed to ensure that WEG, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct their business ethically and with honesty and integrity.

The Committee will regularly review and assess the adequacy of this Board Mandate and recommend any proposed changes to the Board for consideration.

2.2 *Corporate Governance*

The Board has delegated responsibility to the Committee for developing WEG's approach to corporate governance, including recommending modifications to these Corporate Governance Guidelines for consideration by the Board.

2.3 *Corporate Social Responsibility, Ethics and Integrity*

The Board will provide leadership to WEG in support of its commitment to corporate social responsibility, set the ethical tone for WEG and its management and foster ethical and responsible decision making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer and management and satisfy itself that the Chief Executive Officer and management create a culture of integrity throughout the organization.

2.4 *Strategic Planning Process and Risk Management*

The Board will adopt a strategic planning process to establish objectives and goals for WEG's business and will review, approve and modify as appropriate the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, on a regular basis, a strategic plan which takes into account, among other things, the opportunities and risks of WEG's business and affairs.

The Board, in conjunction with management, will identify the principal risks of WEG's business and oversee management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks.

3.0 *Board Organization & Membership*

3.1 *Director Selection Criteria*

The Committee is required under its charter to regularly review the characteristics, qualities, skills and experience which form the criteria for candidates to be considered for nomination to the Board. The objective of this review will be to maintain the composition of the Board in a way that provides, in the judgment of the Board, the best mix of skills and experience to provide for the overall stewardship of WEG. A Director Competency and Skills Matrix will be maintained by the Corporation to assist in identifying any weaknesses in the composition

of the Board. All directors are required to possess fundamental qualities of intelligence, honesty, integrity, ethical behavior, fairness and responsibility and be committed to representing the long-term interests of the members. They must also have a genuine interest in WEG and its core mandate, the ability to be objective at all times about what is in the best interests of WEG, have independent opinions on all issues and be both willing and able to state them in a constructive manner and be able to devote sufficient time to discharge their duties and responsibilities effectively. The Committee is mandated to identify qualified candidates for nomination as directors and to make recommendations to the Board. Directors are encouraged to identify potential candidates.

3.2 *Independence*

The Board annually reviews and makes a determination on the independence of each director in light of all applicable laws and governance best practices and in accordance with WEG's Standards of Director Independence. WEG will maintain a Board with at least a majority of directors determined by the Board to be independent. An independent director whose principal position or responsibility at the time of election changes substantially is expected to tender his or her resignation for consideration by the Committee.

3.3 *Board Size*

The Board has the ability to increase or decrease its size within the limits set out in WEG's letters patent and by-laws. The Board will determine its size with regard to the best interests of WEG. The Board believes that the size of the Board should be sufficient to provide a diversity of expertise and opinions and to allow effective committee organization, yet small enough to enable efficient meetings and decision-making and maximize full Board attendance. The Board will review its size if a change is recommended by the Committee.

3.4 *Election by Members*

The directors comprising the Board will be elected each year by the members of WEG at the annual general meeting of members. The Board will propose individual nominees to the members for election to the Board at each such meeting. Between annual meetings of members, the Board may appoint directors to serve until the next such meeting in accordance with WEG's letters patent and by-laws.

3.5 *Selection of Chair of the Board*

The Chair of the Board will be appointed by the Board after considering the recommendation of the Committee. At the time of original election, the Chair must be an independent director. If in the process of fulfilling his or her duties as Chair the determination is made by the Board that the Chair no longer qualifies as independent, then the Board shall designate an independent director to serve as the Lead Independent Director. The Board will review the designation of Lead Independent Director annually. The Board has adopted and will regularly review the position description for the Chair of the Board. The Chair and the Chief Executive Officer must at all times be separate individuals.

3.6 *Term Limits for Directors*

The Board has determined that it is desirable to establish fixed term limits for directors. In the case of those individuals who are directors as of the date these guidelines are first approved by the Board, the desired term limit of their directorship shall be 15 years. For all directors elected to the Board after the date these guidelines are first approved by the Board, the desired term limit of their directorship shall be 9 years. However, the Board once effective peer review director assessments are in place such assessments will apply to the annual re-nomination of all directors, irrespective of desired tenure limits.

3.7 *Director Orientation and Continuing Education*

The Committee shall ensure that all new directors receive a comprehensive orientation on the business and operations of WEG. The Committee will report to the Board regularly concerning director orientation.

WEG encourages directors to attend director education programs offered by leading institutions of higher education, at the cost of WEG to the extent determined reasonable by the Committee.

4.0 *Board Committees*

4.1 *Board Committees*

The Board has determined that there should be five standing Board committees: (i) Audit Committee; (ii) Governance and Compliance Committee; (iii) Pension, Human Resources and Compensation Committee; (iv) Standardbred Racing Committee; and (v) Thoroughbred Racing Committee. The Board will change the Board committee structure and authorize and appoint other committees as it considers appropriate.

4.2 *Committee Charters and Responsibilities*

The Board will approve a written charter for each committee setting forth the purpose, authority, duties and responsibilities of each committee.

The responsibilities of the Audit Committee will include assisting the Board in fulfilling its oversight responsibilities with respect to: (a) financial reporting and disclosure requirements; (b) ensuring that an effective risk management and financial control framework has been implemented and tested by management of WEG; and (c) external and internal audit processes.

The responsibilities of the Governance and Compliance Committee will include assisting the Board in fulfilling its oversight responsibilities with respect to: (a) developing corporate governance guidelines and principles for WEG; (b) identifying individuals qualified to be nominated as members of the Board; (c) the structure and composition of Board committees; (d) evaluating the performance and effectiveness of the Board; (e) director compensation (f) compliance programs, policies and procedures; (g) the enforcement of WEG's compliance programs, policies and procedures; and (h) the investigation of any complaints arising under WEG's compliance programs, policies and procedures.

The responsibilities of the Pension, Human Resources and Compensation Committee will include assisting the Board in fulfilling its oversight responsibilities with respect to: (a) the establishment of key human resources and compensation policies, including all incentive and equity based compensation plans; (b) the performance evaluation of the Chief Executive Officer and determination of the compensation for the Chief Executive Officer and other senior executives of WEG; and (c) succession planning, including the appointment, training and evaluation of senior management.

The responsibilities of the Standardbred Racing Committee and Thoroughbred Racing Committee (the "Racing Committees") will include assisting the Board in fulfilling its oversight responsibilities with respect to WEG's core horseracing mandate in their respective breed. Each of these Committees shall assist in the oversight of: (a) racing calendars; (b) purses; (c) stakes programs; (d) horse supply; (e) horse and participant safety; (f) racing integrity; (g) equine retirement and post-racing matters and (h) all other matters deemed necessary for WEG to fulfill its core horse racing mandate.

4.3 *Membership of Committees*

The Board has determined that all committees, other than the Racing Committees, will be comprised entirely of directors determined by the Board to be independent. With respect to the Racing Committees, the majority of members must be independent. In addition, at least one of the members of the Audit Committee will be financially literate. Membership of all committee members and their background and expertise will be publicly disclosed on WEG's website.

After receipt of recommendations from the Committee, the Board will appoint the members of the committees annually, and as necessary to fill vacancies, and will appoint the chair of each committee. Members of the committees will hold office at the pleasure of the Board.

4.4 *Oversight of Committee Functions*

The purpose of Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for all matters assigned to a Board committee for its determination. Except as may be explicitly provided in the charter of a Board committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by a Board committee.

5.0 Board Meetings & Materials

5.1 *Meeting Agendas*

The Chair of the Board and the Chief Executive Officer, in consultation with the Committee chairs, as appropriate, will establish the agenda for each Board meeting. Each director may suggest the inclusion of additional items on the agenda.

5.2 Meeting Materials

Board and committee meeting materials will be provided to directors before each Board or committee meeting in sufficient time to ensure adequate opportunity exists for review. If certain material is sensitive or confidential in nature, then the material will be distributed at the Board or committee meeting.

5.3 Participation of Management at Board Meetings

The Board believes there is value in having certain members of senior management attend each Board meeting to provide information and presentations regarding the business of WEG to assist the directors in their deliberations. Attendance by senior management will be determined by the Chief Executive Officer with the concurrence of the Chair of the Board. Members of management will be excluded from Board meetings during discussions of matters reserved for directors only.

5.4 Meetings of Independent Directors

The independent directors of the Board will hold an in camera meeting in conjunction with every regular meeting of the Board.

6.0 Director Compensation

6.1 Director Compensation

The Board has determined that the directors should be compensated in a form and amount that is appropriate and which is customary for comparative companies, having regard to such matters as time commitment, responsibility and trends in director compensation, all with the intention of aligning directors' interests with the long-term interests of WEG and its members. The Committee is mandated to review the compensation of the directors on a regular basis.

6.2 Loans to Directors

WEG will not make any loans to any of its directors.

7.0 Board's Relationship with Management

7.1 Board Relationship with Management

The Board will support and encourage the members of management in the performance of their duties. Management will make appropriate use of the Board's skills before decisions are made on key issues. The Board has adopted and will regularly review the position description for the Chief Executive Officer.

7.2 Limits on Management Authority

The Board will approve annual business plans and budgets and will also approve general authority guidelines that place limits on management's ability to approve contractual and financial arrangements and commitments both in accordance with and outside approved

budgets. All transactions, arrangements and commitments outside approved budgets and defined limits will require approval by the Board.

7.3 *Evaluation of the Chief Executive Officer*

The Pension, Human Resources and Compensation Committee will conduct separate regular reviews of the performance of the Chief Executive Officer against the goals and objectives which have been established by the committee and will review, assess and recommend the compensation of the Chief Executive Officer to the Board. The Chair of the Board and the Chair of Pension, Human Relations and Compensation Committee will advise the Chief Executive Officer of the results of the assessment.

7.4 *Director Access to Management*

All directors will have open access to WEG's senior management for relevant information. All written communications from directors to members of management will be copied to the Chief Executive Officer or, in the case of accounting and financial matters, to the Chief Executive Officer and the Chief Financial Officer. Individual directors are encouraged to make themselves available for consultations with management outside Board meetings in order to provide specific advice and counsel on subjects where such directors have special skills, knowledge and experience.

8.0 *Director Responsibilities & Performance*

8.1 *Director Responsibilities*

Directors are expected to use their skill and experience to provide oversight of the business and affairs of WEG. Directors have a statutory duty to act honestly and in good faith with a view to the best interests of WEG and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

8.2 *Attendance at Meetings*

Directors are expected to attend all Board and committee meetings either in person or by conference call. A director will notify the Chair of the Board or of a committee or the Corporate Secretary if the director will not be able to attend or participate in a meeting. The directors expect that each of them will attend meetings of the Board and assigned committees and participate actively in the work of the Board. Except in compelling circumstances, a director who during two consecutive full calendar years attends fewer than 75% of all Board and applicable committee meetings shall be asked to tender his or her resignation, and the Board shall consider relevant facts and circumstances and determine whether to accept or decline such tendered resignation.

8.3 *Board and Committee Meeting Materials*

Directors are expected to review and be familiar with Board and committee meeting materials which have been provided in sufficient time for review prior to a meeting. Directors are to advise the Chair of the Board or of a committee of matters which they believe should be added to a meeting agenda.

8.4 *Outside Advisors*

The Board acting on its own initiative or on the recommendation of one or more of its committees or the officers or directors, may engage experts or consultants where it deems the engagements to be appropriate. Any director who wishes to engage an independent advisor to assist on matters involving the discharge of his or her duties and responsibilities as a director at the expense of WEG should review the request with, and obtain the authorization of, the Committee.

8.5 *Assessment of Board and Committee Performance*

The Committee is mandated to undertake regular assessments of the overall performance and effectiveness of the Board and each committee of the Board and report on such assessments to the Board. The purpose of the assessments is to ensure the continued effectiveness of the Board in discharging its duties and responsibilities and to contribute to a process of continuing improvement.

8.6 *Conflicts of Interest*

Directors have a statutory responsibility and are required under WEG's Board of Directors Code of Business Conduct and Ethics and Conflict of Interest Policy to disclose all actual or potential conflicts of interest and generally to abstain from voting on matters in which the director has a conflict of interest. A director will recuse himself or herself from any discussion or decision on any matter in which the Director is precluded from voting as a result of a conflict of interest or which otherwise affects his or her personal, business or professional interests.

8.7 *Codes of Ethics*

The Board expects all directors, officers and employees of WEG to conduct themselves in accordance with the highest ethical standards.

The Board has adopted a Code of Ethical Business Practices for employees which addresses, among other things, avoidance of conflicts of interest, protection of confidential information, compliance with applicable laws, rules and regulations, customer and supplier relationships, adherence to good disclosure practices and procedures for reporting concerns with respect to breaches of the Code of Ethical Business Practices. As set out in the Code of Ethical Business Practices, an employee who, in good faith, reports a concern regarding a suspected breach of the Code is protected from reprisal.

9.0 *Corporate Policies*

9.1 *Periodic Review of Corporate Policies*

The Committee is mandated to conduct regular reviews of the following principal corporate policies and recommend updates or amendments for consideration by the Board:

- Code of Ethical Business Practices;

- Financial Irregularities Whistleblower Policy;
- Director Competency and Skills Matrix;
- Corporate Governance Guidelines;
- Board of Directors Code of Business Conduct and Ethics and Conflict of Interest Policy; and
- Standards of Director Independence.

9.2 *Waivers of the Code of Ethical Business Practices*

The Board expects all directors, officers and employees to act honestly and ethically at all times and to adhere to WEG's Board of Directors Code of Business Conduct and Ethics and Conflict of Interest Policy and Code of Ethical Business Practices, as applicable. Each of the Board of Directors Code of Business Conduct and Ethics and Conflict of Interest Policy and Code of Ethical Business Practices will be publicly disclosed.

10.0 Delegations and Approval Authorities

The Board will delegate to the Chief Executive Officer and senior management authority over the day-to-day management of the business and affairs of WEG. This delegation of authority will be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and subject to the prior approval of the Board.

11.0 Disclosure

11.1 *Access to Disclosure*

Certain documents and information referred to in these Corporate Governance Guidelines may be accessed through WEG's website: www.woodbineentertainment.com.

Dated: December 6, 2013
Approved by: Board of Directors