



23 August 2023

ASX Market Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

## **APPENDIX 4G AND CORPORATE GOVERNANCE STATEMENT 2023**

Attached are the following documents:

1. Appendix 4G – Key to Disclosures – Corporate Governance Council Principles and Recommendations; and
2. The Lottery Corporation's Corporate Governance Statement 2023.

These documents are also available on The Lottery Corporation's website at:  
[www.thelotterycorporation.com/about/corporate-governance](http://www.thelotterycorporation.com/about/corporate-governance)

This announcement was authorised for release by the Board of The Lottery Corporation.

### **For more information**

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# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

|                                 |
|---------------------------------|
| The Lottery Corporation Limited |
|---------------------------------|

ABN/ARBN

|                |
|----------------|
| 21 081 925 706 |
|----------------|

Financial year ended:

|              |
|--------------|
| 30 June 2023 |
|--------------|

Our corporate governance statement<sup>1</sup> for the period 1 July 2022 and 30 June 2023 can be found at:<sup>2</sup>

- This URL on our website: <https://www.thelotterycorporation.com/about/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 23 August 2023 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 23 August 2023

Name of authorised officer authorising lodgement: Patrick McGlinchey, Company Secretary

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<sup>1</sup> “Corporate governance statement” is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council’s recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity’s corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes “OR” at the end of the selection and you delete the other options, you can also, if you wish, delete the “OR” at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation                             |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:  | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|---|---|--|
| <b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b> |   |   |  |
| 1.1   | A listed entity should have and disclose a board charter setting out:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management.   | <input checked="" type="checkbox"/><br>sections 2.1 and 2.2 of our Corporate Governance Statement 2023 and we have disclosed a copy of our board charter at:<br><a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a> | –  |
| 1.2   | A listed entity should:<br>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and<br>(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. | <input checked="" type="checkbox"/><br>sections 3.5 and 6.9 of our Corporate Governance Statement 2023  | –  |
| 1.3   | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.   | <input checked="" type="checkbox"/><br>sections 3.5 and 6.9 of our Corporate Governance Statement 2023  | –  |
| 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.   | <input checked="" type="checkbox"/><br>section 3.9 of our Corporate Governance Statement 2023   | –  |

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation  | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|--|--|--|
| <p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(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</p> <p>(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.</p> <p>If the entity was in the S&amp;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.</p> | <p><input checked="" type="checkbox"/></p> <p>We have disclosed a copy of our diversity policy at: <a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a>.</p> <p>and we have disclosed the information referred to in paragraphs (b) and (c) at: section 6.6 of our Corporate Governance Statement 2023.</p> |  |
| <p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(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.</p>   | <p><input checked="" type="checkbox"/></p> <p>section 3.7</p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>section 3.7 of our Corporate Governance Statement 2023</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>section 3.7 of our Corporate Governance Statement 2023</p> | -  |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|---|--|--|
| 1.7   | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(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.</p> | <p><input checked="" type="checkbox"/></p> <p>section 6.9<br/>and we have disclosed the evaluation process referred to in paragraph (a) at:<br/>section 6.9 of our Corporate Governance Statement 2023<br/>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:<br/>section 6.9 of our Corporate Governance Statement 2023</p> | –  |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation                            | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>   |   |
|--|--|--|---|
| <b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b> |  |  |   |
| 2.1  | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p> | <p><input checked="" type="checkbox"/></p> <p>section 4.5<br/>and we have disclosed a copy of the charter of the committee at:<br/><a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a><br/>and the information referred to in paragraphs (4) and (5) at:<br/>section 4.5 of our Corporate Governance Statement 2023 and the Board and Committee meeting attendance table at Section 18 of the Directors' Report within the Annual Report 2023 at<br/><a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a></p>   | - |
| 2.2  | <p>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.</p>   | <p><input checked="" type="checkbox"/></p> <p>section 3.3 of our Corporate Governance Statement 2023</p>   | - |
| 2.3  | <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 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</p> <p>(c) the length of service of each director.</p>  | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors at:<br/>section 7 of the Directors' Report within our Annual Report 2023 at<br/><a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a><br/>and, where applicable, the information referred to in paragraph (b) at:<br/>section 9 of the Directors' Report within our Annual Report 2023 at<br/><a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a><br/>and the length of service of each director at:<br/>section 7 of the Directors' Report within of our Annual Report 2023 at<br/><a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a></p> | - |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation   |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:  | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|---|---|--|
| 2.4   | A majority of the board of a listed entity should be independent directors.   | <input checked="" type="checkbox"/><br>section 3.2 of our Corporate Governance Statement 2023   | -  |
| 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.   | <input checked="" type="checkbox"/><br>section 3.1 of our Corporate Governance Statement 2023   | -  |
| 2.6   | A listed entity should have a program for inducting 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. | <input checked="" type="checkbox"/><br>section 3.6 of our Corporate Governance Statement 2023   | -  |
| <b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b> |   |   |  |
| 3.1   | A listed entity should articulate and disclose its values.  | <input checked="" type="checkbox"/><br>section 3.6 of our Corporate Governance Statement 2023. As a newly listed company, these were articulated and disclosed in the reporting period.   |  |
| 3.2   | A listed entity should:<br>(a) have and disclose a code of conduct for its directors, senior executives and employees; and<br>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.  | <input checked="" type="checkbox"/><br>section 6.1 of our Corporate Governance Statement 2023 and we have disclosed our code of conduct at:<br><a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a>                    | -  |
| 3.3   | A listed entity should:<br>(a) have and disclose a whistleblower policy; and<br>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.   | <input checked="" type="checkbox"/><br>section 6.2 of our Corporate Governance Statement 2023 and we have disclosed our whistleblower policy at:<br><a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a>               | -  |
| 3.4   | A listed entity should:<br>(a) have and disclose an anti-bribery and corruption policy; and<br>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.   | <input checked="" type="checkbox"/><br>section 6.3 of our Corporate Governance Statement 2023 and we have disclosed our anti-bribery and corruption policy at:<br><a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a> | -  |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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|---|--|---|---|
| <b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b> |  |   |   |
| 4.1   | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <p>(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.</p> | <p><input checked="" type="checkbox"/></p> <p>section 4.2 of our Corporate Governance Statement 2023 and we have disclosed a copy of the charter of the committee at: <a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: section 7 of the Directors' Report within our Annual Report 2022 at <a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a> and the Board and Committee meeting attendance table at section 18 of the Directors' Report on within our Annual Report 2023 at <a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a></p> | - |
| 4.2   | <p>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.</p>   | <p><input checked="" type="checkbox"/></p> <p>section 5.4 of our Corporate Governance Statement 2023</p>  | - |
| 4.3   | <p>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.</p>  | <p><input checked="" type="checkbox"/></p> <p>section 5.6 of our Corporate Governance Statement 2023</p>  | - |



## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation                 |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|---|--|--|
| <b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>    |   |  |  |
| 5.1   | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.  | <input checked="" type="checkbox"/><br>section 6.4 of our Corporate Governance Statement 2023 and we have disclosed our continuous disclosure compliance policy at:<br><a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a>             | -  |
| 5.2   | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.   | <input checked="" type="checkbox"/><br>section 6.4 of our Corporate Governance Statement 2023  | -  |
| 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. | <input checked="" type="checkbox"/><br>section 6.4 of our Corporate Governance Statement 2023  | -  |
| <b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b> |   |  |  |
| 6.1   | A listed entity should provide information about itself and its governance to investors via its website.  | <input checked="" type="checkbox"/><br>section 6.10 of our Corporate Governance Statement 2023 and we have disclosed information about us and our governance on our website at:<br><a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a> | -  |
| 6.2   | A listed entity should have an investor relations program that facilitates effective two-way communication with investors.  | <input checked="" type="checkbox"/><br>section 6.10 of our Corporate Governance Statement 2023   | -  |
| 6.3   | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.  | <input checked="" type="checkbox"/><br>section 6.10 of our Corporate Governance Statement 2023 and we have disclosed how we facilitate and encourage participation at meetings of security holders at:<br>section 6.10 of our Corporate Governance Statement   | -  |
| 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.   | <input checked="" type="checkbox"/><br>section 6.10 of our Corporate Governance Statement 2023   | -  |
| 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.                                  | <input checked="" type="checkbox"/><br>section 6.10 of our Corporate Governance Statement 2023   | -  |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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|--|--|---|---|
| <b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b> |  |   |   |
| 7.1  | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p> | <p><input checked="" type="checkbox"/></p> <p>section 4.3 of our Corporate Governance Statement 2023 and we have disclosed a copy of the charter of the committee at: <a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: section 4.3 of our Corporate Governance Statement 2023 and the Board and Committee meeting attendance table at section 18 of the Directors' Report within our Annual Report 2023 at <a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a></p> | – |
| 7.2  | <p>The board or a committee of the board should:</p> <p>(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</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>  | <p><input checked="" type="checkbox"/></p> <p>section 5.1 of our Corporate Governance Statement 2023</p>  |   |
| 7.3  | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>  | <p><input checked="" type="checkbox"/></p> <p>section 5.5 and we have disclosed how our internal audit function is structured and what role it performs at: section 5.5 of our Corporate Governance Statement 2023</p>  | – |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:  | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|---|---|--|
| 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. | <input checked="" type="checkbox"/><br>and we have disclosed whether we have any material exposure to environmental and social risks at:<br>section 6.11 of our Corporate Governance Statement 2023<br>the Material Risks section in the Operating and Financial Review within our Annual Report 2023 at<br><a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a><br>and<br>the Sustainability Report within our Annual Report 2023 at<br><a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a> | –  |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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|--|--|---|---|
| <b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b> |  |   |   |
| 8.1  | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p> | <p><input checked="" type="checkbox"/></p> <p>section 4.4 of our Corporate Governance Statement 2023 and we have disclosed a copy of the charter of the committee at: <a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: section 4.4 of our Corporate Governance Statement 2023 and the Board and Committee meeting attendance table at section 18 of the Directors' Report within our Annual Report 2023 at <a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a></p> | - |
| 8.2  | <p>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.</p>  | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>the Remuneration Report on pages in our Annual Report 2023 at <a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a></p>   | - |
| 8.3  | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>   | <p><input checked="" type="checkbox"/></p> <p>section 6.5 of our Corporate Governance Statement 2023 and we have disclosed our policy on this issue or a summary of it at: section 6.5 of our Corporate Governance Statement 2023 and page 81 within our Remuneration Report in the Annual Report 2023 at <a href="https://www.thelotterycorporation.com/investors/annual-reports">https://www.thelotterycorporation.com/investors/annual-reports</a> and in our Securities Trading Policy at <a href="https://www.thelotterycorporation.com/about/corporate-governance">https://www.thelotterycorporation.com/about/corporate-governance</a></p>   | - |

# 2023 Corporate Governance Statement

# Corporate Governance

## 1. Introduction

This Corporate Governance Statement (the **Statement**) outlines the governance framework and key governance practices and policies of The Lottery Corporation Limited ACN 081 925 706 (**The Lottery Corporation**, or the **Company**) and its subsidiaries (the **Group**) for the period 1 July 2022 to 30 June 2023.

The Lottery Corporation complied with the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**) throughout the reporting period.

This Statement and the Appendix 4G (which has been released on ASX's Market Announcements Platform) discloses the details of the Group's compliance with the ASX Principles and Recommendations, and where other relevant disclosures are located.

The Lottery Corporation is committed to high standards of corporate governance and the Directors believe this underpins strong business performance. The Company continues to review and refine its corporate governance practices and policies to help ensure they remain aligned with developments in good corporate governance, its strategic priorities and shareholders' expectations.

### Areas of governance focus in 2023

#### Board matters



Board establishment, including the formal appointment of Ms Megan Quinn, Mr John O'Sullivan and Dr Doug McTaggart as directors in October 2022.



Appointment of Mr Stephen Morro as Observer to the Board effective from 1 July 2023 <sup>(i)</sup>.



Review and reconstitution of the Board committees.



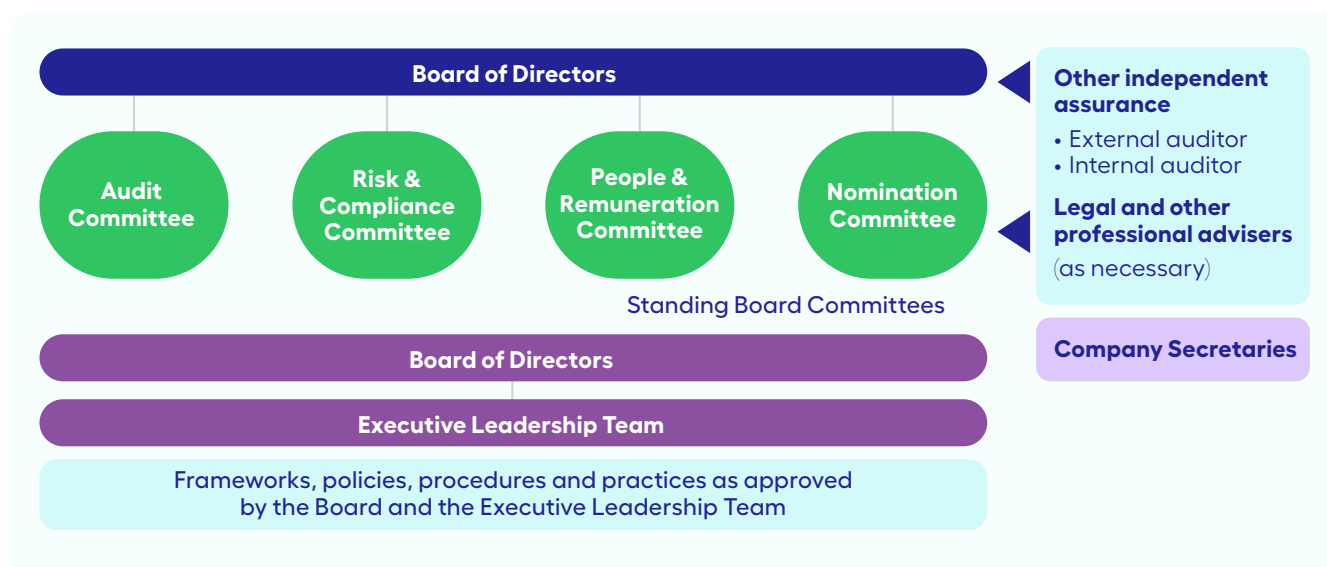
Establishment and refinement of Board meeting calendars.

#### Other governance activities

- Oversaw the establishment and articulation of the Company's vision, purpose and principles.
- Contributed to, approved and managed the development of the Company's corporate strategy and five-year plan, including setting performance objectives and approving budgets.
- Oversaw the execution of the Company's separation program which is ongoing.
- Oversaw the establishment (and enhancements to) the Company's risk management framework including further investments in risk mitigation programs.
- Established a framework to underpin a disciplined approach to capital allocation. In FY23, the Company paid its first dividends and also established a dividend reinvestment plan (DRP).
- Ensured that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite as well as reviewing the adjustments outlined in the Remuneration Report on pages 62 to 89 of the 2023 Annual Report.

(i) To be appointed as a Non-executive Director of The Lottery Corporation following receipt of necessary regulatory and ministerial consents.

## 1.2 Our corporate governance framework (overview)



## 1.3 Regulatory framework

The Lottery Corporation is Australia's leading lottery and Keno operator with a portfolio of high-profile brands and games. The games are provided under exclusive and/or long-dated licences to operate in all Australian States and Territories (excluding Western Australia). Its gaming operations are overseen and regulated by State-based gaming regulators.

As a publicly listed entity, The Lottery Corporation is also regulated by ASIC and compliance with the Listing Rules is overseen by the ASX.



More information on The Lottery Corporation's corporate governance practices and policies is available on its website at: [www.thelotterycorporation.com/about/corporate-governance](http://www.thelotterycorporation.com/about/corporate-governance)

## 2. Roles and responsibilities

### 2.1 Board role and responsibilities

The Board has adopted a charter which sets out its role, responsibilities, structure and operation as well as the allocation of responsibilities between the Board and management.

The role of the Board is to:

- provide leadership for the Company;
- represent and serve the interests of shareholders (by overseeing and appraising the Company's strategy, policies and performance);
- protect and optimise Company performance;
- set, review and monitor compliance with the Company's values and governance framework; and
- ensure shareholders are kept informed of the Company's performance.

The main responsibilities of the Board include:

- selecting and appointing the CEO, and evaluating their performance (from time-to-time);
- contributing to and approving management development of corporate strategy;
- approving major capital expenditure, acquisitions and divestitures;
- monitoring corporate performance and management's implementation of strategic goals and objectives;
- acting to protect and enhance the Company's reputation;
- reviewing and monitoring systems and frameworks for risk management (for both financial and non-financial risks), and internal controls. This includes setting the risk appetite for the Company;
- overseeing the Company's values and corporate governance policies;
- overseeing that the remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite; and
- approving (and monitoring progress against) objectives for achieving gender diversity in the composition of the Board and workforce generally.

The Board has established 4 Board Committees to assist in the discharge of its responsibilities. Information about the Committees including their roles, responsibilities and composition are on pages 12 to 14.



The Company's Board Charter and Constitution are available on the Company's website at:  
[www.thelotterycorporation.com/about/corporate-governance](http://www.thelotterycorporation.com/about/corporate-governance)

### 2.2 Management's role and responsibilities

While the Board maintains ultimate responsibility for the strategy and performance of the Group, the day-to-day operation of the Company is delegated to (or under the supervision of) the Managing Director and CEO (MD & CEO), the MD & CEO is:

- responsible for implementing the strategic objectives, plans, financial performance and budgets approved by the Board; and
- accountable to the Board for matters within her delegated authority and for complying with the limits on that authority.

The MD & CEO delegates authority to the Executive Leadership Team (ELT) and other members of senior management as necessary to enable them to perform their responsibilities. The qualifications, skills and experience of ELT members are set out on pages 29 to 31 of the 2023 Annual Report.

Management provides the Board with information in a form and to a level of quality to enable the Board to discharge its duties effectively. Such reporting includes matters in relation to financial and operational performance, strategy, risk management and compliance with material legal and regulatory requirements.

Members of the ELT have responsibility for supporting one or more Board Committees and meet with Directors outside of scheduled Board and Committee meetings (including regular contact between the Chairman and the MD & CEO) to assist the Board in discharging its responsibilities and to foster a strong working relationship between the Board and management.

The Company has a dedicated Company Secretariat function that provides support and assistance to the Directors in order for them to fulfill their duties effectively and efficiently. Further information regarding the Company Secretaries is set out in paragraph 3.9.



Biographies of ELT members are available on the Company's website at:  
[www.thelotterycorporation.com/about/our-executives](http://www.thelotterycorporation.com/about/our-executives)



### 3. Board structure and composition

#### 3.1 Board structure

Currently, The Lottery Corporation Board comprises 6 independent Non-executive Directors and the MD & CEO.

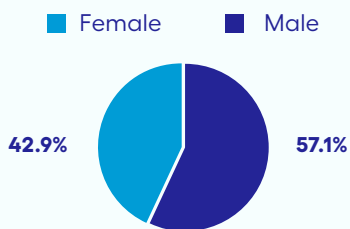
In addition, there is currently one Observer to the Board, Mr Stephen Morro. Subject to receipt of necessary regulatory approvals, Mr Morro will join the Board as a Non-executive Director.

The Chairman of the Board is an independent Non-executive Director and the roles of the Chairman and the MD & CEO are performed by separate individuals.

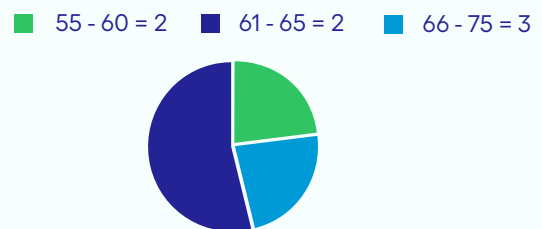
The Board determines its size and composition, subject to the Company's constitution and applicable laws. The Company's constitution states that there must be no less than 3 and no more than 10 directors.

The Board's membership is structured so that it provides a mix of skills, expertise and experience from a diverse range of backgrounds to enable it to discharge its responsibilities, and so that its size facilitates effective discussion and decision making. Each Director's skills, qualifications, experience and relevant expertise are set out in the 2023 Annual Report on pages 54 to 56.

#### Directors Diversity



#### Age of Directors



Director and Observer biographies are available on the Company's website at:  
[www.thelotterycorporation.com/about/our-board](http://www.thelotterycorporation.com/about/our-board)

### 3.2 Director independence, ethics and conflicts of interest

The Board Charter requires that the Board comprise a majority of independent Directors and sets out the criteria for assessing Director independence.

The Board considers a Director to be independent where they are free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues, and to act in the best interests of The Lottery Corporation as a whole rather than in the interests of an individual shareholder or other party.

The Board will regularly assess the independence of its Directors against guidelines in the Board Charter.

Under the Board Charter, Directors are required to act at all times with honesty and integrity, observe high standards of ethical behaviour and act in accordance with statutory obligations and the Company's Code of Conduct and applicable policies and procedures.

All Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests. Directors are required to disclose any conflicts of interest and adhere to constraints on their participation in discussion or voting on matters in which they have a material personal interest in accordance with applicable laws. A register of Directors' material personal interests is maintained and is regularly sent to every Director.

Where a Director discloses any actual or potential conflict or a material personal interest:

- a determination as to whether or not a conflict exists will be made; and
- an appropriate course of action will be set based on the determination made. Such action may require the interested Director to not receive relevant papers and absent themselves from discussion and voting on the matter.

The Lottery Corporation Board considers that each of its Non-executive Directors are independent.



The Board Charter includes guidelines against which the independent status of a Non-executive Director is assessed. A copy of the charter is available at:

**[www.thelotterycorporation.com/about/corporate-governance](http://www.thelotterycorporation.com/about/corporate-governance)**

Director and Observer biographies are available on pages 54 to 56 of the 2023 Annual Report and on the Company's website at: **[www.thelotterycorporation.com/about/our-board](http://www.thelotterycorporation.com/about/our-board)**

### 3.3 Directors' skills and experience

| Technical Skills  | Number of Non-executive Directors with developed capability (out of six)              |
|---|---|
| <p><b>Leadership</b><br/>Board, CEO and/or senior executive level experience in a major organisation or listed company</p>  |    |
| <p><b>Strategic and commercial acumen</b><br/>Experience in formulating, implementing and/or overseeing strategic business plans and developing new businesses, including start-ups, mergers and acquisitions, and divestments</p>  |    |
| <p><b>Financial acumen/capital management</b><br/>Qualifications and/or experience in accounting and/or finance, including understanding financial statements of organisations of significant size and complexity, assessing financial performance and the adequacy of financial controls, and overseeing capital management and funding arrangements</p> |    |
| <p><b>Governance</b><br/>Experience in a major organisation or listed company subject to rigorous governance standards, overseeing best practice governance frameworks, related policies and processes</p>  |   |
| <p><b>Legal and regulatory</b><br/>Experience in legal and regulatory matters, including knowledge of the environment applicable to the gaming industry. Experience in overseeing legal and regulatory frameworks, policies and processes (in the gaming industry or otherwise)</p>   |  |
| <p><b>Risk management and compliance</b><br/>Experience in risk management and compliance frameworks and related policies and processes, setting risk appetites, identifying and providing oversight of material business risks</p>   |  |
| <p><b>People</b><br/>Experience with people matters, including assessing executive and employee performance, talent development, employee engagement, strategic workforce planning and leading organisational change, and workplace health and safety</p>   |  |
| <p><b>Organisational culture</b><br/>Experience in organisational culture and change, including formulating and overseeing organisation-wide values and policies to protect and enhance reputation, build trust and confidence in an organisation and setting the "tone at the top"</p>   |  |
| <p><b>Remuneration</b><br/>Experience in a Board Remuneration Committee (or similar) or at a senior executive level in relation to remuneration practices, including scorecard target setting, incentive plans, and legislative/ contractual frameworks for remuneration</p>  |  |
| <p><b>Government/stakeholder relations and public policy</b><br/>Experience in public and regulatory policy matters and stakeholder engagement, including with government, regulators and industry groups</p>   |  |

### 3.3 Directors' skills and experience (continued)

| Experience  | Number of Non-executive Directors with developed capability (out of six)              |
|---|---|
| <p><b>Gaming industry experience</b><br/>Experience at Board or senior executive level at a domestic or international gaming business or entertainment business</p>   |    |
| <p><b>Experience in other relevant industries</b><br/>Relevant experience at Board or senior executive level at a major organisation in other industries operating in similarly complex and highly regulated environments</p>   |    |
| <p><b>International experience</b><br/>Experience in international markets, exposed to a range of political, cultural, regulatory and business environments</p>   |    |
| <p><b>Information technology</b><br/>Knowledge and experience in the use and governance of critical information technology infrastructure and applications, and information security</p>  |    |
| <p><b>Digital innovation</b><br/>Experience in leveraging digital technology to drive competitive strategies, innovation, revenue growth and business performance</p>   |  |
| <p><b>Retailing, marketing and customer experience</b><br/>Experience at a significant retail business, including multi-channel distribution, development of winning products, customer experience, service and management strategies, and marketing to retail and online consumers</p> |  |

### 3.4 Other directorships

Directors are required to continually evaluate the number of Boards on which they serve to ensure that they can give the time and attention required to fulfil their duties and responsibilities as a member of the Board of The Lottery Corporation.

The Board has adopted a policy which relates to the number of other directorships of ASX-listed entities that a director may hold.

Directors must seek approval from the Chairman prior to accepting an invitation to become a Director of any other corporation and, in the case of the Chairman, seek approval from the Chairman of the Audit Committee.

Details of the directorships of other publicly listed companies for each Director are available in the 2023 Annual Report on pages 54 to 56.

### 3.5 Director appointments

The Board appoints new Directors (as appropriate), and oversees succession planning for Board membership.

The Nomination Committee can assist with this process (as necessary) and, in accordance with the Nomination Committee Charter, can review and make recommendations to the Board with respect to Board succession matters, including the process for identifying suitable candidates, and the nomination, selection and appointment of Non-executive Directors.

Appropriate recruitment and pre-appointment screening processes are carried out prior to the appointment of a Director to The Lottery Corporation, including checks as to character, experience, education, bankruptcy history and police records. Prospective new Directors are required to provide details of their other commitments, and specifically acknowledge that they will have sufficient time to fulfill their responsibilities as a Director. They are also required to submit extensive personal information as part of probity investigations and clearances required by applicable gaming regulators and certain government ministers prior to appointment as a Director.

Every new Director receives a formal letter of appointment that sets out key terms and conditions of their appointment, including the Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement in Board Committees. The letter of appointment is with the Directors personally.

The appointment of any new Director is subject to regulatory and certain ministerial approvals. While these approvals are being sought, the person may attend Board and Committee meetings as an Observer however, they may not vote on any matter. Currently there is one Observer to the Board, Mr Stephen Morro. His qualifications and experience are set out in the 2023 Annual Report on page 56.

Non-executive Directors appointed by the Board must stand for election at the Annual General Meeting (AGM) immediately following their appointment. The Lottery Corporation will provide shareholders with information in its possession that is relevant to a decision on whether to elect or a Director.

### 3.6 Directors' induction, continuing education and independent advice

The Company has developed an induction program for the benefit of new Directors to be appointed to the Board. The program will assist them to participate fully and actively in all Board and Committee decision-making at the earliest opportunity.

Observers are provided with access to relevant information and attend briefings with management to enable them to gain an understanding of the Group's businesses, operations, strategy, values, key governance and compliance policies, and key issues.

Directors are expected to maintain the knowledge and skills required to discharge their duties and responsibilities effectively and respond to new and emerging business and governance issues. The Company assists keeping Directors up-to-date with market and industry developments through regular briefings at Board and Committee meetings and Board workshops. At Board meetings, the Board is also briefed on material developments in relevant laws, regulations and accounting standards.

Under the Board and Committee Charters, the Board, Committee or individual Directors, as the case may be, have the right to seek independent professional advice paid for by The Lottery Corporation.

### 3.7 Performance assessment

The Board conducts a review of its performance, the performance of its Committees, and that of individual Directors annually. Outcomes from these assessments are used to enhance the effectiveness of the Board, the Committees and individual Director contributions, and improve processes, practices and governance arrangements.

Where appropriate, external advisors may be engaged to facilitate performance assessments.

Feedback from the assessment process will be discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees, or specific Directors. In the case of the Chairman's performance, feedback may be collected by the Chair of the Audit Committee or an external facilitator.

A review was conducted of the Board's and Committees' performance and the performance of individual directors in the reporting period. The review was supported by a confidential survey and considered, among other matters:

- The effectiveness of meetings, including whether the number and length of meetings was appropriate; whether the agendas were appropriately structured; and whether the papers were of good quality to support effective discussion and decision making.
- Directors' contributions to meetings and whether the mix of skills on the Board and on the Committees supported the effective oversight and appraisal of the Company's strategies, policies and performance.

### 3.8 Board and Committee meetings

The Board and its Committees meet regularly to discuss matters relevant to the Group's operations and performance, with additional meetings held as and when required. Ad-hoc Board Committees may also be established from time to time for special purposes.

Directors are required to attend all Board meetings, shareholder meetings and Board Committee meetings of which they are members, subject to any unusual or unforeseen circumstances which may prevent them from attending. All Directors and Observers may attend Committee meetings.

The number of Board and Committee meetings in the reporting period and the attendance of each Director at these meetings are set out in the 2023 Annual Report on page 60.

### 3.9 Company Secretaries

The Company Secretaries are accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board and overall corporate governance of the Company.

The Company Secretaries advise the Board on governance matters, monitor compliance with Board and Committee policies and procedures, oversee the timely completion and dispatch of agendas and meeting materials and ensure that the business at Board and Committee meetings is accurately captured in the minutes.

There are currently two Company Secretaries: the Chief Legal & Risk Officer (CLRO); and the General Manager Company Secretariat. The General Manager Company Secretariat reports to the CLRO, and is responsible for the day-to-day management of the Company Secretariat function.

All Directors have direct access to the Company Secretaries and the Company Secretariat team.

## 4. Board Committees

### 4.1 Committee structure

To assist the Board in discharging its responsibilities, the Board has established the following Board Committees:

- Audit Committee (refer section 4.2);
- Risk & Compliance Committee (refer section 4.3);
- People & Remuneration Committee (refer section 4.4); and
- Nomination Committee (refer section 4.5).

Each Board Committee operates under a charter approved by the Board, which sets out the authority, membership and responsibilities of the Committee.

In the reporting period, and following the appointment of Ms Megan Quinn, Mr John O’Sullivan and Dr Doug McTaggart as Non-executive Directors, the Board reviewed and revised the composition of the Board Committees. Changes to the Committees’ composition was made having regard to Directors’ skills and experience. Details of these changes are set out in the tables below.

The MD & CEO is not a member of any Board Committee, however, she attends Committee meetings.

Observers are invited to attend Committee meetings pending their formal appointment as a Non-executive Director. It is expected that once appointed as Directors, the existing Observer will join one or more Committees.

In general, the role of each Committee is to advise and make recommendations to the Board. The Committees do not have decision making authority except as expressly stated in the relevant charter or as authorised by the Board.

### 4.2 Audit Committee

The Audit Committee’s purpose is to assist the Board to fulfil its duties and responsibilities in overseeing activities relating to:

- the preparation of the financial statements and associated external reports;
- oversight of financial systems and related controls;
- The Lottery Corporation’s relationship with the external auditor and the external audit function generally, as well as its independence, objectivity and performance;
- The Lottery Corporation’s relationship with the internal auditor and the internal audit function generally; and
- oversight and monitoring of the Whistleblower Policy and framework.

The Audit Committee’s primary roles and responsibilities are to review, report to and, where appropriate, make recommendations to, The Lottery Corporation Board in relation to:

- reporting of financial information;
- the appropriate application and any amendments to accounting policies;
- the appointment, independence and remuneration fees of the external auditor; and
- The Lottery Corporation’s internal audit function.

Additional detail relating to The Lottery Corporation’s approach to safeguarding the integrity of corporate reports is set out in section 5.6 of this Statement.

The Board appoints the members of the Audit Committee. The Audit Committee must comprise at least 3 members all of whom are Non-executive Directors, and a majority of whom must be independent. The Chairman of the Committee must be an independent Non-executive Director who is not the Chairman of The Lottery Corporation Board and is skilled in, and has significant experience in accounting and auditing.

| <b>Composition of the Audit Committee</b> | <b>1 July 2022- 5 December 2022</b> | <b>5 December 2022 - 30 June 2023</b> |
|---|-------------------------------------|---------------------------------------|
| Chairman                                  | Anne Brennan                        | Anne Brennan                          |
| Other members                             | Steven Gregg<br>Harry Boon          | Doug McTaggart<br>Harry Boon          |



The Audit Committee's Charter is available on the Company's website at:  
[www.thelotterycorporation.com/about/corporate-governance](http://www.thelotterycorporation.com/about/corporate-governance)

### 4.3 Risk & Compliance Committee

The Risk & Compliance Committee's purpose is to assist the Board in fulfilling its responsibilities in overseeing activities relating to the Company's identification, assessment, management and reporting of risk (for both financial and non-financial risks) and adherence with compliance obligations.

The Risk & Compliance Committee's primary roles and responsibilities are to review, report to and, where appropriate, make recommendations to, the Board in relation to:

- the Company's risk appetite;
- the adequacy and effectiveness of the risk management framework (for both financial and non-financial risks) and supporting policies and processes to identify and manage risks; and
- the adequacy and effectiveness of the compliance management framework and supporting policies and processes to ensure compliance with legal and regulatory obligations.

Additional detail related to the Group's approach to risk management is set out in sections 5.1 and 5.2 and section 6.11 of this statement.

The Board appoints the members of the Risk & Compliance Committee. The Risk & Compliance Committee must comprise at least 3 members all of whom are Non-executive Directors, and a majority of whom must be independent. The Chairman of the Committee must be an independent Non-executive Director.

| <b>Composition of the Risk &amp; Compliance Committee</b> | <b>1 July 2022- 5 December 2022</b> | <b>From 5 December 2022</b>    |
|---|-------------------------------------|--------------------------------|
| Chairman  | Steven Gregg (Interim)              | Doug McTaggart                 |
| Other members   | Harry Boon<br>Anne Brennan          | John O'Sullivan<br>Megan Quinn |



The Risk & Compliance Committee's Charter is available on the Company's website at:  
[www.thelotterycorporation.com/about/corporate-governance](http://www.thelotterycorporation.com/about/corporate-governance)



#### 4.4 People & Remuneration Committee

The People & Remuneration Committee's purpose is to assist the Board to fulfil its duties and responsibilities relating to:

- the remuneration of the Chairman and other Non-executive Directors;
- the performance and remuneration of, and incentives for, the MD & CEO and ELT members;
- the Company's remuneration framework and policies, superannuation arrangements, employee share ownership schemes and performance incentive schemes;
- the Company's people strategies and policies, including talent retention, inclusion and diversity, culture and engagement; and
- the Company's health, safety and wellbeing strategy and performance.

The Board appoints the members of the People & Remuneration Committee. The Committee must comprise at least 3 members all of whom are Non-executive Directors, and a majority of whom must be independent. The Chairman of the Committee must be an independent Non-executive Director.

| Composition of the People & Remuneration Committee | 1 July 2022- 5 December 2022 | From 5 December 2022                           |
|--|------------------------------|--|
| Chairman   | Harry Boon                   | Harry Boon                                     |
| Other members                                      | Steven Gregg<br>Anne Brennan | Megan Quinn<br>Anne Brennan<br>John O'Sullivan |



The People & Remuneration Committee's Charter is available on the Company's website at: [www.thelotterycorporation.com/about/corporate-governance](http://www.thelotterycorporation.com/about/corporate-governance)

#### 4.5 Nomination Committee

The Nomination Committee's purpose is to assist the Board in fulfilling its responsibilities in relation to the size and composition of The Lottery Corporation Board, reviewing Board performance and succession planning.

In FY23, the responsibilities of the Nomination Committee were performed by the Board itself. No meetings of the Nomination Committee were held in the reporting period.

The Board appoints the members of the Nomination Committee. The Nomination Committee must comprise at least 3 members all of whom are Non-executive Directors, and a majority of whom must be independent. The Chair of the Committee must be an independent Non-executive Director.

| Composition of the Nomination Committee | 1 July 2022- 5 December 2022 | From 5 December 2022   |
|---|------------------------------|--|
| Chairman                                | Steven Gregg                 | Steven Gregg   |
| Other members                           | Harry Boon<br>Anne Brennan   | Harry Boon<br>Anne Brennan<br>Doug McTaggart<br>John O'Sullivan<br>Megan Quinn |



The Nomination Committee's Charter is available on the Company's website at: [www.thelotterycorporation.com/about/corporate-governance](http://www.thelotterycorporation.com/about/corporate-governance)

## 5. Risk Management

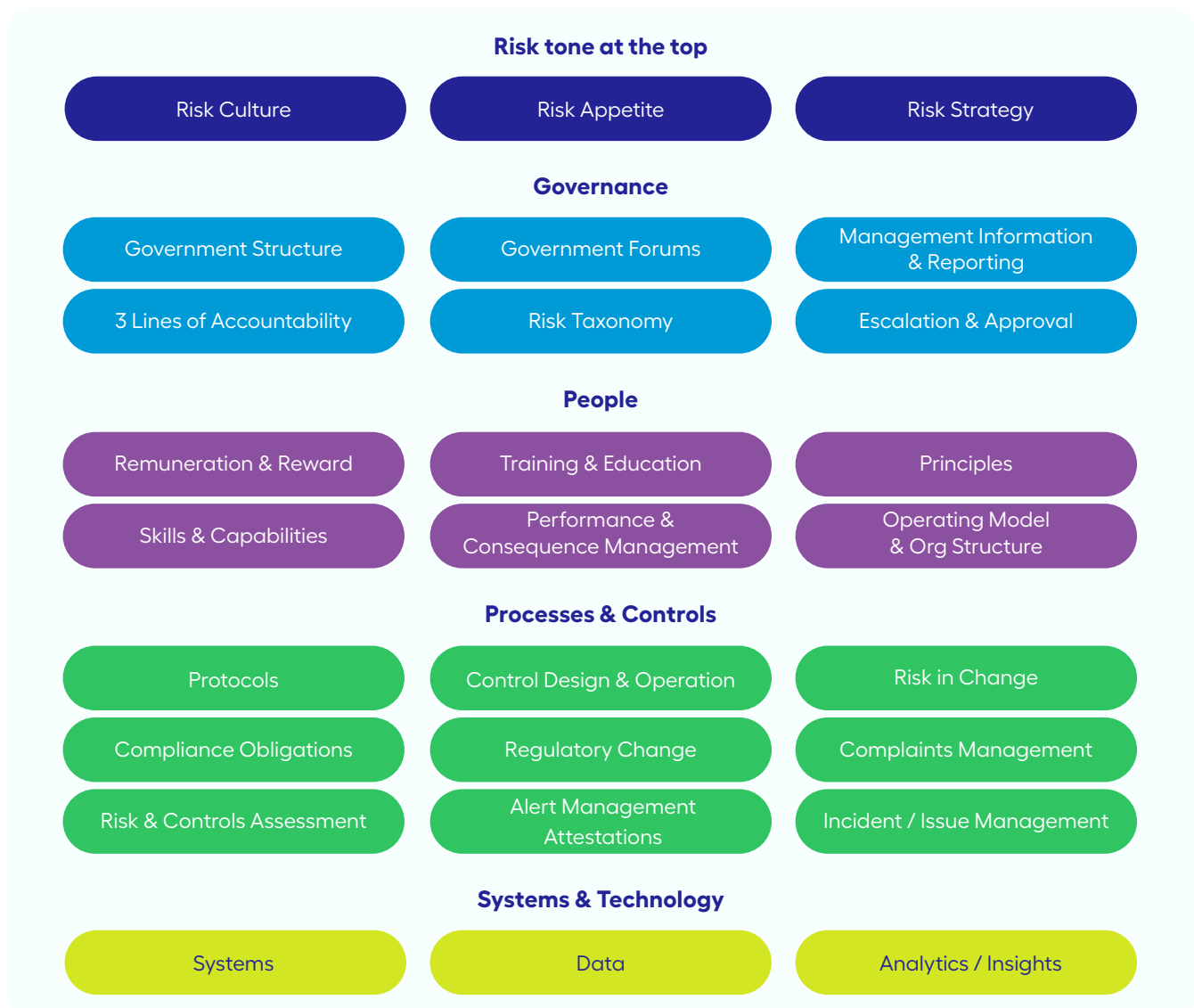
### 5.1 Risk management framework

The Lottery Corporation has adopted a framework to support effective identification, monitoring, management, reporting and oversight of risks across the Group and is based on concepts and principles identified in the Australian/New Zealand Standard on Risk Management (AS/NZS ISO 31000:2018). The framework is illustrated below. The various components operate independently as well as interactively to provide a complete approach for managing risk.

The Board (on recommendation from the Risk & Compliance Committee) is required to review the framework at least annually to satisfy itself that the framework continues to be sound and is operating effectively. This review occurred in FY23.

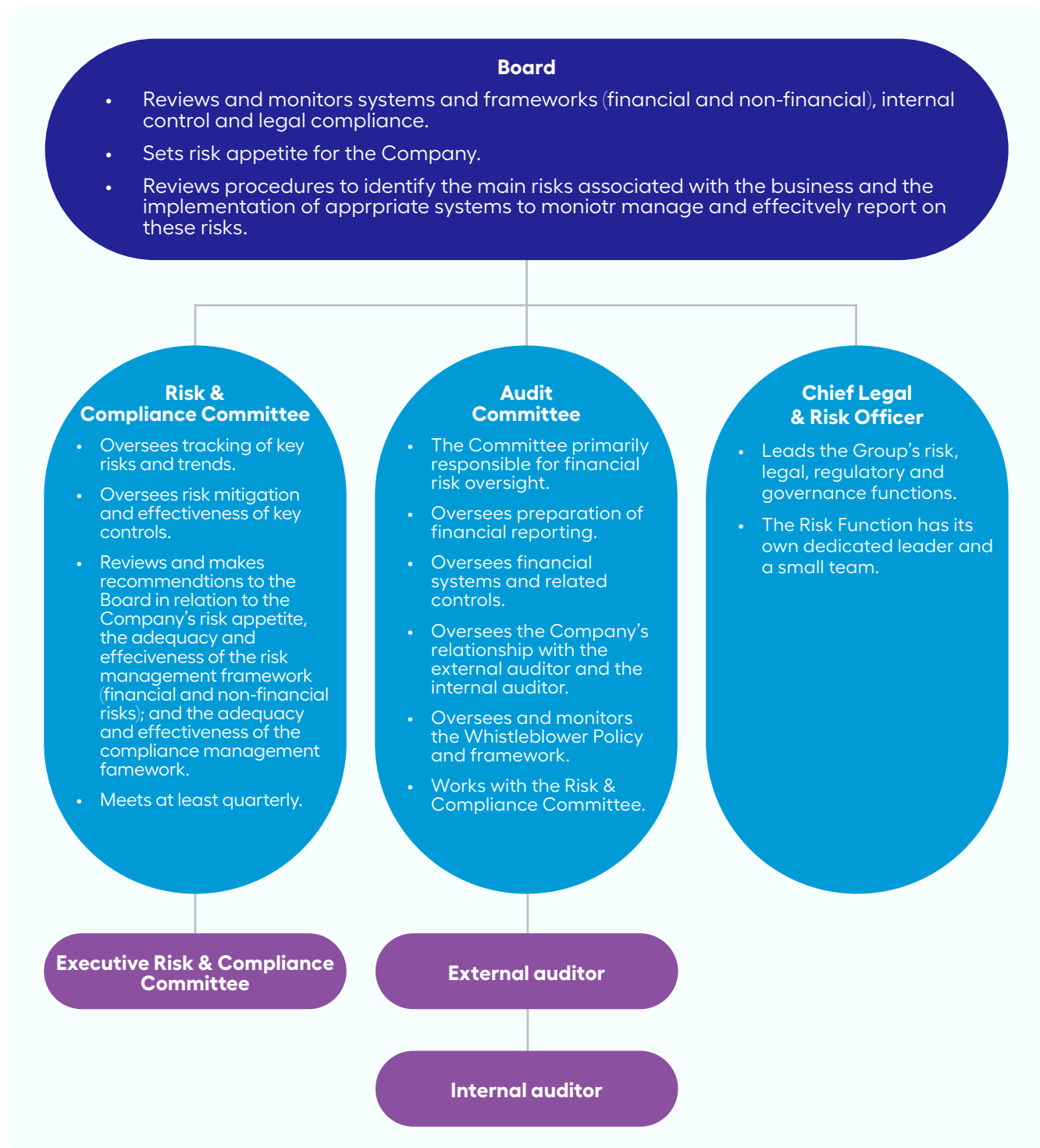


Additional information on key business risks is set out in the Operating & Financial Review on pages 22 to 27 of the 2023 Annual Report available on the Company’s website at: [www.thelotterycorporation.com/investors/annual-reports](http://www.thelotterycorporation.com/investors/annual-reports).



## 5.2 Governance and oversight of risk

The division of risk management responsibilities is summarised in the diagram below and further information is provided in this Section 5.



## 5.2 Governance and oversight of risk (continued)

The Board is responsible for reviewing and monitoring systems and frameworks for risk management (for both financial and non-financial risks), internal control and legal compliance. This includes setting the risk appetite for the Company, reviewing procedures to identify the main risks associated with the Company's business and the implementation of appropriate systems to monitor, manage effectively and report on these risks.

The Risk & Compliance Committee assists the Board in overseeing risk and compliance management. The role and responsibilities of the Committee are set out in section 4.3.

The Executive Risk & Compliance Committee provides executive level oversight of The Lottery Corporation's risk management framework including the identification, assessment, management and reporting of material risks and compliance with all legal and statutory obligations.

The CLRO leads the Group's risk, legal, regulatory and governance functions. Given the nature of Company's business, the high level of regulation and cross functional dependency of the four functions, they sit within the CLRO team but have dedicated functional leadership and teams to support them. The CLRO is a member of the ELT and reports directly to the MD & CEO.

All employees have a role in managing risk and have defined roles, responsibilities and accountability for the management of risks across the Group in accordance with the "Three Lines" model:

- Day-to-day ownership and management of risks and controls is undertaken by business and functional units (Line 1) in accordance with the risk management framework and policies.
- The CLRO function (Line 2) provides insight and oversight to support business and functional units in implementing formal risk management practices, process and controls. The CLRO team as well as other responsible risk owners regularly reports to the Risk & Compliance Committee.
- The internal audit function (Line 3) assesses and reports on the effectiveness of the Group's risk management and control processes.



The Risk & Compliance Committee's Charter is available on the Company's website at: [www.thelotterycorporation.com/about/corporate-governance](http://www.thelotterycorporation.com/about/corporate-governance)

## 5.3 External auditor

The Company has appointed Ernst & Young Australia as its external auditor. In accordance with the Corporations Act 2001 (Cth) (the **Corporations Act**), shareholders approved the appointment of the auditor at the Company's 2022 AGM.

The Lottery Corporation maintains auditor independence and has adopted an External Auditor Independence Policy. The provision of non-audit services must be pre-approved by Chairman of the Audit Committee.

Details of amounts paid to Ernst & Young Australia during the reporting period (including fees for non-audit services) are set out in the Directors' Report in the 2023 Annual Report. The Board has considered the auditor's independence and determined that it has not been compromised.

In accordance with the Corporations Act, the auditor has made its annual independence declaration to the Board, declaring that the auditor maintained its independence in accordance with the Corporations Act and the rules of professional accounting bodies. A copy of this declaration forms part of the Directors' Report and appears on page 61 of the 2023 Annual Report.

## 5.4 Management assurance

Prior to approving financial statements, the Board receives a declaration from the MD & CEO and the Chief Financial Officer (CFO) which states that in their opinion, the financial records have been properly maintained, and that the financial statements complied with the appropriate accounting standards, and that they gave a true and fair view of the financial position and performance of The Lottery Corporation and of the Group, and that the opinion had been formed on the basis of a sound system of risk management and internal control which is operating effectively.

## 5.5 Internal audit function

The internal audit function reviews and reports on internal control systems and procedures. It has adopted a charter which sets out its role and responsibilities. The General Manager, Internal Audit leads the internal audit function and reports to the Audit Committee through the Audit Committee Chair for functional audit purposes. The internal audit function develops a risk-based plan for review and approval by the Audit Committee. The internal auditor has unrestricted access to all functions' records, property and personnel and is independent of the external auditor.

## 5.6 Integrity of disclosures in periodic reports

The Lottery Corporation produces a number of periodic reports, including the Annual Report and a Corporate Governance Statement.

The Group has processes in place to review and confirm the accuracy of the disclosures contained in these reports. Management undertakes a review of the disclosures in these reports, whereby subject matter experts and the relevant executives review and approve the disclosures. A legal and governance review is also conducted of all disclosures. The Annual Report and Corporate Governance Statement are then presented for review to the relevant Board Committee and also to the Board.

The Directors' Report, including the Operating & Financial Review and Remuneration Report, are audited by the external auditor and the Remuneration Report (which forms part of the Directors' Report) is reviewed by the People & Remuneration Committee prior to approval by the Board.

## 6. Key governance policies and practices

This section provides a summary of The Lottery Corporation's key corporate governance policies.

A framework is in place for any material breaches of the Code of Conduct, Anti-bribery and Corruption Policy and Whistleblower Policy to be reported to relevant Board Committee and/or Board.

## 6.1 Code of Conduct

The Lottery Corporation has a Code of Conduct which sets out the standards of behaviour expected of all employees, Directors and contractors.

The Lottery Corporation is committed to being a good corporate citizen that practices high standards of corporate conduct, integrity, ethics and governance in our business practices.

The key principles in the code include acting ethically and lawfully in conducting The Lottery Corporation's business and not giving or receiving inappropriate benefits, treating each other fairly and promoting a safe and inclusive work environment and acting responsibly towards the community and environment in which The Lottery Corporation operates. The code specifies that failing to follow the spirit or the principle of the code is a serious matter and sets out how to report potential breaches of the code and the potential consequences of a breach.

In FY23 The Lottery Corporation articulated and published its vision, purpose and principles. The Company's values are published on our website and include:



Create joyful moments



Dare to find a better way



Be accountable and transparent



Nurture the uniqueness of our people

## 6.2 Whistleblower Policy

Consistent with its commitment to maintaining a culture of integrity, The Lottery Corporation has developed a comprehensive Whistleblower Policy and framework designed to encourage, support and empower eligible whistleblowers to speak up about actual or suspected misconduct or an improper state of affairs or circumstances in relation to The Lottery Corporation.

The Whistleblower Policy and framework is overseen by an internal Whistleblower Committee, consisting of two ELT members, which has accountability and a direct reporting line to the Audit Committee.

The Whistleblower Policy is published on the Company's website.

## 6.3 Anti-Bribery and Anti-Corruption Policy

The Group has an Anti-Bribery and Anti-Corruption Policy which prohibits all forms of bribery, facilitation payments, payment or receipt of secret commissions and fraud. It also sets out the standards required of employees and contractors when dealing with third parties and relating to the offer and acceptance of gifts and hospitality. A gifts and hospitality register is maintained, along with other controls and processes to support the policy.

## 6.4 Market Disclosure Policy, and communications with investors and other stakeholders

The Lottery Corporation is required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. The Lottery Corporation is committed to providing the market with timely, accurate and balanced disclosure in accordance with its obligations under the Corporations Act and the ASX Listing Rules. The Company has a Continuous Disclosure Committee consisting of certain ELT members to monitor and review relevant issues as required.

The Company has adopted a Market Disclosure Policy that establishes procedures aimed at ensuring that it fulfils its obligations in relation to the timely disclosure of material price-sensitive information. The purpose of the policy is to outline how The Lottery Corporation complies with its continuous disclosure obligations.

The Lottery Corporation releases to the ASX all investor and analyst presentation materials and AGM speeches prior to the presentations commencing. All ASX announcements made by the Company are available on the website. The Board promptly receives copies of material ASX announcements by email.

## 6.5 Securities Trading Policy

The Lottery Corporation has adopted a Securities Trading Policy which supports team members to comply with their obligations under insider trading laws, promote confidence in the integrity of the market for The Lottery Corporation securities and protect The Lottery Corporation's reputation.

In addition to outlining the legal requirements that apply to dealings in The Lottery Corporation securities by all team members, the policy provides that Directors, certain restricted team members (including MD & CEO, ELT members and their direct reports) and their associates must obtain prior approval to trade in The Lottery Corporation securities and are not permitted to trade during specified blackout periods.

Outside specified blackout periods, these restricted persons must receive prior approval for any proposed dealing in The Lottery Corporation securities (including any proposed dealing by one of their associates), and in all instances, buying or selling The Lottery Corporation securities is not permitted at any time by any person who possesses inside information.

The policy prohibits employees participating in any of the Company's employee or executive incentive plans from hedging the value of restricted shares or unvested performance options or rights. The policy also prohibits margin lending arrangements, short selling and engaging in speculative short-term investing in relation to The Lottery Corporation securities.

## 6.6 Inclusion and Diversity Policy

The Lottery Corporation Board has adopted an Inclusion and Diversity Policy in order to, among other matters, articulate the Company's commitment to creating a culture of inclusion and to promote diversity. The Lottery Corporation's vision for diversity covers all aspects of difference, such as gender, ethnicity, marital or family status, religion, culture, language, sexual orientation, disability and age, as well as differences in background and life experience.

In FY23, and as a newly listed entity, The Lottery Corporation Board set measurable objectives for achieving gender diversity in the composition of the Board, senior executives, and the workforce generally.

The Company's diversity gender diversity targets and current statistics are set out below.

### Gender diversity statistics as at 30 June 2023

| Position                       | Target Female FY25 | Percentage Female FY23 |
|--------------------------------|--------------------|------------------------|
| Directors                      | 40%                | 42.8%                  |
| Senior Leaders <sup>(ii)</sup> | 40%                | 37%                    |
| Workforce                      | 50%                | 52%                    |



The Sustainability Report is available in the 2023 Annual Report at:  
[www.thelotterycorporation.com/about/annual-reports](http://www.thelotterycorporation.com/about/annual-reports)

## 6.7 Executive Shareholding Policy

The Lottery Corporation Board has adopted an Executive Shareholding Policy applicable to ELT members to help align the interests of executives, The Lottery Corporation and shareholders.

Under the Policy, the MD & CEO is required to hold the equivalent of 200% of the value of her annual fixed remuneration in The Lottery Corporation Shares. Other members of the ELT are required to hold the equivalent of 100% of the value of their annual fixed remuneration.

The minimum shareholding must be achieved within 5 years from the implementation date of the demerger or their appointment, whichever is later.

## 6.8 Non-executive Director Shareholding Policy

Non-executive Directors are required to hold a minimum shareholding in The Lottery Corporation approximately equivalent to the annual Non-executive Director base fee, or two times the annual Non-executive Director base fee in the case of the Chairman of the Board.

Each Non-executive Director is encouraged to begin acquiring the shareholding within 12 months of their appointment and is required to reach the applicable threshold within 3 years from their appointment or by 1 June 2025 (whichever is later).



Key policies are available on the Company's website at:  
[www.thelotterycorporation.com/about/corporate-governance](http://www.thelotterycorporation.com/about/corporate-governance)

(ii) Senior Leaders are defined as executives and their senior direct reports.



### 6.9 Executive appointment, induction, performance assessment and succession

The Lottery Corporation has a structured recruitment process for team members. Certain ELT members and other team members are required to undergo probity investigation and receive approval from applicable gambling regulators and/or government ministers. As part of this process, they must undergo pre-appointment screening, which includes (as relevant) the provision of extensive personal information and checks as to character, experience, education, bankruptcy history and criminal records. ELT members are required to complete an annual questionnaire confirming, among other matters, they continue to be a suitable person to be associated with the conduct of activities performed by the Group under its respective licences.

Team members have agreed position descriptions that set out their duties, responsibilities, objectives and key performance indicators. Letters of appointment or employment contracts set out other key terms of employment, including term of office, rights, responsibilities and entitlements on termination of employment. The written agreements are with the senior executives personally.

The Company has a process for evaluating the performance of its senior executives during each reporting period. The process includes an assessment against a balanced scorecard setting out specific targets spanning financial, strategic, customer, organisation and people dimensions that are aligned to, and support, the Group's annual objectives and the Company's values. A performance evaluation was conducted in respect of FY23. Further details about this process and the outcomes of the process are set out in the Remuneration Report on pages 62 to 88 of the 2023 Annual Report.

### 6.10 Engaging with shareholders

The Lottery Corporation's Shareholder Communications Policy sets out the procedures and guidelines for keeping shareholders, as well as other stakeholders, informed about the Company. The Lottery Corporation is committed to communicating openly and in a timely manner with shareholders through the corporate website, Annual Report, dividend mailings, email broadcasts, the ASX and other means as appropriate.

The Lottery Corporation's corporate website provides a wide range of information about the Company, including about its governance, and its market and media releases. Financial results announcements and the AGM, are webcast live and archived on the website for at least 12 months.

The Company and its share registry, Link Market Services Limited, provide a service for shareholders to receive all shareholder related communications electronically, including dividend statements, notices of meeting and annual reports. This email service is a secure and efficient means for receiving this information while being environmentally friendly.

Shareholders can contact Link Market Services Limited or The Lottery Corporation directly via email, phone or mail. Contact details are available on the last page of the 2023 Annual Report or from the Contact Us section of the website.

#### 2023 Annual General Meeting

The Lottery Corporation encourages its shareholders to participate at its AGM. Details about how shareholders can participate are set out in the Notice of 2023 Annual General Meeting.

All resolutions which are voted on at the AGM will be decided by poll.

The Lottery Corporation has an investor relations program that includes briefings, presentations, meetings and other events as considered appropriate. These are designed to provide shareholders and financial market participants with opportunities to gain a greater understanding of the business, financial position, financial and operational performance and governance of The Lottery Corporation. It also facilitates an effective two-way communication between the Company and its shareholders and stakeholders.

The Board and senior management are regularly updated regarding the progress with the investor relations program and are informed of any significant comments or concerns raised by shareholders, organisations that represent investors and shareholders and proxy advisor groups.



The Shareholder Communications Policy is available on the Company's website at:  
[www.thelotterycorporation.com/about/corporate-governance](http://www.thelotterycorporation.com/about/corporate-governance)



## 6.11 Environmental and social risk factors

At The Lottery Corporation we have a proud history of making positive contributions to:

- Our customers (delivering winning moments and offering life changing prizes).
- Our communities (through the generation of significant taxes paid to State governments).
- Our retail partners (to whom we pay commissions, including news agencies, licensed venues and other retail partners).

The Company knows it has a responsibility to drive positive and sustainable change for its people, communities and to minimise its impact on the environment.

The Company's Sustainability Report describes our sustainability strategy and is set out in our 2023 Annual Report at pages 32 to 47.

An overview of the Company's material business risks and how these are managed is set out in the Operating & Financial Review on pages 10 to 27 of the 2023 Annual Report.



The Sustainability Report is available in the 2023 Annual Report at:

**[www.thelotterycorporation.com/about/annual-reports](http://www.thelotterycorporation.com/about/annual-reports)**