

Corporate Governance Statement

This Corporate Governance Statement documents Jumbo Interactive Limited's (The Group) compliance with the ASX Corporate Governance Council's Principles and Recommendations 4th Edition (2019) for the period 1 July 2021 to 30 June 2022. This Corporate Governance Statement is current as at 26 August 2022 and has been approved by the Board of Directors.

This statement and the charters, codes and policies referred to herein are available on <https://www.jumbointeractive.com/investors/corporate-governance>

Jumbo Interactive Limited Annual Report 2022 and the Appendix 4G are available on <https://www.jumbointeractive.com/investors/annual-reports>

Lay solid foundations for management and oversight

Recommendation 1.1: A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.

The Group has adopted a formal [Board Charter](https://www.jumbointeractive.com/board_charter.pdf) (https://www.jumbointeractive.com/board_charter.pdf) that sets out the respective roles and responsibilities of the Board and management including functions expressly reserved to the Board and those delegated to the Chief Executive Officer (CEO). This enables the Board to provide strategic guidance for the Group and effective oversight of management. The Board Charter can be found in the Investor Centre on the Group's website.

Recommendation 1.2: A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Group ensures that an appropriate vetting process is undertaken before a Director or Senior executive (Key Management Personnel) is appointed or puts forward a new candidate for election as Director to shareholders. Prior to appointment; a review of work experience, education, character reference, bankruptcy and criminal history is undertaken. These reviews were not made for Richard Bateson who joined the Key Management Personnel due to long standing professional relationship with the business. No decisions were made by Richard without CEO authority and approval.

Information about a candidate standing for election or re-election as a Director is provided to shareholders to enable them to make an informed decision as to whether to elect or re-elect the candidate.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Group provides new Directors with a letter on appointment which details the terms and conditions of their appointment, provides clear guidance on what input is required by them, and includes materials to assist with induction into the Group. Directors are also encouraged to undertake appropriate training and refresher courses which the Group facilitates as they assist in the performance of their roles.

The Group has a similar approach for all Senior executives whereby they are provided with a formal letter of appointment setting out their terms of office, duties, rights and responsibilities as well as a detailed job description. Appropriate background checks are required before engaging a Senior executive as detailed above in 1.2.

Recommendation 1.4: The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary attends all Board and Committee meetings, is responsible for monitoring adherence to Board policy and procedures and is accountable on governance matters.

Recommendation 1.5: A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.

The Group recognises the benefits that can arise to the organisation through fostering diversity in the workplace including gender, age, ethnicity and cultural background and in various other areas. To enable this, the Board has established a [Diversity Policy](https://www.jumbointeractive.com/diversity_policy.pdf) (https://www.jumbointeractive.com/diversity_policy.pdf) which details the Group's approach to promoting a corporate culture that embraces diversity when selecting and appointing its employees and Directors.

This Diversity Policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving these objectives. Accordingly, the Board developed the following objectives in 2017 regarding gender diversity and aimed to achieve these objectives over the five years to 2022 as Director and senior positions become vacant and appropriately qualified candidates become available:

Group Diversity	FY 2022 Actual		2022 Objective
	No	%	
Women on the Board	2	50	No less than 30 of each gender
Women in senior executive positions	2	33	Maintain at least the current number (one) of women
Women employees in the Group	84	44	Achieve the percentage of women in excess of 45% Total

Senior executive positions are defined as those reporting directly to the CEO.

The measurable objective for achieving gender diversity in the composition of the Board of not less than 30% of the Directors of each gender was achieved ahead of the 2022 target in 2021.

Looking forward, we are setting targets to achieve a gender balance of 40/40/20 for Board, Senior Leadership Group and at the Group level by 30 June 2026.

A [Workplace Gender Equality Report](#) was submitted during August 2022 for the period from 1 April 2021 to 31 March 2022 with the Workplace Gender Equality Agency and is accessible on the Group's website.

Recommendation 1.6: A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

Performance of the Board, its Committees and individual Directors is assessed annually in accordance with the Board Performance and Evaluation Policy. The method of evaluation may include an annual self-assessment and peer-assessment basis which is reviewed against appropriate measures and performance of the Group as a whole.

Performance evaluations of the Board, its Committees and its individual Director's have been carried out during the relevant reporting period in accordance with the abovementioned processes.

Recommendation 1.7: A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Board is also responsible for the performance of the Group's Executives, which is reviewed in accordance with the Executive Remuneration Policy against appropriate measures and the performance of the Group as a whole, and through an annual appraisal process.

The Senior executives' performance evaluations have been carried out during the relevant reporting period in accordance with the abovementioned processes.

PRINCIPLE 2

Structure the board to be effective and add value

Recommendation 2.1: The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

On 23 March 2021, the Nomination and Remuneration Committee became the People and Culture Committee, with a broadened remit which still includes nomination committee responsibilities and operates under a Board approved [People and Culture Committee Charter](https://www.jumbointeractive.com/people_and_culture_committee.pdf) (https://www.jumbointeractive.com/people_and_culture_committee.pdf). The Charter can be found in the Investor Centre on the Group's website. The People and Culture Committee Charter requires the committee to have at least three Non-Executive Directors, with a majority being independent. At the present time it has three members, being the Non-Executive Directors, Sharon Christensen (as the Chair), Giovanni Rizzo and Susan Forrester, all of whom are independent and have relevant experience and appropriate technical expertise. The qualifications of the Committee and meeting attendances are set out in the Directors' Report section of the Group's Annual Report.

Over the course of the year the Committee met on five occasions with all current Committee members in attendance on each occurrence.

Recommendation 2.2: A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

A matrix of skills and diversity that the Board currently has in its membership is as follows:

Skill/Expertise	Summary	Current Board Representation
Corporate Governance	Experience in implementing high standards of corporate governance in a large organisation and has served as a Director or Senior executive in a listed company or government body.	Expert
Financial Acuity	Understanding of and experience in financial accounting and reporting, internal financial and risk controls, corporate finance and/or restructuring, including ability to probe the adequacies of financial and risk controls	Expert
Regulatory & Public Policy	Expertise in the development, implementation and review of regulatory and public policy, including professional experience managing compliance with legal and regulatory requirements.	Expert

Skill/Expertise	Summary	Current Board Representation
Lottery & Gaming Developing Industry	Knowledge and experience in the lottery and gaming industry, including brand development, licencing, market competition.	Expert
Risk Management	Understanding of and experience in identifying and monitoring risks and implementing effective financial and non-financial risk management frameworks and controls.	Expert
Strategic Thinking	Demonstrated ability in defining strategic objectives, assessing strategic opportunities and threats and driving execution of business plans to deliver sustained and resilient business outcomes.	Expert
Corporate Transactions	Experience in assessing and undertaking complex business negotiations, including mergers, acquisitions and business integration	Expert
Digital Technology & Innovation	Expertise and experience in adopting new digital technologies including opportunities to leverage digital technologies and understanding the use of data and data analytics	Competent
Customer Centric	Commitment to creating a culture that focuses on delivery the best experience for the customer, building customer relationships and brand loyalty	Competent
People & Culture	Experience in setting remuneration frameworks, promoting inclusion and diversity, and overseeing workplace culture, people management and succession planning.	Expert
International Experience	Experience in a national or global market, providing exposure to a range of different political, regulatory and business environments.	Competent
Social Responsibility	Experience in managing and driving social responsibility initiatives and managing the impact of business operations on the environment and community, and proactive management of workplace mental health, physical wellbeing and safety.	Expert

The qualifications, experience and relevant expertise of each Board member and their terms in office are set out in the Directors' Report section of the Group's Annual Report. All Directors, apart from the CEO, are subject to re-election by rotation at least every three years at the Group's Annual General Meeting. The Board considers it has the appropriate skillset to effectively perform their duties at this stage. This position will be reviewed on an ongoing basis.

Recommendation 2.3: A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position or relationship but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director

The Board presently comprises three Non-Executive Directors (Susan Forrester, Chair, appointed 7 September 2020, Giovanni Rizzo, appointed 1 January 2019, and Sharon Christensen, appointed 1 September 2019) and the CEO (Mike Veverka, appointed 8 September 1999). Fundamental requirements for Group Directors are a deep understanding of business management and financial markets and such experience, complemented where possible with industry knowledge, which are desirable attributes for Board membership. All Board members meet the fundamental requirements and bring a diverse range of skills and backgrounds. Additionally, Mike Veverka has had a very long involvement in key sections of the Group and brings considerable relevant expertise and knowledge to the Board.

The Board formally meets monthly throughout the year, and informally to address issues that may arise outside of the regular monthly meetings as required.

Minutes of all Committee meetings are provided to the Board, and the Chair of each Committee reports to the Board after each Committee meeting.

The Directors may seek external professional advice at the expense of the Group on matters relating to their role as Directors of the Group. However, they must first request approval from the Chair, which must not be unreasonably withheld. If withheld; it then becomes a matter for the whole Board to consider.

Recommendation 2.4: A majority of the board of a listed entity should be independent directors.

The Board's view is that an independent Director is a Non-Executive Director who does not have a relationship affecting independence on the basis set out in the Council's guidelines and meets materiality thresholds agreed by the Board as equating to payments to them or related parties of 5% of the Group's annual revenue. The Board considers that Susan Forrester, Giovanni Rizzo and Sharon Christensen, all meet this criterion. On the other hand, Mike Veverka is considered to not be independent because he is a substantial shareholder in the Group (i.e., has a relevant interest in more than 5% as defined in Section 9 of the Corporations Act) and is an executive officer of the Group. Consequently, the current structure meets the Council's recommendation that the majority of the Board should be independent, and the Board also considers the current composition is appropriate given the Group's and the Directors' backgrounds and the current and foreseeable structure and size of the Group.

Recommendation 2.5: The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity

The Chair of the Board is Sue Forrester, an independent Director, who was appointed 7 September 2020 following the departure of David Barwick.

Recommendation 2.6: A listed entity should have a program for inducing new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively

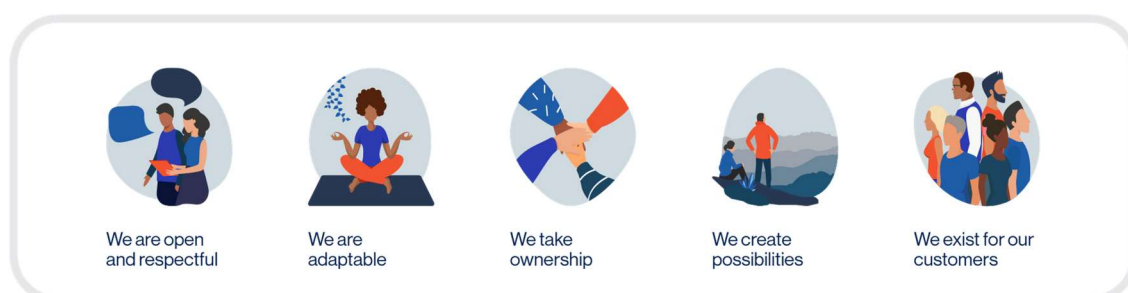
The Board has a Board Induction Policy and formalised Induction and Orientation process. Periodically the Board reviews whether there is a need for existing Directors to undertake professional development.

PRINCIPLE 3

Instil a culture of acting lawfully, ethically and responsibly

Recommendation 3.1: Recommendation 3.1: A listed entity should articulate and disclose its values

The Company has formulated a [Core Values Statement](https://www.jumbointeractive.com/careers/core-values#:~:text=We%20lead%20with%20honesty%2C%20consistency,to%20enhance%20growth%20through%20knowledge.) (<https://www.jumbointeractive.com/careers/core-values#:~:text=We%20lead%20with%20honesty%2C%20consistency,to%20enhance%20growth%20through%20knowledge.>) that was adopted in July 2020, which are the guiding principles and norms that define the type of organisation the Company aspires to be and what it requires from its Directors, Senior executives and employees to achieve that aspiration. The Core Values along with the Code of Conduct and key policies are provided to employees for review and acknowledgement from induction to instil the desired cultural values.



Recommendation 3.2: A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.

The Group has formally adopted a [Code of Conduct](https://www.jumbointeractive.com/code_of_conduct.pdf) (https://www.jumbointeractive.com/code_of_conduct.pdf) covering its Directors, officers and employees. The Code is based on respect for the law and acting accordingly, dealing with conflicts of interest appropriately, and ethical matters such as acting with integrity, exercising due care and diligence in fulfilling duties, acting in the best interests of the Group and respecting the confidentiality of all sensitive corporate information. If a Director or officer becomes aware of unlawful or unethical behaviour by anyone in the Group, then they are obliged under the Code to report such activities to the Chair of the Board. Any material breaches of the abovementioned policies are disclosed to the Board. There were no material breaches reported during the 2022 financial year.

Recommendation 3.3: A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

The Board has an approved [Whistleblower Policy](https://www.jumbointeractive.com/whistleblower_policy.pdf) (https://www.jumbointeractive.com/whistleblower_policy.pdf) pursuant to which employees who have genuine suspicions about improper conduct feel safe to report it without fear of reprisal. The Group offers reporting via BDO Secure, an independent external Whistleblower service with anonymous reporting via phone, email and webpage form. Any material incident reported under the Whistleblower policy is disclosed to the Board. There was one anonymous material incident reported to the Board and Audit and Risk Management Committee during the 2022 financial year in respect of bullying and harassment.

Directors recognise the legal obligations relevant to their role and the reasonable expectations of shareholders, other stakeholders and the wider financial community.

Recommendation 3.4: A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy

The Group also has an [Anti-bribery and Corruption Policy](https://www.jumbointeractive.com/anti-bribery_corruption_policy_statement.pdf) (https://www.jumbointeractive.com/anti-bribery_corruption_policy_statement.pdf) that forms part of the Group's risk management framework. Giving bribes or other improper payments or benefits to public officials is a serious criminal offence and can damage the Group's reputation and standing in the community. The policy provides guidance on what activities are covered, who it applies to, what is prohibited and acceptable, the process to report activities, and reporting of breaches. Any material breach of the Anti-bribery and Corruption policy is disclosed to the Board. There were no material breaches reported during the 2022 financial year.

Safeguard the integrity of corporate reports

Recommendation 4.1: The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Group has an established Audit and Risk Management Committee which operates under an [Audit and Risk Management Committee Charter](https://www.jumbointeractive.com/audit_and_risk_management_committee_charter.pdf) (https://www.jumbointeractive.com/audit_and_risk_management_committee_charter.pdf). The role of this Committee is to ensure the truthful and factual presentation of the Group's financial position and to monitor and review on behalf of the Board, the effectiveness of the Group's control environment, reporting practices and responsibilities in the areas of accounting, risk management and compliance. The Charter can be found in the Investor Centre on the Group's website.

The Audit and Risk Management Committee's Charter requires it to have at least three Non-Executive Directors, with a majority being independent. Currently it has three members, being the Non-Executive Directors, Giovanni Rizzo (as the Chair), Susan Forrester, and Sharon Christensen, all of whom are independent and have strong finance and accounting backgrounds, experience and appropriate technical expertise. The qualifications of the Committee and meeting attendances are set out in the Directors' Report section of the Group's Annual Report.

Over the course of the year the Committee met on five occasions with all current Committee members in attendance on each occurrence. Minutes of all Committee meetings are provided to the Board and its Chair also reports to the Board after each Committee meeting.

Recommendation 4.2: The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

As required by Section 295A of the Corporations Act, the CEO and the Chief Financial Officer (CFO) have declared to the Board in writing that, in their opinion, the Group's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Group, are in accordance with relevant accounting standards, and that their opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively. In addition, other Key Management Personnel provide their attestation to the accuracy and completeness of the annual report and the internal control framework of the group.

Recommendation 4.3: A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

The Group's external auditor audits, or in the case of the half-year, reviews the Group's financial reports in accordance with the accounting standards.

Periodic corporate reports not subject to external audit (i.e. Corporate Governance Statement, Sustainability Report and the Investor Presentation etc.) undergo a multi-tiered review process. Reports are written by subject matter experts and are reviewed for accuracy and material requirements by relevant independent management including but not limited to Investor Relations, Legal, Risk, Compliance and Internal Audit. The verification processes involve a financial and operational review and include cross checking statements, information and data to original source reports. All reports released to the market are subject to final sign off and approval by relevant Key Management Personnel and material disclosures undergo additional review by the Board.

PRINCIPLE 5

Make timely and balanced disclosure

Recommendation 5.1: A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The Group is committed to ensuring all investors have equal and timely access to material information concerning the Group and that company announcements are factual and presented in a clear and balanced way, disclosing both positive and negative information. To ensure compliance with continuous disclosure requirements under the ASX Listing Rules, the Group has a [Continuous Disclosure Policy](https://www.jumbointeractive.com/continuous_disclosure_policy.pdf) (https://www.jumbointeractive.com/continuous_disclosure_policy.pdf) in place as well as internal controls, processes and procedures to ensure compliance with continuous disclosure obligations including Board review of material market announcements and releases. The Continuous Disclosure policy is reviewed on an annual basis. The CEO is responsible for coordinating the disclosure requirements of the Group, in conjunction with the Company Secretary. There were no material breaches of the Continuous Disclosure Policy reported during the 2022 financial year.

Recommendation 5.2: A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

Material market announcements undergo Board review prior to release. In addition to this, the Company Secretary ensures all material market announcements are promptly sent to the Directors after they have been made.

Recommendation 5.3: A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

The Head of Investor Relations, in consultation with and input from the CEO and CFO, has the responsibility for the preparation and release to the ASX of all new and substantive updates to investors and analysts, ahead of such presentations being made. The Group has put in place a mechanism where all ASX announcements are immediately circulated to Directors upon release.

Respect the rights of security holders

Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.

The Group supports its desire to provide shareholders with adequate information about the Group and its activities through a published [Communications Policy](https://www.jumbointeractive.com/communications_policy.pdf) (https://www.jumbointeractive.com/communications_policy.pdf). It is also committed to electronic communications through its website, <https://www.jumbointeractive.com/>, which provides access to all recent ASX announcements, shareholder updates, boardroom broadcasts, notices of meetings, explanatory memoranda, annual reports and key contact details, as well as comprehensive information about the Group and its products and operations.

Recommendation 6.2: A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

The Group has a Head of Investor Relations who is responsible for the development of a comprehensive investor relations program that facilitates two-way communication with investors. The Investor Relations function is responsible for ensuring effective engagement with analysts, investors and shareholders, monitoring consensus earnings forecasts from sell-side analysts and overseeing continuous disclosure requirements and market communications with the objective of ensuring a fair valuation for the Company's securities. All meetings with analysts, investors and shareholders are co-ordinated by the Investor Relations team with appropriate monitoring and recording of the information disclosed at these meetings.

Recommendation 6.3: A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

Company general meetings provide an opportunity for shareholders to meet with, and ask questions of, the Board of the Group. All shareholders are notified of such meetings and encouraged to attend and participate.

Recommendation 6.4: A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands

The Group has adopted the process whereby all substantive resolutions being considered at shareholders' meetings are decided by a digital poll rather than by a show of hands in accordance with the principle of "one share, one vote". The Board is also cognisant of the requirements of the recently enacted Section 250JA of the Corporations Act where all resolutions set out in the Notice of Meeting are to be decided on a poll.

Recommendation 6.5: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Group's ASX announcements are published on its website enabling access by shareholders and the broader investment community. Shareholders and interested parties may send and receive communications to and from the Group electronically via the website or by contacting investor@jumbointeractive.com. Investors can also elect to receive security information electronically or via mail via the Investor Centre of the Group's share registry, Computershare (further contact details are available in the Investor Centre).

PRINCIPLE 7

Recognise and manage risks

Recommendation 7.1: The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The composition, accompanying charter and meeting frequency/attendance in relation to the Audit and Risk Management Committee, are noted under Principle 4 above. The Group has an established robust Risk Management Framework that monitors key business and financial risks, taking into consideration their likelihood and impact, and reviews and appraises risk control measures.

Recommendation 7.2: The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.

The Group maintains documented policies for identifying, assessing and monitoring risk, summarised in a [Risk Management Policy](https://www.jumbointeractive.com/risk_management_policy.pdf) (https://www.jumbointeractive.com/risk_management_policy.pdf). The Board is responsible for setting and monitoring the risk appetite for the Group. The Group will tolerate a moderate risk when pursuing its strategic objectives but aims for a low risk in relation to business operations.

Reviews are undertaken at least annually by the Audit and Risk Management Committee to evaluate and improve the effectiveness of the Group's risk management and internal control processes and reporting to ensure that they are fit for purpose in the environments in which the Group operates. This review involves all three lines (management, oversight and internal audit) and was undertaken during the most recent reporting period including the risk management policy, risk appetite, Business Continuity Plan and Delegations policy. In addition to this, a Sustainability Council was founded during the year reporting directly to the Board to provide more concentrated management of the environmental, social and governance risks. For additional information, please see the [Sustainability Report](https://www.jumbointeractive.com/investors/sustainability-report) (<https://www.jumbointeractive.com/investors/sustainability-report>). Risk reviews and associated commentary are monitored monthly to ensure the management is operating with due regard to the risk appetites set by the Board.

In addition, key management personnel are required to state in writing annually to the Board that to the best of their knowledge the integrity of the Group's risk management, internal control and compliance systems are sound and such systems are operating efficiently and effectively in all material respects in relation to financial reporting risks.

Recommendation 7.3: A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.

The Group has a dedicated Risk, Compliance and Internal Audit function that reports directly to the Chair of the Audit and Risk Management Committee. The Internal Audit Team assists the Group to achieve its strategic objectives through providing independent review and assurance that the control framework and risk management process are robust.

Recommendation 7.4: A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

This year the Group has made significant progress in improving understanding and approach to the management of the key Environmental, Social and Governance (ESG) risks faced by the business. In addition to governance and diversity themes addressed above, in the current environment, and as a digital lottery specialist, data protection, privacy, cyber risk and security were identified as the most material ESG topics for the Group. The Group, led by the Sustainability Council, is constantly working to ensure compliance with emerging regulation and best practice trends to ensure the integrity of our service offering and the customer database is adequately safeguarded.

We are committed to providing a safe, secure, fair and fun environment for our players thus we continue to strengthen and enhance our controls, in particular through know your customer (KYC) features and by providing appropriate responsible gaming safeguards.

This year we have undertaken a project to prepare a carbon baseline for our Australian operations with plans to extend to international operations and move to Carbon Net Zero during FY23.

For more information on these and other ESG topics, please see our [Sustainability Report](https://www.jumbointeractive.com/investors/sustainability-report).
(<https://www.jumbointeractive.com/investors/sustainability-report>)

PRINCIPLE 8

Remunerate fairly and responsibly

Recommendation 8.1: The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The composition, accompanying charter and meeting frequency and attendance in relation to the People and Culture Committee, formerly known as the Nomination and Remuneration Committee, are noted under Principle 2 above.

The Board considers that the Committee members are sufficiently qualified to consider and decide on remuneration matters. Where necessary and appropriate, external professional advice may be sought from experienced consultants to assist the Committee.

Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives

Non-executive Directors' remuneration is reviewed periodically with reference to comparable businesses and the trend in Directors' fees generally, with the object of ensuring maximum stakeholder benefit from the retention of an effective Board. This year a review was commissioned by an external specialist to benchmark Director and key management personnel remuneration. Shareholders, at the Group's AGM, determine any increase in the aggregate fees payable to Non-Executive Directors. The current maximum annual aggregate remuneration which can be paid to all Non-Executive Directors is \$750,000, last approved by shareholders 25 October 2019 and remains unchanged to previous years. A proposal to change the Non-Executive Directors' remuneration will be submitted at the 2022 AGM.

The CEO's remuneration is based on a fixed amount and may also include short term incentives linked to the Group's financial performance and other criteria, and share rights provided as long-term incentives. The base amount is designed to attract and retain an appropriately qualified and experienced CEO, and any incentive element is to reward him for his contribution towards the Group's success.

Other senior executives are offered remuneration packages necessary to attract and retain appropriately qualified key personnel as well as being commensurate with the skill and attention required to manage an organisation of the size and scope of the Jumbo Group as it is today and considering its plans and forecasts into the future. In addition, the Group has from time-to-time granted rights to deserving staff as a reward for performance. The Board prohibits transactions by executives which might limit the economic risk of participating in unvested entitlements under any equity-based remuneration scheme.

Further information about the Group remuneration policy, along with details of all emoluments of Directors and key management personnel can be found in the Remuneration Report section of the Directors' Report in the Group's Annual Report. There are no separate retirement benefits for non-executive Directors, other than statutory superannuation.

Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it

The Group has a [Share Trading Policy](https://www.jumbointeractive.com/share_trading_policy.pdf) (https://www.jumbointeractive.com/share_trading_policy.pdf) in respect of dealings in securities of the Group by Directors, other Key Management Personnel, all employees, including any closely related party of theirs, and consultants of the Group and its subsidiaries.

The current Non-Executive Directors hold shares but no options in the Group. Directors are subject to a Minimum Shareholding Requirement set at 100% of their total annual remuneration and have a 5-year period from the later of 1 July 2019 or date of appointment to reach this level if not already achieved.

In addition, the Group has from time to time granted rights to deserving staff as a reward for performance. However, the Board prohibits transactions by executives which might limit the economic risk of participating in unvested entitlements under any equity-based remuneration scheme.