



Notice of Annual General Meeting and Explanatory Memorandum

Jumbo Interactive Limited ACN 009 189 128

Date of Meeting: Thursday 29 October 2020

Time of Meeting: 11:30am (Brisbane time)

Place of Meeting: The Meeting will be conducted as a virtual Meeting - <https://web.lumiagm.com/322950486>

Notice of Annual General Meeting

Dear Shareholder

Notice is given that the Annual General Meeting of Shareholders of **Jumbo Interactive Limited** ACN 009 189 128 (**Company** or **Jumbo**) will be conducted at the Company's Head Office, Level 1, 601 Coronation Drive, Toowong, Queensland, on Thursday 29 October 2020, commencing at 11:30am (Brisbane time), **however shareholders seeking to attend the meeting must attend virtually at <https://web.lumiagm.com/322950486>.**

Due to the continuing developments on relation to coronavirus (COVID-19), we are making some changes to our approach to the AGM this year, with the health and safety of our shareholders and employees being of paramount importance. Considering the intermittent restrictions in QLD on large gatherings, it is not feasible for shareholders to physically attend this year's AGM.

Accordingly, the AGM this year will be virtual (online), and made accessible to shareholders via an online platform which will include the facility for shareholders to ask questions in relation to the business of the Company and the audit, and vote in real time at the meeting. These processes are set out in this notice of meeting.

The Directors of Jumbo encourage shareholders to participate in the meeting via the online platform. Whilst shareholders will be able to vote online during the meeting, shareholders are encouraged to lodge a direct vote or proxy ahead of the meeting, even if they are participating online. If you are unable to attend, please lodge your vote online at www.investorvote.com.au. Note that a poll will be conducted on all resolutions.

We invite shareholders to submit questions and comments in advance of the meeting at agm2020@jumbointeractive.com.

This notice of meeting (which includes the following agenda, eligibility to vote and explanatory notes) details the formal business to be dealt with at the AGM.

Briefly, this will be:

1. Receive and consider the formal reports for the financial year;
2. Adopt the 2020 Remuneration Report;
3. Re-elect directors – to re-elect Mr Giovanni Rizzo as a non-executive director of the Company;
4. Ratify the appointment of directors – to elect Ms Susan Forrester as a non-executive director of the Company; and
5. Approve the grant of short-term and long-term incentives (performance rights) to Mr Mike Veverka as an executive director and to the KMP

How to participate in the AGM online

Shareholders can participate in the AGM using one of the following methods:

- (a) From their computer, by entering the URL in their browser: <https://web.lumiagm.com/322950486>
- (b) From their mobile phones by entering the URL in their browser <https://web.lumiagm.com/322950486>; or
- (c) By using the Lumi AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

The online platform will allow shareholders to listen to the meeting, ask questions and vote in real-time.

How to submit your vote in advance of the meeting

Direct votes and proxy appointments must be received by 11:30am (Brisbane time) on Tuesday 27 October 2020 to be valid for the meeting.

Instructions on how to direct vote or appoint a proxy are on the online website www.investorvote.com.au.

Please review the Jumbo website for the following documents:

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- A link from the Investor Relations page to our share registry to register your email address (if not already recorded) in order to receive all shareholder information electronically and to obtain standard shareholder forms, including a direct credit advice for the upcoming final dividend for FY2020 to be paid 30 September 2020 if not already completed; and
- The Jumbo Annual Report 2020 and Notice of Meeting 2020.

We look forward to engaging with shareholders in this new way and hope you will participate in the meeting online.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Susan', written in a cursive style.

Susan Forrester

Chair

25 September 2020

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Agenda

Ordinary Business

Financial Reports

To receive and consider the Company's Annual Financial Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statements of Comprehensive Income, Financial Position, Changes in Equity and Cash Flows, and Notes to the Financial Statements for the Company and its controlled entities for the financial year ended 30 June 2020.

1. Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution:

"That the Remuneration Report for the year ended 30 June 2020 (as set out in the Directors' Report) be adopted."

Advisory Resolution

The vote on Resolution 1 is advisory only and does not bind the Directors.

Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel (**KMP**) details of whose remuneration are included in the Remuneration Report; and/ or
- (b) a Closely Related Party of such a member of the KMP.

However, the above persons may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution (directed proxy); or
- (b) the voter is the Chair and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

2. Re-election of Mr Giovanni Rizzo as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That Giovanni Rizzo, who retires by rotation in accordance with Rule 40.1 of the Constitution and ASX Listing Rule 14.4, and, being eligible, offers himself for re-election, be re-elected as a Director."

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3. Election of Ms Susan Forrester AM as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That Susan Forrester AM, who was appointed as a director since the last Annual General Meeting of the Company, and who retires in accordance with clause 38.2 of the Company’s Constitution and ASX Listing Rule 14.4 and being eligible, offers herself for re-election, be and is hereby re-elected as a Director.”

4. Issue of STI Management Rights under the Remuneration Framework to KMP

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

*“That for the purpose of ASX Listing Rule 7.1 and for all other purposes, the Company be authorised to issue 13,191 Shares (**STI Management Rights**) at a deemed issue price of \$9.95 per Share, to Key Management Personnel of the Company as the short-term incentive (**STI**) component of their remuneration for the financial year ending 30 June 2020 under the Company’s Remuneration Framework, on the terms and conditions set out in the Explanatory Memorandum.”*

Voting Exclusion Statement:

- The Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of:
 - a member of the KMP; and
 - an associate of a member of the KMP.
- However, this does not apply to a vote cast in favour of a resolution by:
 - a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
 - the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
 - a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Proxy Appointment Restriction:

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 4 by a member of the KMP or their Closely Related Parties who have been **appointed as a proxy** unless:

- the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or

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- the appointed proxy is the Chair and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

5. Issue of LTI Management Rights under the Remuneration Framework to KMP

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

*“That for the purpose of ASX Listing Rule 7.1 and for all other purposes, the Company be authorised to issue 52,764 Shares (**LTI Management Rights**) at a deemed issue price of \$9.95 per Share, to Key Management Personnel of the Company as the long-term incentive (**LTI**) component of their remuneration for the financial year ending 30 June 2021 under the Company’s Remuneration Framework, on the terms and conditions set out in the Explanatory Memorandum.”*

Voting Exclusion Statement:

- The Company will disregard any votes cast in favour of this Resolution 5 by or on behalf of:
 - a member of the KMP; and
 - an associate of a member of the KMP.
- However, this does not apply to a vote cast in favour of a resolution by:
 - a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
 - the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
 - a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Proxy Appointment Restriction:

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 5 by a member of the KMP or their Closely Related Parties who has been **appointed as a proxy** unless:

- the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- the appointed proxy is the Chair and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and

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- expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

6. Issue of STI Director Rights to a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

*“That in accordance with the provisions of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 10,050 Shares (**STI Director Rights**) at a deemed issue price of \$9.95 per Share, to Mr Mike Veverka, CEO and Director of the Company, as the short-term incentive (**STI**) component of his remuneration for the financial year ending 30 June 2020 under the Company’s Remuneration Framework, on the terms and conditions as set out in the Explanatory Memorandum.”*

A detailed summary of the proposed terms of the STI Director Rights is contained in the Explanatory Memorandum. If approval is given under ASX Listing Rule 10.11 approval is not required under ASX Listing Rule 7.1.

Voting Exclusion Statement:

- The Company will disregard any votes cast in favour of this Resolution 6 by or on behalf of:
 - Mr Mike Veverka; and
 - an associate of Mr Mike Veverka.
- However, this does not apply to a vote cast in favour of a resolution by:
 - a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
 - the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
 - a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Proxy Appointment Restriction:

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 6 by Mr Mike Veverka or his Closely Related Parties who has been **appointed as a proxy** unless:

- the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- the appointed proxy is the Chair and the appointment of the chair as proxy:

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- does not specify the way the proxy is to vote on the resolution; and
- expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of Mr Mike Veverka.

7. Issue of LTI Director Rights to a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

*“That in accordance with the provisions of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 40,201 Shares (**LTI Director Rights**) at a deemed issue price of \$9.95 per Share, to Mr Mike Veverka, CEO and Director of the Company, as the long-term incentive (**LTI**) component of his remuneration for the financial year ending 30 June 2021 under the Company’s Remuneration Framework, on the terms and conditions as set out in the Explanatory Memorandum.”*

A detailed summary of the proposed terms of the LTI Director Rights is contained in the Explanatory Memorandum. If approval is given under ASX Listing Rule 10.11 approval is not required under ASX Listing Rule 7.1.

Voting Exclusion Statement:

- The Company will disregard any votes cast in favour of this Resolution 7 by or on behalf of:
 - Mr Mike Veverka; and
 - an associate of Mr Mike Veverka.
- However, this does not apply to a vote cast in favour of a resolution by:
 - a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
 - the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
 - a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Proxy Appointment Restriction:

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 6 by Mr Mike Veverka or his Closely Related Parties who has been **appointed as a proxy** unless:

- the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or

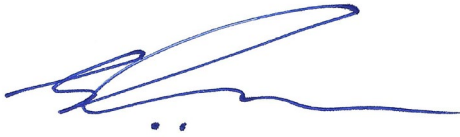
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- the appointed proxy is the Chair and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of Mr Mike Veverka.

General Business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By Order of the Board



Bill Lyne
Company Secretary
25 September 2020

Notice of Annual General Meeting

1. Introduction

This Explanatory Memorandum is provided to Shareholders of Jumbo Interactive Limited ACN 009 189 128 (**Jumbo** or **Company**) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held on Thursday 29 October 2020, commencing at 11:30am (Brisbane time) which may only be attended virtually by participating by using one of the methods set out below..

Shareholders are encouraged to participate in the AGM using one of the following methods:

- (a) From their computer, by entering the URL in their browser: <https://web.lumiagm.com/322950486>
- (b) From their mobile phones by entering the URL in their browser <https://web.lumiagm.com/322950486>; or
- (c) By using the Lumi AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

The online platform will allow shareholders to listen to the meeting, ask questions and vote in real-time.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in Section 12.

2. Consider the Company's annual report

The Company's Annual Financial Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statements of Comprehensive Income, Financial Position, Changes in Equity and Cash Flows, and Notes to the Financial Statements for the Company and its controlled entities for the financial year ended 30 June 2020 has been available to Shareholders and released on the ASX. The Company's Annual Financial Report for the year ended 30 June 2020 is available on the Company's website at www.jumbointeractive.com.

The Company's Annual Financial Report is placed before the Shareholders for consideration. No voting is required for this item.

3. Resolution 1: Remuneration Report

3.1 Remuneration Report

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Report:

- explains the Board's policy for determining the nature and amount of remuneration of the executive Director and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the senior executives of the Company, who are members of the Company's Key Management Personnel; and
- details and explains any performance conditions applicable to the remuneration of the executive Director and senior executives of the Company.

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Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, and make comments on, the Remuneration Report and the Company's remuneration arrangements.

The Board believes that the Company's remuneration arrangements, as set out in the 2020 Remuneration Report, are fair, reasonable and appropriate, support the strategic direction of the Company and align with Shareholders' expectations.

3.2 Directors' Recommendation

The voting exclusion statement for Resolution 1 is set out on page 1 of the Notice of Meeting. The Board unanimously recommends that Shareholders vote **in favour of Resolution 1**. A vote on this Resolution is advisory only and does not bind the Directors of the Company.

4. Resolution 2: Re-election of Mr Giovanni Rizzo as a Director

4.1 Re-election of Mr Giovanni Rizzo

Giovanni Rizzo retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Mr Rizzo was appointed as an additional non-executive director on 1 January 2019 to add value to the existing board. He is Chair of the Company's Nomination & Remuneration Committee and a member of the Audit & Risk Management Committee.

Mr Rizzo provides a wealth of both domestic and international experience in the gaming and lottery market, investor relations, financial and operational management, and corporate and strategic development following 14 years with the Tatts Group Ltd, he established their gaming operations in South Africa and managed this for six years, and was Head of Investor Relations in Australia for five years.

The Board considers Mr Rizzo to be an independent Director.

4.2 Directors' Recommendation

The Directors (with Mr Rizzo abstaining) recommend that you vote **in favour of Resolution 2**.

5. Resolution 3: Election of Ms Susan Forrester AM as a new Director

5.1 Election of Ms Susan Forrester AM

Susan Forrester, who was appointed by the directors of the Company on 7 September 2020 as a non-executive director and being eligible, offers herself for re-election as a director.

Ms Forrester was appointed as an additional director to add value to the existing board. She is Chair of the Company and a member of the Company's Nomination & Remuneration Committee and a member of the Audit & Risk Management Committee.

Susan has served as chair and non-executive director on multiple ASX-listed companies over 10 years, with broad experience in setting strategic direction as well as specific responsibility for corporate governance and compliance. With experience drawn from a career in corporate law across multiple industries, her strengths lie in strategy and governance within industries that are undergoing rapid change.

The Board considers Ms Forrester to be an independent Director.

5.2 Directors' Recommendation:

The Directors (with Ms Forrester abstaining) recommend that you vote **in favour of Resolution 3**.

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6. Resolution 4: Issue of STI Management Rights under the Remuneration Framework to KMP

6.1 Issue of STI Management Rights

The Company is seeking approval from the Shareholders for the proposed grant of rights to KMP (**STI Management Rights**). Further details of the STI Management Rights are set out below.

The Board-implemented Company Remuneration Framework is detailed in the Remuneration Report section of the Director's Report in the Annual Report 2020 and includes short-term incentives (**STIs**) with a maximum value of 25% of Total Remuneration Opportunity.

Two hurdle groups are used to determine the achievement of the total STI opportunity:

- The first hurdle (which represents 50% of the total STI opportunity) is tied to Jumbo's financial performance. This incentive is referred to as the **Financial STI**.
- The second hurdle (representing the remaining 50% of the total STI opportunity) is based on the achievement of annually defined KPIs for the Executive. These KPIs will focus on areas such as business acquisitions, non-organic revenue growth and other critical business measures. This incentive is referred to as the **Operational STI**.

The Board has determined that 0% of the Financial STI and 100% of the Operational STI is payable.

Short-term awards made to Executives comprise two elements:

- 50% of the total STI is payable as a cash incentive payable as per the normal incentive payment cycle; and
- the remaining 50% of the total STI is payable as restricted rights to shares payable on the achievement of a 2-year time-based hurdle and subject to formal claw back provisions.

The purpose of the proposed grant of rights is in respect of 50% of the total STIs payable.

ASX Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing in any 12 month period new equity securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period (**15% Capacity**) without either the prior approval of a majority of disinterested shareholders, or the issue otherwise falls within one of the prescribed exceptions to ASX Listing Rule 7.1 (**15% Rule**).

Equity securities issued with Shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% Capacity. Therefore, the Company is seeking Shareholder approval in accordance with ASX Listing Rule 7.1 to issue STI Management Rights that will not count towards the Company's 15% Capacity.

The Company would be entitled to issue the STI Management Rights utilising the 15% Capacity, but the Directors believe it is prudent and reasonable for shareholders to consider and vote on this action.

Accordingly, Resolution 4 proposes the approval of the allotment and issue of the STI Management Rights for the purpose of satisfying the requirements of ASX Listing Rule 7.1.

6.2 ASX Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, which prescribed certain information to be contained in the notice of meeting where approval is sought under ASX Listing Rule 7.1, the Company advises as follows:

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| 7.3.1 | The names of the persons to whom the entity will issue the securities or the basis on which those persons were or will be identified or selected. | Members of the KMP |
| 7.3.2 | The number and class of securities the entity will issue | 13,191 STI Management Rights |
| 7.3.3 | If the securities are not fully paid ordinary securities, a summary of the material terms of the securities | |
| | Grant date | 30 June 2020 |
| | Vesting Conditions | Be employed within the Jumbo Interactive Limited group. |
| | Vesting Date | <ul style="list-style-type: none"> 30 June 2021 (Vesting Date) Should a member of the KMP exit the business before the Vesting Date, then the KMP team member will forfeit their ownership of the right. This forfeiture is subject to a good leaver's clause which gives the Board the discretion to award the rights in cash in certain circumstances. |
| | Expiry Date | None |
| | Terms | <ul style="list-style-type: none"> Each STI Management Right is exercisable into one Share Company will seek quotation of Shares issued upon exercise of the STI Management Rights, which will rank <i>pari passu</i> with all other Shares on issue in the Company. <p>The shares are subject to escrow for a period of 12 months to 30 June 2022</p> |
| | Clawback | If the Board becomes aware of a material misstatement in, or omission from, the Company's financial statements, a material misstatement of vesting conditions, serious misconduct (including fraud, dishonesty, gross negligence), involvement in any act that has contributed to reputation damage to the Group or some other event which in the opinion of the Board means that all or part of the grant or vesting of the STI Management Rights is no longer justified, the Board may elect to claw back the benefit at its sole discretion. |
| 7.3.4 | The date or dates on or by which the entity will issue the securities. | Following Shareholder approval, the Company will issue the STI Management Rights as soon as practical and no later than 1 month after the date of the Meeting. |
| 7.3.5 | The price or other consideration the entity will receive for the securities. | Deemed to be \$9.95. This price represents the VWAP of the underlying securities during the preceding ten (10) trading day period prior to the financial year ended 30 June 2020. No funds will be raised from the issue of the STI Management Rights. |
| 7.3.6 | The purpose of the issue, including the intended use of the funds raised by the issue. | The Management Rights are issued in accordance with the Board-implemented Company Remuneration Framework. No funds will be raised from the issue of the STI Management Rights. |
| 7.3.8 | Voting exclusion statement | A voting exclusion statement is contained on page 6 of the notice of meeting. |

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6.3 Directors' Recommendation:

The Board unanimously recommends that Shareholders (who are eligible to vote on this Resolution) vote **in favour of Resolution 4**.

7. Resolution 5: Issue of LTI Management Rights under the Remuneration Framework to KMP

7.1 Issue of LTI Management Rights

The Company is seeking approval from the Shareholders for the proposed grant of rights to KMP (**LTI Management Rights**). Further details of the LTI Management Rights are set out below.

The Board-implemented Company Remuneration Framework is detailed in the Remuneration Report section of the Director's Report in the Annual Report 2020, and includes the grant of equity rights as long-term incentives (**LTIs**). The maximum value of these LTIs is 25% of Total Remuneration Opportunity.

The purpose of the proposed grant of rights is to:

- assist in the motivation, retention, and reward of KMP essential to the continued growth and development of the Company; and
- to align the interests of KMP more closely with those of Shareholders by providing an opportunity for KMP to receive an equity interest in the Company and to share in any future growth in the value of the Company.

ASX Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing in any 12 month period new equity securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period (**15% Capacity**) without either the prior approval of a majority of disinterested shareholders, or the issue otherwise falls within one of the prescribed exceptions to ASX Listing Rule 7.1 (**15% Rule**).

Equity securities issued with Shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% Capacity. Therefore the Company is seeking Shareholder approval in accordance with ASX Listing Rule 7.1 to issue LTI Management Rights that will not count towards the Company's 15% Capacity.

The Company would be entitled to issue the LTI Management Rights utilising the 15% Capacity, but the directors believe it is prudent and reasonable for shareholders to consider and vote on this action.

Accordingly, Resolution 5 proposes the approval of the allotment and issue of the LTI Management Rights for the purpose of satisfying the requirements of ASX Listing Rule 7.1.

7.2 ASX Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, which prescribed certain information to be contained in the notice of meeting where approval is sought under ASX Listing Rule 7.1, the Company advises as follows:

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| 7.3.1 The names of the persons to whom the entity will issue the securities or the basis on which those persons were or will be identified or selected. | Members of the KMP |
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|-------|--|---|
| 7.3.2 | The number and class of securities the entity will issue | 52,764 LTI Management Rights |
| 7.3.3 | If the securities are not fully paid ordinary securities, a summary of the material terms of the securities | |
| | Grant date | 1 July 2020 |
| | Vesting Conditions | <ul style="list-style-type: none"> The market price of Jumbo Interactive Limited shares to be equal to or greater than \$14.55 as at 30 June 2023, where the market price is the VWAP of the underlying securities during the preceding ninety (90) trading day period less any dividends paid between the grant date and the vesting date; and be employed within the Jumbo Interactive Limited group. |
| | Vesting Date | <ul style="list-style-type: none"> 1 July 2023 (Vesting Date) Should a member of the KMP exit the business before the Vesting Date, then the KMP team member will forfeit their ownership of the LTI Management Right. This forfeiture is subject to a good leaver's clause which gives the Board the discretion to award the rights in cash in certain circumstances. |
| | Expiry Date | 1 July 2024 |
| | Terms | Each LTI Management Right is exercisable into one Share Company will seek quotation of Shares issued upon exercise of the LTI Management Rights, which will rank <i>pari passu</i> with all other Shares on issue in the Company. |
| | Clawback | If the Board becomes aware of a material misstatement in, or omission from, the Company's financial statements, a material misstatement of vesting conditions, serious misconduct (including fraud, dishonesty, gross negligence), involvement in any act that has contributed to reputation damage to the Group or some other event which in the opinion of the Board means that all or part of the grant or vesting of the LTI Management Rights is no longer justified, the Board may elect to claw back the benefit at its sole discretion. |
| 7.3.4 | The date or dates on or by which the entity will issue the securities. | Following Shareholder approval, the Company will issue the LTI Management Rights as soon as practical and no later than 1 month after the date of the Meeting. |
| 7.3.5 | The price or other consideration the entity will receive for the securities. | Deemed to be \$9.95. This price represents the VWAP of the underlying securities during the preceding ten (10) trading day period prior to the financial year ended 30 June 2020. No funds will be raised from the issue of the LTI Management Rights. |
| 7.3.6 | The purpose of the issue, including the intended use of the funds raised by the issue. | The Management Rights are issued in accordance with the Board-implemented Company Remuneration Framework. No funds will be raised from the issue of the LTI Management Rights. |
| 7.3.8 | Voting exclusion statement | A voting exclusion statement is contained on page 6 of the notice of meeting. |

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7.3 Directors' Recommendation:

The Board unanimously recommends that Shareholders (who are eligible to vote on this Resolution) vote **in favour of Resolution 5**.

8. Resolution 6: Issue of STI Director Rights to a Director

8.1 Introduction

The Company is seeking approval from the Shareholders for the proposed grant of rights (**STI Director Rights**) to Mr Mike Veverka, a Director of the Company. Further details of the STI Director Rights are set out below.

The Board-implemented Company Remuneration Framework is detailed in the Remuneration Report section of the Director's Report in the Annual Report 2020 and includes short-term incentives (**STIs**) with a maximum value of 25% of Total Remuneration Opportunity.

Two hurdle groups are used to determine the achievement of the total STI opportunity:

- The first hurdle (which represents 50% of the total STI opportunity) is tied to Jumbo's financial performance. This incentive is referred to as the **Financial STI**.
- The second hurdle (representing the remaining 50% of the total STI opportunity) is based on the achievement of annually defined KPIs for the Executive. These KPIs will focus on areas such as business acquisitions, non-organic revenue growth and other critical business measures. This incentive is referred to as the **Operational STI**.

The Board has determined that 0% of the Financial STI and 100% of the Operational STI is payable.

Short-term awards made to Executives comprise two elements:

- 50% of the total STI is payable as a cash incentive payable as per the normal incentive payment cycle; and
- The remaining 50% of the total STI is payable as restricted rights to shares payable on the achievement of a 2-year time-based hurdle and subject to formal claw back provisions

The purpose of the proposed grant of rights is in respect of 50% of the total STIs payable.

ASX Listing Rule 10.11 requires shareholder approval for the issue of securities to a Related Party. Mr Veverka is a Related Party as he is a Director of the Company. Accordingly, Shareholder approval for the issue of the STI Director Rights is sought in accordance with ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1.

8.2 ASX Listing Rule 10.13

For the purpose of ASX Listing Rule 10.13, which prescribes certain information to be contained in the notice of meeting where approval is sought under ASX Listing Rule 10.11, the Company advises as follows:

| | | |
|---------|--|--|
| 10.13.1 | Name of the person | Mike Veverka (or his nominee) |
| 10.13.2 | The category in rules 10.11.1 – 10.11.5 that the person falls within and why. | Mike Veverka is a Director and therefore a related party under Listing Rule 10.11.1. |
| 10.13.3 | The number and class of securities to be issued to the person. | 10,050 STI Director Rights |

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| | | |
|---------|--|---|
| 10.13.4 | If the securities are not fully paid ordinary securities, a summary of the material terms of the securities. | |
| | <i>Price</i> | Deemed to be \$9.95 This is the VWAP of the underlying securities during the preceding ten (10) trading day period prior to the financial year ended 30 June 2020 |
| | <i>Grant date</i> | 30 June 2020 |
| | <i>Vesting Conditions</i> | Be employed within the Jumbo Interactive Limited group. |
| | <i>Vesting Date</i> | <ul style="list-style-type: none"> • 30 June 2021 (Vesting Date) • Should Mr Veverka exit the business before the Vesting Date, then Mr Veverka will forfeit their ownership of the STI Director Rights. This forfeiture is subject to a good leaver's clause which gives the Board the discretion to award the STI Director Rights in cash in certain circumstances. |
| | <i>Expiry Date</i> | None |
| | <i>Terms</i> | <ul style="list-style-type: none"> • Each STI Director Right is exercisable into 1 Share. • Company will seek quotation of Shares issued upon exercise of the STI Director Rights, which will rank <i>pari passu</i> with all other Shares on issue in the Company. • The shares are subject to escrow for a period of 12 months to 30 June 2022 |
| 10.13.5 | The date on which the entity will issue the securities, which must not be more than one month after the date of | Following Shareholder approval, the Company will issue the STI Director Rights as soon as practicable and no later than 1 month after the date of the meeting. |
| 10.13.6 | The prices or other consideration by which the entity will receive for the issue. | No funds will be raised from the issue of the STI Director Rights. |
| 10.13.7 | The purpose of the issue, including the intended use of any funds raised by the issue. | No funds will be raised from the issue of the STI Director Rights. |
| 10.13.8 | If the person is a director and therefore a related party under rule 10.11.1 and the amount is intended to remunerate the director, details (including the amount) of the director's current remuneration package. | <p>Mike Veverka's Total Remuneration Opportunity for the current financial year totals \$1,600,000 which is constituted by:</p> <p>\$800,000 – cash salary including superannuation</p> <p>\$400,000 – short term incentives subject to hurdles payable as 50% cash; 50% rights</p> <p>\$400,000 – long term incentives subject to hurdle payable as 100% rights</p> <p>\$1,600,000 – Total</p> <p>Refer to the Remuneration Report in the Annual Report 2020 for further details.</p> |

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| | | |
|-----------------|-----------------------------------|---|
| 10.13.10 | Voting Exclusion Statement | A voting exclusion statement is contained on page 6 of the notice of meeting. |
|-----------------|-----------------------------------|---|

8.3 Valuation

The value of the STI Director Rights is \$100,000. The value is calculated on 50% of the total STI payable. 50% of the total STI payable is 6.25% of Mike Veverka's Total Remuneration Opportunity of \$1,600,000.

Under Australian Accounting Standard AASB 2, the fair value of the STI Director Rights is measured by reference to the fair value of the equity instrument granted and must be recognized as an expense in the Company's Income Statement. The expense recognised will not be deductible for income tax purposes. Consistent with that Standard, the Company discloses the following information confirming the value of the options to be issued.

8.4 Existing interests and the potential dilutionary effect on other members

Set out below is a table summarising the interests of Mike Veverka and the effect the exercise of the STI Director Rights would have relative to other members' interests (assuming no other issues or reconstructions of capital or exercise of other options).

| Shareholders | Current Share Capital (28 August 2019) | | Share Capital Upon Exercise of STI Director Rights (Resolution 6) ² | |
|---------------------------|--|-----------------|--|-----------------|
| Other Shareholders | 52,933,028 | 84.762% | 52,933,028 | 84.749% |
| Mike Veverka ¹ | 9,515,729 | 15.238% | 9,525,779 | 15.251% |
| Total | 62,448,757 | 100.000% | 62,458,807 | 100.000% |

Notes:

1. *Includes all direct and indirect holdings.*
2. *Assumes that no other shares are issued by the Company, other than the shares upon exercise of the STI Director Rights. Does not include any shares to be issued under the LTI Director Rights as contemplated under Resolution 7.*

8.5 Legislative Requirements in relation to Resolution 6 under Corporations Act

The Company advises Shareholders that for the purposes of section 211(1) of the Corporations Act, the Board of Directors (with Mr Veverka abstaining) has resolved that the issue of the STI Director Rights is reasonable remuneration for Mr Veverka having regard to the circumstances of the Company, the roles and responsibilities of the Executive Director and the nature of the Company's operations. In particular, the issue of the STI Director Rights is necessary to attract and retain Mr Veverka as a suitably qualified executive with relevant experience.

8.6 Directors' Recommendation

The Directors (with Mr Veverka abstaining) recommend that you vote **in favour of Resolution 6**.

9. Resolution 7: Issue of LTI Director Rights to a Director

9.1 Introduction

The Company is seeking approval from the Shareholders for the proposed grant of rights (**LTI Director Rights**) to Mr Mike Veverka, a Director of the Company. Further details of the LTI Director Rights are set out below.

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The Board-implemented Company Remuneration Framework is detailed in the Remuneration Report section of the Director's Report in the Annual Report 2020 and includes the grant of equity rights as long-term incentives (**LTIs**). The maximum value of these LTIs is 25% of Total Remuneration Opportunity.

The purpose of the proposed grant of rights is to:

- assist in the motivation, retention, and reward of Executive Director essential to the continued growth and development of the Company; and
- to align the interests of the Executive Director more closely with those of Shareholders by providing an opportunity for the Executive Director to receive an equity interest in the Company and to share in any future growth in the value of the Company.

ASX Listing Rule 10.11 requires shareholder approval for the issue of securities to a Related Party. Mr Veverka is a Related Party as he is a Director of the Company. Accordingly, Shareholder approval for the issue of the LTI Director Rights is sought in accordance with ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1.

9.2 ASX Listing Rule 10.13

For the purpose of ASX Listing Rule 10.13, which prescribes certain information to be contained in the notice of meeting where approval is sought under ASX Listing Rule 10.11, the Company advises as follows:

| | | |
|----------------|---|---|
| 10.13.1 | Name of the person | Mike Veverka (or his nominee). |
| 10.13.2 | The category in rules 10.11.1 – 10.11.5 that the person falls within and why. | Mike Veverka is a Director and therefore a related party under Listing Rule 10.11.1. |
| 10.13.3 | The number and class of securities to be issued to the person. | 40,201 LTI Director Rights |
| 10.13.4 | If the securities are not fully paid ordinary securities, a summary of the material terms of the securities. | |
| | Price | Deemed to be \$9.95 This is the VWAP of the underlying securities during the preceding ten (10) trading day period prior to the financial year ended 30 June 2020 |
| | Grant date | 1 July 2020 |
| | Vesting Conditions | <ul style="list-style-type: none"> • The market price of Jumbo Interactive Limited shares to be equal to or greater than \$14.55 as at 30 June 2023, where the market price is the VWAP of the underlying securities during the preceding ninety (90) trading day period less any dividends paid between the grant date and the vesting date; and • be employed within the Jumbo Interactive Limited group. |

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| | | |
|----------|---|---|
| | Vesting Date | <ul style="list-style-type: none"> 1 July 2023 (Vesting Date) Should Mr Veverka exit the business before the Vesting Date, then Mr Veverka will forfeit their ownership of the LTI Director Right. This forfeiture is subject to a good leaver's clause which gives the Board the discretion to award the rights in cash in certain circumstances. |
| | Expiry Date | 1 July 2024 |
| | Terms | <ul style="list-style-type: none"> Each LTI Director Right is exercisable into 1 Share. Company will seek quotation of Shares issued upon exercise of the LTI Director Right, which will rank <i>pari passu</i> with all other Shares on issue in the Company. |
| 10.13.6 | The prices or other consideration by which the entity will receive for the issue. | No funds will be raised from the issue of the LTI Director Rights. |
| 10.13.7 | The purpose of the issue, including the intended use of any funds raised by the issue. | No funds will be raised from the issue of the LTI Director Rights. |
| 10.13.8 | If the person is a director and therefore a related party under rule 10.11.1 and the amount is intended to remunerate the director, details (including the amount) of the director's current remuneration package. | <p>Mike Veverka's Total Remuneration Opportunity for the current financial year totals \$1,600,000 which is constituted by:</p> <p>\$800,000 – cash salary including superannuation</p> <p>\$400,000 – short term incentives subject to hurdles payable as 50% cash; 50% rights</p> <p>\$400,000 – long term incentives subject to hurdle payable as 100% rights</p> <p>\$1,600,000 – Total</p> <p>Refer to the Remuneration Report in the Annual Report 2020 for further details.</p> |
| 10.13.10 | Voting Exclusion Statement | A voting exclusion statement is contained on page 6 of the notice of meeting. |

9.3 Valuation

The value of the LTI Director Rights is \$400,000. The value is calculated on 25% of the total LTI payable. 25% of the total LTI payable is 25% of Mike Veverka's Total Remuneration Opportunity of \$1,600,000.

Under Australian Accounting Standard AASB 2 the fair value of the LTI Director Rights is measured by reference to the fair value of the equity instrument granted and must be recognized as an expense in the Company's Income Statement. The expense recognised will not be deductible for income tax purposes. Consistent with that Standard, the Company discloses the following information confirming the value of the options to be issued.

9.4 Existing interests and the potential dilutionary effect on other members

Set out below is a table summarising the interests of the subject director and the effect the exercise of the LTI Director Rights would have relative to other members' interests (assuming no other issues or reconstructions of capital or exercise of other options).

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| Shareholders | Current Share Capital (26 August 2020) | | Share Capital Upon Exercise of LTI Director Rights (Resolution 7) ² | |
|---------------------------|--|-----------------|--|-----------------|
| Other Shareholders | 52,933,028 | 84.762% | 52,933,028 | 84.708% |
| Mike Veverka ¹ | 9,515,729 | 15.238% | 9,555,930 | 15.292% |
| Total | 62,448,757 | 100.000% | 62,488,958 | 100.000% |

Notes:

1. Includes all direct and indirect holdings.
2. Assumes that no other shares are issued by the Company, other than the shares upon exercise of the LTI Director Rights. Does not include any shares to be issued under the STI Director Rights as contemplated under Resolution 6.

9.5 Legislative Requirements in relation to Resolution 7 under Corporations Act

The Company advises Shareholders that for the purposes of section 211(1) of the Corporations Act, the Board of Directors (with Mr Veverka abstaining) has resolved that the issue of the LTI Director Rights is reasonable remuneration for Mr Veverka having regard to the circumstances of the Company, the roles and responsibilities of the Executive Director and the nature of the Company's operations. In particular, the issue of the LTI Director Rights is necessary to attract and retain Mr Veverka as a suitably qualified executive with relevant experience.

9.6 Directors' Recommendation

The Directors (with Mr Veverka abstaining) recommend that you vote **in favour of Resolution 7**.

10. Voting Entitlement

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 7:00pm (Sydney time) on 27 October 2020. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

11. Proxy Instructions

11.1 Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a Shareholder is entitled to cast two or more votes at the Meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the Shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a Shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the Meeting under Section 250D of the Corporations Act. If a representative of a corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

A proxy form is attached to this Notice. The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

Shareholders should take note of the voting restrictions and exclusions specified in this Notice of Meeting and on the proxy form when appointing a person as a proxy.

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The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be delivered, posted or sent by facsimile transmission to the Share Registry or cast online as detailed below so that it arrives not less than 48 hours before the time for holding the Meeting, or adjourned Meeting as the case may be, at which the individual named in the proxy form proposes to vote.

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001

By Fax:

1800 783 447 (or +61 3 9473 2555 from outside Australia)

Online:

www.investorvote.com.au

11.2 Signing instructions

You must sign the proxy form as follows in the spaces provided:

- Individual: Where the holding is in one name, the holder must sign.
- Joint Holding: Where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Where the company has a Sole Director, who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

12. Interpretation

AGM means annual general meeting.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rule means the official listing rules of the ASX as amended from time to time.

Board means board of Directors.

Closely Related Party of a member of the Key Management Personnel has the meaning given in Section 9 of the Corporations Act being:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or

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- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of the definition of closely related party.

Company means Jumbo Interactive Limited ACN 009 189 128.

Constitution means the constitution of the Company in effect at the relevant time as amended or repealed and replaced from time to time.

Corporations Act means *Corporations Act 2001* (Cth) (as amended from time to time).

Director means a director of the Company from time to time.

KMP or **Key Management Personnel** has the definition given in the Accounting Standard AASB 124 *Related Party Disclosures* as 'those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity'.

Meeting means the 2020 annual general meeting of the Company convened under this notice and explanatory memorandum.

Notice means the notice of meeting given notice to Shareholders of the Meeting, accompanying this explanatory memorandum.

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

Remuneration Report means the remuneration report of the Company.

Resolution means a resolution of the Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder or **Member** means a person who holds Shares.

Total Remuneration Opportunity comprises fixed remuneration and incentives.

VWAP means the average of the daily volume weighted average price of all sales of Company Shares recorded on ASX during the pricing period.