

Waiting for more jackpots

Company/ASX Code	The Lottery Corporation Limited/TLC
AGM time and date	Wednesday 10am on Wednesday, 15 October 2025
Location	Brisbane Marriott Hotel, 515 Queen Street, Brisbane
Registry	MUFG Corporate Markets
Type of meeting	Physical with webcast (pre-submitted web questions only)
Monitor	David Loosemore assisted by Alison Prentice
Pre-AGM Meeting	Yes, with Doug McTaggart (Chairman) and Director Harry Boon (Remuneration Chair)

Monitor Shareholding: The individuals involved in the preparation of this voting intention may have a beneficial shareholding in this company.

1. How we intend to vote

No.	Resolution description	
1	Financial Statements and Reports	No vote required
2	a) Election of Mr Tim Poole b) Re-election of Ms Anne Brennan c) Re-election of Mr John O'Sullivan	For For For
3	Adoption of Remuneration Report	For
4	Grant of Performance Rights to the incoming MD & CEO	For

There is a webcast, but online questions can only be submitted prior to the meeting.

2. Summary of Issues and Voting Intentions for AGM

- The remuneration framework does not meet all of ASA guidelines, however, ASA will support the AGM resolutions.
- The AGM would be better conducted as a hybrid meeting, as currently, questions during the meeting will only be taken from the floor.
- ASA has pointed out to the company that the Board skills matrix could identify individual directors.
- We would prefer that director Megan Quinn increases her shareholding for investor alignment. The directors subject to election have sufficient holdings to demonstrate this.

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

3. Matters Considered

Accounts and reports

The Lottery Corporation (TLC) has a strong record operating lotteries and Keno across Australia and holds long-term licences in every state except Western Australia.

Earnings declined in FY25 after an exceptional FY24 driven by high-value Oz Lotto and Powerball jackpots. TLC expects revenue and earnings to normalise to their typical growth trajectory in FY26, supported by changes to Saturday Lotto and rising online player registrations.

TLC is well positioned to bid for new or extended lottery licences, including a potential opportunity in Victoria.

Financial performance

(As at FYE)	2025	2024	2023	2022	2021
NPAT (\$m)	365.5	414.0	264.8	346.6	N/A
UPAT (\$m)	365.5	411.8	339.4	373.2	N/A
Share price (\$)	5.33	5.07	5.13	4.52	N/A
Dividend (cents)	16.5	18.5	15.0	N/A	N/A
Simple TSR (%)	8.4	2.4	16.8	N/A	N/A
EPS (cents)	16.4	18.6	11.9	15.6	N/A
CEO total remuneration, actual (\$m)	2.547	2.599	1.896	2.071	N/A

Simple TSR is calculated by dividing change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Governance and culture

From our meetings and its reports, TLC appears to foster a culture of openness and respect for stakeholders and shows a clear commitment to good governance. However, the AGM format does not allow questions or voting from on-line attendees during the meeting. ASA prefers a full hybrid format to maximise shareholder participation. TLC advises this decision is to save meeting costs.

The Corporate Governance Statement (3.3) includes a Board skills matrix that rates directors' technical skills and experience as High, Practised, or Awareness. However, it has notable limitations:

1. It does not identify individual directors, and
2. It offers limited insight into how the directors standing for election add to the Board's overall capability.

ASA considers this format of limited value for shareholders seeking to objectively assess individual directors' skills and experience. For a fuller view, shareholders should refer to:

- The director biographies and summaries in the Annual Report; and
- The profiles provided in the current Notice of Meeting for directors up for election (and the prior year's Notice for those elected last year).

These sources provide more detailed, decision-useful information that could also be summarised within the skills matrix.

We raised this with TLC. In the pre-AGM meeting, the Board indicated it is reluctant to attribute skills at an individual level in the matrix because third-party reports might then hold individual directors responsible for company outcomes, whereas accountability rests with the Board as a whole. Notwithstanding this, individual directors' strengths are disclosed in the Annual Report and Notices of Meeting—they are simply not mapped in the skills matrix.

Key events

TLC pushed a multi-year upgrade of its Lottery/Keno systems, began replacing retail terminals across jurisdictions, and advanced “Reimagine Digital Experiences” (enhanced payments, retail memberships, new customer data platform, and special jackpots), while integrating Charitable Games and adding Keno digital spend limits under Responsible Play.

The Board monitored organisational culture through periodic surveys and aligned remuneration settings to a high-performance culture. On risk, TLC continued investment in data protection and cyber resilience, conducted a crisis-management exercise.

Key board or senior management changes

Tim Poole was appointed Independent NED on 6 Aug 2025 (observer from 16 December 2024); and stands for election at the 15 October 2025 AGM (Brisbane).

CEO transition: Sue van der Merwe announced her intention to retire end-2025; Wayne Pickup was appointed MD & CEO and is commencing 24 November 2025.

Functions realigned: a combined legal, governance, risk & compliance function was created in January 2025.

Sustainability/ESG

TLC's social licence to operate the lotteries and keno is critical, and it has a comprehensive sustainability strategy to achieve a positive impact, despite being in the business of gambling.

In FY25, TLC advanced several “S” (Social) and “G” (Governance) priorities. TLC implemented new Responsible Play measures in Keno, including a decision to introduce digital spend limits as part of the ongoing improvement of the program. Charitable Games were also integrated into The Lott's digital channels.

Responsible play limits on single unregistered Keno players remain challenging to monitor, and TLC is encouraging social play within Keno to address this issue. The company continued to invest in enhancing data protection and cybersecurity to strengthen organisational resilience.

On workforce inclusion, TLC maintained measurable gender diversity objectives and reported FY25 outcomes of 42.5% women in senior leadership roles and 49.1% women across the workforce, compared to FY26 targets of 40% and 50%, respectively.

TLC also highlights its broader social contribution to customers, communities (through taxes and duties to State governments), and retail partners within its ESG narrative.

TLC progressed environmental initiatives—expanding Scope 1 and 2 emissions measurement, investing in operational energy-efficiency, and continuing waste and

packaging reduction. There was limited work on Scope 3 impacts. Australia's new ISSB-aligned; mandatory climate-related financial disclosure regime will tighten reporting and scenario-analysis expectations from FY26.

4. Rationale for Voting Intentions

Item 2(a) Election of Mr Tim Poole as Director (for)

Tim Poole was appointed as NED on 6 August 2025 after a term of observer from 16 December 2024 and stands for election. He is currently Chairman of Aurizon Holdings Ltd, and formerly the Chairman of Reece Ltd and other NED roles and holds a Bachelor of Commerce. The board considers Mr Poole's significant experience as a non-executive director in a range of public and private companies across various sectors including infrastructure, transportation, property, financial services and mining to be of value to TLC. He holds 56,000 shares and is independent. Supported.

Item 2(b) Re-election of Ms Anne Brennan as Director (for)

Ms Anne Brennan has been a NED of TLC since May 2022. She is a NED of Endeavour Group Ltd and GPT Group and holds a Bachelor of Commerce (Honours). The Board considers Ms Brennan's extensive experience and background in finance, accounting, risk and compliance, and the gaming and entertainment industry to be of value to TLC. She holds 38,500 shares and is independent. Supported.

Item 2(c) Re-election of Mr John O'Sullivan as Director (for)

John O'Sullivan was appointed as a NED of TLC in October 2022. He is the Chairman of Abacus Storage King and an Ambassador for the Australian Indigenous Education Foundation and holds a Bachelor of Laws, Bachelor of Arts and a Master of Laws. The Board considers Mr O'Sullivan's extensive experience and background in legal, corporate governance, finance, risk and investment banking to be of value to TLC. He holds 41,191 shares and is independent. Supported.

Item 3 Adoption of Remuneration Report (for)

TLC's remuneration framework is clearly set out from page 51 of the Annual Report and is designed to align management and shareholder interests. The MD & CEO received 90.3% of target STI after the Board weighed financial and non-financial outcomes, risk and sustainability considerations, the impact of lower jackpot activity, and individual performance (see page 70). The LTI structure—split between relative TSR and ROIC—is appropriate and supported.

TLC's remuneration framework does not fully align with ASA guidelines.

- Sign-on: A \$500,000 cash payment plus relocation expenses will be paid to the new CEO to compensate for forfeited incentives; ASA prefers such awards to be delivered in equity over more than three years with performance hurdles.
- STI: Short-term incentives exceed fixed remuneration, and the equity lock is three months, whereas ASA prefers a holding period greater than 12 months.
- LTI: The performance period is three years (ASA prefers four to five years). While TLC applies an additional one-year post-vest holding lock—which can support clawback if adverse events arise in year four—ASA's preference is to lengthen the performance horizon itself.
- Equity vehicle: Executive equity is issued rather than purchased on-market, contrary to ASA's dilution-minimising preference.

Item 4 Grant of Performance Rights to the incoming Managing Director and Chief Executive Director (for)

For FY26, the TSR peer group has been revised to exclude Communications (Internet Media & Services) and Technology (Software) companies, reflecting their higher risk profiles and volatility. While this could make TSR outcomes easier to achieve in a rising market, it should better align performance comparisons with TLC's closer industry peers.

The absolute TSR gateway will be removed from the FY26 LTI. ASA would prefer this safeguard remain in place to avoid large payouts when shareholders experience negative returns.

On balance, supported.

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Appendix 1

Remuneration framework detail

New CEO rem. Framework for FY26	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.553	33%	1.553	25%
STI – Cash	0.776	17%	1.164	19%
STI – Equity	0.776	17%	1.164	19%
LTI	1.553	33%	2.329	38%
Total	4.658	100.0%	6.210	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.