

CORPORATE GOVERNANCE STATEMENT

ACN 056 210 774 September 2015

This Corporate Governance Statement sets out eBET Limited's (**Company**) compliance with the third edition of ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, the Company is required to provide this statement disclosing the extent to which it has followed the recommendations contained in the ASX Principles and Recommendations. This corporate governance statement is current as at 14 August 2015 and has been approved by the board of the Company (**Board**).

	ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1	Lay solid foundations for management and oversight		
1.1	A listed entity should disclose: (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.	Yes	<p>The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:</p> <ul style="list-style-type: none"> (a) maintain and increase Shareholder value; (b) ensure a prudential and ethical basis for the Company's conduct and activities; and (c) ensure compliance with the Company's legal and regulatory objectives. <p>Consistent with these goals, the Board assumes the following responsibilities:</p> <ul style="list-style-type: none"> (a) developing initiatives for profit and asset growth; (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis; (c) acting on behalf of, and being accountable to, the shareholders; and (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality. <p>The Company is committed to the circulation of relevant materials to directors in a timely manner to facilitate directors' participation in Board discussions on a fully informed basis.</p> <p>The Company intends to regularly review the balance of responsibilities between the Board and management to ensure that the division of functions remains appropriate to the needs of the Company.</p>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	Yes	<p>The Company undertakes background checks with regards to the person's character, experience, education, criminal record and bankruptcy history prior to nomination for election as a director. Any materially adverse information revealed by these checks is released to security holders prior to the General Meeting at which they are able to be elected.</p> <p>When an individual is nominated to be a director, their curriculum vitae with their relevant professional history and qualifications is circulated to the security holders in the Company.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	<p>Directors are given letters of appointment and/or service agreements, and senior executives are given employment contracts prior to their engagement with the Company.</p>
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.	Yes	<p>The company secretary position is directly accountable to the Board on all matters to do with the proper functioning of the Board.</p>

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2 Structure the board to add value

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>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p>	<p>The Company has a nomination committee (Nomination Committee) consisting of three members – Mr Paul Oneile (chairman), Mr Ian James and Mr Michael Hale.</p> <p>All the committee members are considered to be independent directors by the Company.</p> <p>The nomination committee during the 2015 financial year had the following responsibilities:</p> <ul style="list-style-type: none"> • monitoring the ongoing development of the Board, consistent with the Company's growth and development prospects; • making recommendations for the appointment and removal of directors to the Board; • evaluating the performance and contribution of individual directors and the Board committees; and • assisting the Board in establishing remuneration policies and practices that enable the Company to attract, retain and motivate executives and directors who will pursue the long-term growth and success of the Company. <p>During the 2015 financial year, the Nomination Committee met a total of 3 times.</p> <p>Since the end of the 2015 financial year, the functions of the Nomination Committee have been amalgamated with the Remuneration Committee, and the committee has accordingly been renamed the Remuneration and Nomination Committee.</p> <p>A copy of the Remuneration and Nomination Committee Charter, which was adopted on 14 August 2015, is available on the Company's website.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	No	<p>The Board, during the 2015 financial year, did not deem it necessary to create a formal document outlining the particular skills of the existing Board as it has always strove to ensure that it was comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business.</p> <p>On 14 August 2015, the Company adopted a board skills matrix. The Company is in the process of finalising the matrix and it will be available on the Company's website shortly.</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, association 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, association 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>	Yes	<p>The Company has disclosed the details of the directors in its 2015 Annual Report. Information with respect to potential issues of independence may be disclosed to the market but no formal policy exists to ensure such disclosure.</p> <p>The Board regularly assesses director independence having regard to the criteria outlined in the ASX Governance Principles and Recommendations.</p>

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2.4	A majority of the board of a listed entity should be independent directors.	Yes	<p>The Board has reviewed the position and associations of each of the six directors and has determined that four directors are independent – Mr Paul Oneile, Dr Allan Sullivan, Mr Michael Hale and Mr Ian James.</p> <p>In making this determination the Board has had regard to the independence criteria in the ASX Principles and Recommendations, and other facts, information and circumstances that the Board considers relevant.</p> <p>The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate.</p>
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.	Yes	<p>The Chairman of the Board, Mr Paul Oneile, is considered an independent director as he is not a substantial shareholder in the Company.</p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	No	<p>The Company does not have a formal induction program for new directors.</p> <p>Nevertheless, the Company takes care in ensuring that directors will be able to effectively manage and govern the Company before their nomination as potential directors.</p>
<h3>3 Act ethically and responsibly</h3>			
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>Yes</p> <p>No</p>	<p>The Board is committed to the establishment and maintenance of appropriate ethical standards in order to instil confidence in clients, investors and the community in the way the Company conducts its business. These standards are encapsulated in the Code of Conduct which outlines how the Company expects each person who represents it to behave and conduct business.</p> <p>The Company did not disclose a copy or a summary of the Code of Conduct.</p> <p>On 14 August 2015, the Company adopted a new Code of Conduct, which is available on the Company's website.</p>
<h3>4 Safeguard integrity in corporate reporting</h3>			
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, 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>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>During the 2015 financial year, the audit committee (Audit Committee) consisted of three non-executive directors – Dr Allan Sullivan (chairman) Mr Paul Oneile and Mr Ian James.</p> <p>Mr Sullivan, Mr Oneile and Mr James are considered by the Company to be independent directors.</p> <p>A copy of the charter to the Audit Committee during the 2015 financial year is available on www.ebetgroup.com.</p> <p>The relevant qualifications and experiences of the members of the Audit Committee can be found in 2015 Annual Report.</p> <p>In the 2015 financial year, the Audit Committee met a total of 3 times.</p> <p>On 14 August 2015, the committee was renamed the Audit and Risk Committee and adopted a new charter, which will be available on the Company's website shortly.</p>

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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.	Yes	The Company has received a declaration from the CEO and CFO that, in their opinion, the financial records have been properly maintained and comply with the proper standards.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The external auditor attends the AGM and is available to answer any questions from shareholders relating to how the audit was conducted and the preparation and content of the audit report.
5	Make timely and balanced disclosure		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes Yes	The Company is committed to providing timely, complete and accurate disclosure of information to allow a fair, and well-informed market in its securities and to ensure its compliance with the continuous disclosure requirements imposed by law (including the Corporation Act and the ASX Listing Rules). The Company's Continuous Disclosure Policy during the 2015 financial year is available on the Company's website, www.ebetgroup.com . A new Continuous Disclosure Policy was adopted by the Board on 14 August 2015 and is available on the Company's website.
6	Respect the rights of security holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company provides information about itself and its governance to its investors via its website, http://www.ebetgroup.com/ , which contains all relevant information about the Company and is regularly updated.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has an investor relations program in place, but ensures that all material information is conveyed to its investors so as to facilitate communication.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	The Company had a formal Shareholder Communication Policy, during the 2015 financial year, to facilitate and encourage participation at meetings of security holders. The Shareholder Communication Policy for the 2015 financial year is available on the Company's website. A new Shareholder Communication Policy was adopted by the Board on 14 August 2015 and is available on the Company's website.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company encourages shareholders to register for receipt of announcements and updates electronically.

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7 Recognise and manage risk			
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>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Audit Committee was tasked with overseeing the management of the Company's risk profile during the 2015 financial year. The composition of the Audit Committee – which consists of three independent directors, two non-executive directors and the non-executive chairman – is noted in Section 4.1 above.</p> <p>The Audit Committee Charter and the Company's Risk Management Policy current during the 2015 financial year can be found on www.ebetgroup.com.</p> <p>In the 2015 financial year, the Audit Committee met a total of 3 times.</p> <p>As noted in Section 4.1, the Audit Committee has since been renamed the Audit and Risk Committee.</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</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	No	<p>The Board annually reviews and approves the risk management and oversight policies of the Company. However, the Board does not consider that disclosure of when these reviews takes place is necessary.</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 risk management and internal control processes.</p>	No	<p>The Company does not have an internal audit function, and does not disclose the processes it uses to improve risk management. Nonetheless, it remains committed to effective management and the control of these factors.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>All material risks are announced to the market, in accordance with the requirements of the ASX Listing Rules.</p>

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8 Remunerate fairly and responsibly

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>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The remuneration committee (Remuneration Committee) consists of three non-executive Directors: Paul Oneile (chairman), Ian James and Michael Hale. All committee members are considered by the Company to be independent directors.</p> <p>The Company has disclosed the details of the members of the committee in its 2015 Annual Report.</p> <p>The charter for the Remuneration Committee during the 2015 financial year is available on the Company's website, www.ebetgroup.com.au.</p> <p>Since the end of the 2015 financial year, the Board has amalgamated the functions of the Nomination Committee with the Remuneration Committee (now renamed the Remuneration and Nomination Committee) with a new charter adopted on 14 August 2015. The charter for the Remuneration and Nomination Committee will be made available on the Company's website.</p> <p>In the 2015 financial year, the Remuneration Committee met a total of 3 times.</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>	No	<p>Although, the Company has a remuneration policy, it has not deemed it necessary to separately disclose the policies which apply to non-executive directors, on the one hand, and to executive directors and other senior executives, on the other.</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>	No	<p>The Company has a securities trading policy that restricts the trading of the Company's securities by those who receive equity based remuneration. The Securities Trading Policy is available on the Company's website: www.ebetgroup.com.au.</p> <p>On 14 August 2015, the Company adopted a new Securities Trading Policy, which is available on the Company's website.</p> <p>The Company has two other schemes, an Executive Share Plan and an Employee Share Plan. As both plans are currently operating in early stages, the Company has not deemed it necessary to disclose summaries of both plans.</p>