

WOODBINE ENTERTAINMENT GROUP GOVERNANCE AND COMPLIANCE COMMITTEE CHARTER

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Governance and Compliance Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Woodbine Entertainment Group (“**WEG**”).

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- developing corporate governance guidelines and principles for WEG;
- identifying individuals qualified to be nominated as members of the Board and successors to Chair of the Board and the Chief Executive Officer;
- evaluating the performance and effectiveness of the Board;
- the structure, composition and effectiveness of Board committees; and
- overseeing and evaluating compliance programs, policies and procedures.

2.0 Composition and Membership

- (a) The Board will appoint the members (“**Members**”) of the Committee. The Members will be appointed to hold office until the next annual general meeting of members of WEG or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.
- (b) The Committee will consist of at least three directors. Each Member will meet the criteria for independence established by WEG’s Standards of Director Independence. In addition, each Member will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member’s independent judgment.
- (c) All Committee Members will have a working familiarity with corporate governance practices.
- (d) The Board will appoint one of the Members to act as the Chair of the Committee (the “**Chair**”). The secretary of WEG (the “**Secretary**”) will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Secretary is not in attendance at any meeting, the Committee will appoint another person who may, but need not, be a Member to act as the secretary of that meeting.

- (e) The Committee may delegate any or all of its functions to any of its Members or any sub-set thereof, or other persons, from time to time as it sees fit.

3.0 Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chair may determine, but in any event not less than three (3) times per year. Five (5) business days' advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.
- (b) The Chair, if present, will act as the chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee the Members in attendance may select one of their number to act as chair of the meeting.
- (c) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.
- (d) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without members of management in attendance for a portion of each meeting of the Committee.
- (e) In advance of every regular meeting of the Committee, the Chair, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of WEG to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee, as they relate to the following matters, are as follows:

4.1 *Corporate Governance*

- (a) regularly review WEG's Corporate Governance Guidelines, Position Descriptions for the Chair and Chief Executive Officer, Board committee

charters and principal corporate policies including the Board of Directors and Officers Code of Business Conduct and Ethics and Conflict of Interest Policy, Employment Equity and Diversity Policy, Code of Ethical Business Practices, Financial Irregularity Whistleblower Policy, Standards of Independence and Director Competency and Skills Matrix, and, in the Committee's discretion, recommend any changes to the Board for consideration;

- (b) regularly (i) review and assess the size, composition and operation of the Board to ensure effective decision making and the best mix of skills and experience to guide the long term strategy and ongoing operations of WEG; (ii) review and assess the size, composition and chairs of all of the Committees of the Board; (iii) identify and review candidates for appointment or nomination to the Board based upon an assessment of the independence, skills, qualifications and experience of the candidates, and make recommendations to the Board for consideration and (iv) review and assess the position descriptions developed for the Chair of the Board and each Board committee chair;
- (c) review proposed disclosure and advise the Board and management on public disclosure regarding WEG's governance practices;
- (d) provide governance leadership; and
- (e) periodically review corporate governance issues, trends, best practices and proposed, new or amended regulatory requirements and determine WEG's corporate governance practices and principles for recommendation to the Board.

4.2 *Nomination of Director, Compensation and Succession Planning*

- (a) recommend to the Board the necessary and desirable competencies of directors;
- (b) maintain an "evergreen" list of prospective directors and review the director recruitment, nomination and assessment process on a regular basis to ensure compliance with governance best practices;
- (c) maintain and review at regularly a succession plan for the Chair and the Chief Executive Officer of WEG;
- (d) periodically review director compensation and recommend any changes it feels appropriate to the Board for consideration; provided that, in the event the Chair of the Board is also the Chair, the Chair shall recuse him or herself from all discussions relating to the compensation of the Board Chair. The Committee is authorized to retain an external third party advisor for the purpose of compensation review and analysis. No consulting fees or other form of non-Board service related compensation, including, without limitation, perquisites, shall be paid by WEG to an independent director

without the review and consideration of the Committee and the approval of the Board;

- (e) direct and supervise the investigation into any matter brought to its attention within the scope of its duties; and
- (f) perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.

4.3 *Compliance Matters*

- (a) periodically review and make recommendations in respect of, as necessary, WEG's compliance program, including requisite resources policies, procedures and practices designed to ensure the organization's compliance with all applicable legal, regulatory and ethical requirements including in connection with any violations of any applicable law, rule or regulation that relate to corporate reporting and disclosure, or violations of WEG's Code of Ethical Business Practices or Financial Irregularities Whistleblower Policy;
- (b) review and evaluate findings and recommendations from completed compliance activities and audits, including management responses and plans;
- (c) periodically review and assess the adequacy of the reporting and information flows received by the Committee and recommending and implementing such changes as are necessary to maintain and enhance the Committee's effectiveness;
- (d) periodically review and report to the Board regarding the efficacy of and compliance with WEG's Code of Ethical Business Practices or Financial Irregularities Whistleblower Policy and Conflicts of Interest Policies (for Directors and Officers and related to Horseracing Activities);

4.4 *Investigations and Complaints*

- (a) ensure proper communication of significant compliance issues to the Board;
- (b) oversee the investigation of or request the investigation of any significant instance of non-compliance with laws or WEG's compliance programs, policies or procedures, including the Code of Ethical Business Practices, or potential compliance violations that are reported to the Committee;
- (c) oversee the review and investigation of complaints received from internal and external sources;
- (d) promptly review reports prepared by management with respect to any extraordinary event or condition involving significant risks or instances of non-compliance, major public controversy, material liability, or potential

therefore, and consider the recommendations of management in the reports, assess proposed action plans, report to the Board and, where appropriate, make recommendations to the Board;

- (e) if any management report reviewed by the Committee contains issues of major concern, or material non-compliance, the Committee shall assess the adequacy of WEG's response to such situations, make recommendations to the Board where appropriate, and receive follow-up reports from management which demonstrate that issues have been properly addressed or resolved.

4.5 *Director Orientation and Education*

The Committee shall ensure that all new directors receive a comprehensive orientation on the business and operations of WEG.

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.

4.6 *Board, Committee and Director Assessment*

The Committee will conduct a periodic assessment of the performance and effectiveness of the Board, the Chair of the Board, the Board's committees and committee chairs and individual directors. In doing so, the Committee will circulate preliminary discussion points to frame the discussion with each director. These discussion points relate to the leadership, independence, composition and structure, degree of engagement and involvement, effectiveness of communication with management, social dynamics, continual knowledge development and workflow of the Board and each committee as well as the independence, performance and personal contribution of each director.

Board members are encouraged to provide additional comments or suggestions about the Board responsibilities, the way the Board operates, the things that the Board could do to enhance its effectiveness and to communicate any concerns they have about the composition of the Board. In addition, Board members are encouraged to discuss individual director performance.

Following this exercise, individual interviews with directors will be conducted by the Chair to discuss and review the performance and effectiveness of the Board, committees and peer review. The Chair shall be present at all interviews and may invite other members of the Committee to participate in the interviews. The resulting information is to be compiled and analyzed by the Committee which in turn reports to the Board.

The Committee is authorized to engage an external third party expert for the purposes of assisting with its assessment function.

5.0 Reporting

The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting.

6.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding WEG that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by the Committee.

The Committee has the authority to retain, at WEG's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities (including executive search firms to assist the Committee in identifying director candidates), including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board.

7.0 Review of Charter

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

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