



23 February 2023

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

THE LOTTERY CORPORATION LIMITED TO IMPLEMENT DIVIDEND REINVESTMENT PLAN

The Lottery Corporation Limited (**TLC**) today announced it will implement a Dividend Reinvestment Plan (**DRP**) for its shareholders.

The DRP will operate for the interim dividend for the half-year ended 31 December 2022, the special dividend announced on 23 February 2023 and subsequent dividends until the Board otherwise determines.

Participation in the DRP is optional and currently available to shareholders of fully paid ordinary TLC shares with a registered address in Australia or New Zealand as at the relevant dividend record date.

If a shareholder elects to participate in the DRP, they will be able to reinvest either all or part of their dividend payments into additional fully paid ordinary TLC shares. No brokerage, commission or other transaction costs will be payable by the shareholder in relation to acquiring shares under the DRP.

The full terms and conditions of the DRP are detailed in the rules of the DRP and a set of frequently asked questions about participation in the DRP, which are attached to this announcement and are available at: www.thelotterycorporation.com/investors/shareholder-services. Also attached is a copy of the communication to be despatched to eligible TLC shareholders in respect of the DRP.

Shareholders are strongly encouraged to read the full terms and conditions of the DRP and seek financial advice before deciding to participate. Shareholders who wish to participate must elect to do so, and TLC encourages those eligible shareholders who wish to participate in the DRP to make their election online at www.linkmarketservices.com.au.

For each dividend, TLC will publish on the ASX market announcements platform and on its website relevant information in relation to the DRP, including the DRP election date and information on the allocation price, when available.

Important Note: Those shareholders who became TLC shareholders via the demerger from Tabcorp Holdings Limited did not have any elections carried across in respect of DRP participation. Therefore, those shareholders will need to make a new DRP election for their TLC shares in order to participate in the TLC DRP.

This announcement was authorised for release by Patrick McGlinchey, Company Secretary.

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Dividend Reinvestment Plan Rules

The Lottery Corporation Limited (Company)

ACN 081 925 706

23 February 2023

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1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in these Rules are set out below.

Term	Meaning
Allocated Shares	the Shares allocated to the Participant under the DRP.
Allocated or Allocation	<ol style="list-style-type: none">1 the issue of new Shares to; or2 the transfer of existing Shares to; or3 any combination of the issue of new Shares to or the transfer of Shares to, a Participant under the DRP, as the case may be.
Allocation Price	in respect of an Allocation, the price at which those Shares are Allocated, calculated in accordance with rule 10.
ASX	ASX Limited (ACN 008 624 691) or the stock market operated by ASX Limited (as the case may be).
Average Market Price	<p>the arithmetic average of the daily volume weighted average price for Shares traded on ASX (or any other market nominated or determined by the Board) during the Pricing Period:</p> <ol style="list-style-type: none">1 adjusted by the Company to ensure that, as far as reasonably possible, the calculation of entitlements is unaffected by the method of Allocation, given that the Allocation of Shares may occur by issue, transfer, or a combination of issue and transfer; and2 excluding any trades that the Company determines to exclude on the basis that the trades are not fairly reflective of natural supply and demand or are not in the ordinary course of trading on the relevant market; and3 excluding special crossings, crossings prior to the commencement of the open state or normal trading, overnight crossings, crossings during overnight trade, overseas trades, trades pursuant to the exercise of options, overnight trades and any other trades that are excluded from an ASX volume weighted average price calculation.
Board	the board of directors of the Company, or any duly appointed committee of the board of directors of the Company.

Term	Meaning
Business Day	a day which is a business day within the meaning of the Listing Rules.
Company	The Lottery Corporation Limited ACN 081 925 706.
Constitution	the constitution of the Company as varied from time to time.
Discount	the percentage discount (if any) determined by the Company from time to time to be applied in calculating the Allocation Price per Share under rule 10.
Dividend	any dividend per Share announced and payable by the Company.
Dividend Payment	for a Shareholder, the relevant Dividend multiplied by the number of Shares held by that Shareholder as at the relevant Dividend Record Date, subject to rule 20(d) and less any resident and/or non-resident withholding tax or any other amounts the Company is entitled or required to deduct from the payment.
Dividend Payment Date	the date on which the Dividend is payable, as announced by the Company.
Dividend Record Date	the date and time, as determined by the Board, at which a person holds or is taken to hold Shares for the purpose of determining the entitlement of Shareholders to Dividends.
DRP	the Company's dividend reinvestment plan to which these Rules apply, as varied from time to time.
DRP account	the account established and maintained by the Company for each Participant under the DRP.
Eligible Shareholder	has the meaning given in rule 3.
Full Participation	has the meaning given in rule 7(b).
Last Election Date	the first Business Day after the Dividend Record Date for a Dividend, or such other date determined by the Company to be the last date to elect to participate in the DRP for a particular Dividend.

Term	Meaning
Listing Rules	the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, except to the extent of any waiver by ASX.
Maximum Participating Holding	the number of Shares (if any) determined by the Company from time to time under rule 8(c).
Minimum Participating Holding	the number of Shares (if any) determined by the Company from time to time under rule 8(a).
Partial Participation	has the meaning given in rule 7(c).
Participant	a Shareholder some or all of whose Shares are Participating Shares.
Participating Shares	Shares which a Shareholder has validly elected for participation in the DRP or which are otherwise taken under these Rules to participate in the DRP.
Participation Notice	a form, whether written or electronic, used to apply for, vary or terminate participation in the DRP, as approved by the Company from time to time.
Pricing Period	in respect of a Dividend, the period determined by the Company, being a period of not less than 5 Trading Days.
Requirements	the <i>Corporations Act 2001</i> (Cth), the Listing Rules and the operating rules of ASX, including the ASX Operating Rules, the ASX Clear Operating Rules and the ASX Settlement Operating Rules.
Rules	these rules of the DRP as varied from time to time.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a registered holder of Shares at a relevant Dividend Record Date.
Share Registry	the share registry which maintains the Company's share register.

Term	Meaning
Trading Day	a full day on which Shares are quoted, and not suspended from quotation or made subject to a trading halt on ASX, provided that it is not a day on which ASX is closed or on which trading on ASX is suspended generally.

1.2 Interpretation

In these Rules headings are for convenience only and do not affect interpretation and unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined have a corresponding meaning;
- (d) any reference in these Rules to any enactment, part of an enactment, or any Requirement includes a reference to that enactment, part of that enactment, or Requirement as from time to time amended, consolidated, re-enacted or replaced and, in the case of an enactment, all regulations and statutory instruments issued under it;
- (e) a reference to a body, whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (g) a reference to dollars or \$ is to Australian currency;
- (h) unless otherwise determined by the Company or specified below, a reference to a price is to the relevant dollar amount rounded to 4 decimal places; and
- (i) all references to time are to Sydney time.

2 Commencement of the DRP

The DRP and these Rules will commence operation on such date as the Board in its sole discretion determines.

3 Eligibility to participate

- (a) The Company may from time to time invite Shareholders to participate in the DRP.
- (b) Participation in the DRP is subject to these Rules.

- (c) Participation in the DRP by Eligible Shareholders:
- (1) is optional and voluntary;
 - (2) is not transferable; and
 - (3) may be varied or terminated at any time in accordance with rule 14.
- (d) Subject to rules 3(e) and 3(f), an **Eligible Shareholder** is, in respect of a particular Dividend Record Date, a person who, at that Dividend Record Date, was recorded in the Company's share register as a registered holder of at least the Minimum Participating Holding (if any) and whose address in the Company's share register at the relevant Dividend Record Date:
- (1) is in Australia or New Zealand; or
 - (2) is in a jurisdiction in which the Company is satisfied that the offer and issue or transfer of Shares under the DRP is lawful and practicable, provided that the Board may determine that:
 - (3) a Shareholder, or a class of Shareholders, are not Eligible Shareholders if they are, or hold Shares on behalf of other persons who are, resident outside the jurisdictions mentioned in paragraphs (1) and (2) above; and
 - (4) a Shareholder, or a class of Shareholders, are Eligible Shareholders notwithstanding that they are resident outside the jurisdictions mentioned in paragraphs (1) and (2) above.
- (e) The Board is entitled to make a final determination as to whether or not any particular Shareholder is an Eligible Shareholder for the purposes of these Rules, and to change any such determination, as and when it sees fit. In making this determination, the Board may consider, among other things, whether such participation would or may be impracticable, impossible or illegal and any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.
- (f) The Board has the discretion to refuse to accept any person's Shares for participation in the DRP and to suspend or withdraw any person's Shares from participation (including declining to issue or transfer or reducing the issue or transfer of Shares under the DRP to a Participant) if the Company considers that the participation of those Shares might:
- (1) breach any law of Australia including the *Foreign Acquisitions and Takeovers Act 1975* (Cth), the Listing Rules or the Constitution; or
 - (2) prejudice the effective operation of the DRP; or
 - (3) be undesirable or impractical.
- (g) It is the responsibility of each Shareholder to obtain any necessary approvals to enable that Shareholder to participate in the DRP.

4 Multiple holdings

- (a) Where an Eligible Shareholder has more than one holding of Shares:
- (1) each holding will be treated as separate for the purposes of the DRP, such that a separate Participation Notice must be lodged with respect to each separate holding that is to participate; and

- (2) these Rules will apply as if each such holding were held by a separate Participant,
unless the Board determines otherwise.
- (b) Without limiting (a) above, the Board is entitled (but not obliged) to refuse an Eligible Shareholder's participation in the DRP where that Shareholder has, in the opinion of the Board, split a shareholding or acquired Shares as part of such a split, in order to increase the number of Shares that may be acquired by that Shareholder or another person under this DRP.
- (c) Unless the Board determines otherwise, if Shares are jointly held by two or more Eligible Shareholders, all joint holders of such Shares must sign a single Participation Notice for it to be valid. If one or more of the joint holders of the Shares is not an Eligible Shareholder, none of the joint holders can apply to participate in the DRP with respect to the Shares jointly held.

5 Broker, trustee or nominee accounts

if:

- (a) a shareholding account appearing in the Company's share register relates to a:
 - (1) broker's clearing account;
 - (2) trustee; or
 - (3) nominee; and
- (b) the broker, trustee or nominee notifies the Company:
 - (1) that the relevant Shares are held for a number of different persons;
and
 - (2) specifies the number of Shares held for each of such persons as at a particular Dividend Record Date (although the names of such persons need not be specified),

then the Company may determine that each such holding shall, as at that Dividend Record Date, be taken to represent a separate Shareholder for the purpose of the Minimum Participating Holding (if any) and the Maximum Participating Holding (if any), and these Rules will be read and interpreted accordingly.

6 Application to participate

- (a) Subject to the discretion of the Company, an application to participate in the DRP must be made by submitting a Participation Notice in accordance with rule 19. An Eligible Shareholder's participation in the DRP will take effect in accordance with rule 19(b).
- (b) A Participation Notice validly submitted or otherwise accepted by the Company remains in effect until:
 - (1) the Participant varies or terminates participation in the DRP under these Rules;
 - (2) the Company terminates the DRP under rule 16; or

- (3) the Participant ceases to be an Eligible Shareholder under rule 3, in which case the Participation Notice will become effective again if and at such time as the Shareholder recommences to be an Eligible Shareholder.

7 Extent of participation

- (a) Participation may be either full or partial. A Participation Notice must specify whether the Shareholder has elected Full Participation or Partial Participation, and if Partial Participation is elected, the Participation Notice must clearly specify the number of Shares that are to be Participating Shares.
- (b) **Full Participation** means that all Shares registered in the Participant's name from time to time (subject to the Maximum Participating Holding (if any)) are Participating Shares. Where a Shareholder has elected Full Participation, all Shares subsequently acquired and held by that Participant (whether under the DRP or otherwise) will be Participating Shares, subject to:
 - (1) the Requirements;
 - (2) any later Participation Notice submitted by that Participant; and
 - (3) the Maximum Participating Holding (if any).
- (c) **Partial Participation** means that only the number of Shares specified as participating in the Participation Notice by the Shareholder are Participating Shares (subject to the Maximum Participating Holding (if any)). However, if at the relevant Dividend Record Date the number of Shares held by the Participant is less than the specified number of Shares, the DRP applies to the lesser number of Shares (and the Participant is deemed to have lodged a Participation Notice to this effect for the relevant Dividend). This means that, where a Shareholder has elected Partial Participation, Shares in excess of the number specified as participating that are subsequently acquired by that Shareholder (whether under the DRP or otherwise) will not participate in the DRP unless that Shareholder submits a further Participation Notice in accordance with rule 14.
- (d) If a Participation Notice does not, in the opinion of the Company, clearly indicate the level of participation in the DRP, it will be deemed to be an application for Full Participation.
- (e) The Company shall not be liable to any Eligible Shareholder for any loss, damage or claim in respect of that Eligible Shareholder's participation as a result of the operation of rules 7(b), (c) or (d).

8 Minimum Participating Holding and Maximum Participating Holding

- (a) The Company may determine a minimum permitted number of Participating Shares per Participant (whether in respect of a particular Dividend or Dividends generally) from time to time by notification on the Company's website and by notice to ASX.
- (b) To the extent that a Participation Notice has specified a number of Participating Shares less than a prevailing Minimum Participating Holding (including an election of Full Participation where the number of Participating Shares would

otherwise be less than that limit), for so long as the Minimum Participating Holding applies:

- (1) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be zero; and
 - (2) any Shares specified in the Participation Notice as Participating Shares are deemed not to be Participating Shares, and any Dividend payable in respect of them will be paid by the Company in accordance with its usual arrangements for the payment of Dividends.
- (c) The Company may determine a maximum permitted number of Participating Shares per Participant (whether in respect of a particular Dividend or Dividends generally) from time to time by notification on the Company's website and by notice to ASX.
- (d) To the extent that a Participation Notice has specified a number of Participating Shares in excess of the prevailing Maximum Participating Holding (including an election of Full Participation where the number of Participating Shares would otherwise exceed that limit), for so long as the Maximum Participating Holding applies:
- (1) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be the Maximum Participating Holding; and
 - (2) any Shares specified in the Participation Notice as Participating Shares in excess of the Maximum Participating Holding are deemed not to be Participating Shares, and any Dividend payable in respect of them will be paid by the Company in accordance with its usual arrangements for the payment of Dividends.

9 Reinvestment of Dividends and residual balances

- (a) Each Dividend Payment payable to a Participant in respect of Participating Shares will be applied by the Company on the Participant's behalf in acquiring additional Shares by issue or transfer in accordance with these Rules.
- (b) A Dividend payable in respect of Participating Shares is not available for reinvestment under the DRP to the extent that the Company is entitled to and does retain or otherwise deals with the Dividend in accordance with its Constitution or any legal requirements (including withholding tax).
- (c) The Company will establish and maintain a DRP account for each Participant. In respect of each Dividend payable to a Participant, the Company will:
 - (1) determine the Dividend Payment in respect of that Participant's Participating Shares;
 - (2) credit the amount in rule 9(c)(1) to the Participant's DRP account, and that payment constitutes payment of the Dividend on the Participant's Participating Shares;
 - (3) determine the maximum whole number of additional Shares which may be acquired under the DRP at the Allocation Price by dividing the amount in the Participant's DRP account by the Allocation Price and rounding that number down to the nearest whole number;
 - (4) on behalf of and in the name of the Participant, subscribe for or purchase the number of Shares determined under rule 9(c)(3) and

- debit the Participant's DRP account with the total of the price for the Allocated Shares; and
- (5) retain in the Participant's DRP account, without interest and on the terms set out in these Rules, any cash balance remaining (rounded down to the nearest cent) unless and until the cash balance is applied in accordance with these Rules.
- (d) Subject to rule 9(e), any residual balance in a Participant's DRP account will be aggregated with any further Dividend Payment credited to the Participant's DRP account.
- (e) Where:
- (1) the DRP is suspended or terminated by the Company pursuant to these Rules; or
 - (2) the Participant ceases to participate in the DRP for whatever reason, any positive residual balance in the Participant's DRP account will be paid to the Participant.

10 Price of Shares

- (a) Shares are Allocated under the DRP at the Allocation Price, which is the Average Market Price of Shares during the Pricing Period, less the Discount (if any) determined by the Company from time to time, rounded in the manner determined by the Company. The determination by the Company of the Allocation Price is binding on all Participants.
- (b) The Average Market Price must be calculated by the Company or another suitable person nominated by the Company, by reference to information the Company approves for that purpose from time to time.
- (c) A Discount (if any) or Pricing Period may be different from one Dividend to the next, and either may be determined or varied by announcement on the Company's website and to ASX at any time.

11 Allocation of Shares

- (a) The Company may, in its discretion, either:
 - (1) issue new Shares; or
 - (2) cause existing Shares to be acquired for transfer to Participants; or
 - (3) undertake any combination of the options above,to satisfy the Company's obligations under these Rules.
- (b) If the Company decides to cause the transfer of Shares to Participants, those Shares may be acquired in such manner as the Company considers appropriate.
- (c) All Shares newly issued under the DRP will, from the date of Allocation, rank equally in all respects with existing Shares unless the Company determines that they are not to participate in either or both of:
 - (1) the next Dividend paid; and

- (2) any offer of Shares open when the Shares are issued under the DRP.
- (d) Shares will be Allocated within the time required by ASX.
- (e) Shares Allocated pursuant to the DRP will be registered on the share register on which the Participant already holds Shares or if the Participant holds Shares on more than one share register, on the share register which the Company determines.
- (f) Where the Shares Allocated pursuant to the DRP are not quoted on ASX at the time the Allocation is effected, the Company will, at its own cost, apply (or procure the application) for quotation of those Shares on ASX within the time required by the Listing Rules.

12 DRP statements

On, or as soon as practicable after, each Dividend Payment Date, the Company must forward to each Participant a statement in a form determined by the Company detailing:

- (a) the number of the Participant's Participating Shares as at the relevant Dividend Record Date;
- (b) the amount of the relevant Dividend Payment in respect of the Participant's Participating Shares (including any amounts deducted from the Dividend payable);
- (c) the amount (if any) in the Participant's DRP account immediately prior to the payment of the relevant Dividend;
- (d) the number of Shares Allocated to the Participant under these Rules and the date of Allocation of those Shares;
- (e) the cash balance (if any) retained in the Participant's DRP account after deduction of the amount payable on Allocation of the additional Shares;
- (f) the Participant's total holding of Shares after Allocation;
- (g) the Allocation Price of each Share Allocated to the Participant;
- (h) the franked amount (if any) of the Dividend Payment and the franking credit (if any) attached to the Dividend; and
- (i) any other matters required by law to be included in the statement.

13 The effect of applying for participation

By applying to participate in the DRP, the Shareholder:

- (a) warrants to the Company that it is an Eligible Shareholder;
- (b) acknowledges that Dividends reinvested under the DRP will be assessable for applicable income tax in the same way as cash Dividends;
- (c) authorises the Company (and its officers or agents) to correct any error in, or omission from, any other notice or application contemplated by rule 19 (including, but not limited to, a Participation Notice);
- (d) acknowledges that the Company may at any time irrevocably determine that the Shareholder's Participation Notice is valid, in accordance with these Rules,

even if the Participation Notice is incomplete, contains errors or is otherwise defective;

- (e) acknowledges that the Company may reject any Participation Notice;
- (f) consents to the establishment of a DRP account on its behalf;
- (g) consents to any entitlement to a fraction of a Share produced by the calculation in rule 9(c) being dealt with in accordance with rule 9;
- (h) agrees to the appointment of the Company, or a nominee (including a broker or the Share Registry) appointed by the Company, as the Participant's agent to acquire Shares where the Company decides to Allocate Shares to Participants by acquiring existing Shares in accordance with rule 11 (and for the avoidance of doubt, the Shareholder agrees to the Company or its nominee taking all steps necessary to register the Shares in the Shareholder's name, including the execution of any share transfers required);
- (i) acknowledges that the Company may, in its absolute discretion, arrange for the DRP to be fully or partially underwritten in respect of any one or more Dividends with one or more underwriters;
- (j) acknowledges that neither the Company nor the Share Registry has provided the Shareholder with investment advice, taxation advice, financial product advice or any securities recommendation concerning its decision to apply to participate in the DRP and that neither has any obligation to provide any such advice or recommendation;
- (k) acknowledges that neither the Company nor the Share Registry (nor any officer of the Company or the Share Registry) will be liable or responsible to the Shareholder for any loss or disadvantage suffered or incurred by the Shareholder as a result, directly or indirectly, of the establishment or operation of the DRP or participation in the DRP or in relation to any advice given with respect to participation in the DRP; and
- (l) unconditionally agrees to the Rules and agrees not to do any act or thing which would be contrary to the spirit, intention or purpose of the DRP or the Rules,

in each case, at all times until termination of the DRP or the cessation of the Participant's participation in the DRP.

14 Variation or termination of participation

- (a) A Participant may at any time give notice to the Company (via the Share Registry using the Participation Notice) of the Participant's decision to:
 - (1) increase or decrease the number of Shares participating in the DRP; or
 - (2) terminate the Participant's participation in the DRP.The alteration or termination takes effect in accordance with rule 19.
- (b) If a Participant increases its level of participation to Full Participation, rule 7(b) applies.
- (c) If a Participant decreases its level of participation or increases its level of participation to a level below Full Participation, rule 7(c) applies.
- (d) If a Participant dies, participation in the DRP terminates upon receipt by the Company of written notice of the death. If a Participant is declared bankrupt or is wound-up, participation in the DRP terminates upon receipt by the Company

of a notification of bankruptcy or winding-up from the Participant or the Participant's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding-up of one or more joint holders does not automatically terminate participation provided the remaining holder or all remaining joint holders are Eligible Shareholders.

- (e) Upon termination of participation for whatever reason (including termination of the DRP under rule 16), the Company must forward, unless otherwise directed, to the Participant a statement of the Participant's DRP account made out to the date of termination.

15 Reduction or termination of participation where no notice is given

- (a) Where all of a Participant's Shares are Participating Shares and the Participant disposes of some (but not all) of those Shares, then subject to rule 14(a), the remaining Shares held by the Participant continue to be Participating Shares.
- (b) Where only some of a Participant's Shares are Participating Shares and the Participant disposes of part of the Participant's total holding, then the Shares disposed of are deemed not to be Participating Shares. If the number of Shares disposed of is more than the number of the Participant's Shares not participating in the DRP, the disposal is deemed to include all the Participant's holding not participating in the DRP, and the balance (if any) will be attributed to Participating Shares.
- (c) Where a Participant disposes of all its Shares, the Participant is deemed to have terminated participation in the DRP with respect to the holding on the date the Company registered a transfer or instrument of disposal of the Participant's holding.

16 Variation, suspension and termination of the DRP or these Rules

- (a) The DRP or these Rules may be varied, suspended or terminated by the Company at any time by notification on the Company's website and by notice to ASX. For the avoidance of doubt, where the Company has announced that the DRP will operate in respect of a Dividend, the Company retains the discretion to suspend the DRP in respect of that Dividend at any time prior to the Dividend Payment Date.
- (b) The variation, suspension or termination takes effect upon the date specified by the Company and the variation, suspension or termination does not give rise to any liability on the part of, or right of action against, the Company or its officers, employees or agents.
- (c) If the DRP or these Rules are varied, a Participant continues to participate under the DRP and these Rules in their varied form unless the Participant terminates its participation in the DRP by submitting a Participation Notice in accordance with these Rules.
- (d) If the DRP is suspended, an election as to participation in the DRP will also be suspended and all Shares are deemed to be non-Participating Shares for the purpose of any Dividend paid while the DRP is suspended.

- (e) Any suspension under rule 16 will continue until such time as the Board resolves to recommence or terminate the DRP.
- (f) The DRP may be reinstated following a suspension in accordance with this rule 16 by notification on the Company's website and by notice to ASX. Upon reinstatement of the DRP, all prior elections will be reinstated and will continue to apply until a new valid Participation Notice is lodged, unless the Company determines otherwise.

17 Costs to Participants

No brokerage, commission, or other transaction costs are payable by Participants in respect of Shares Allocated under the DRP and no stamp or other duties are payable, under present law, by Participants in respect of Shares Allocated under the DRP. The Company may, to the extent permitted by law, apply its funds in the payment of brokerage, commission, or other transaction costs in respect of Shares Allocated under the DRP.

18 Taxation

Neither the Company nor any of its officers, employees, representatives or agents:

- (a) take any responsibility or assume any liability for, or as a consequence of, the tax liabilities of any person in connection with the DRP; or
- (b) represent or warrant that any person will gain any taxation advantage or will not incur a taxation liability or disadvantage as a result of participation in the DRP.

19 Applications and other notices

- (a) Applications and notices to the Company must be in the form prescribed by the Company from time to time. The Company may determine that applications and notices to the Company may be lodged electronically either through the Company's website or that of an authorised third party (including the Share Registry). Any application or notice lodged electronically must comply with the applicable terms and conditions of the electronic lodgement facility.
- (b) Subject to rules 19(c) and (d), applications and notices are effective upon receipt by the Company or the Share Registry (as appropriate).
- (c) Unless the Board determines otherwise, applications or notices received after the Last Election Date for a Dividend are not effective in respect of that Dividend but are effective in respect of subsequent Dividends.
- (d) Without limiting rule 13(c), the Company has absolute discretion to:
 - (1) accept or reject an application or notice which is not properly completed or signed; and
 - (2) prior to acceptance, clarify with an Eligible Shareholder any instruction with respect to an application/notice in order for the application/notice to be properly completed.

- (e) The accidental omission by the Company to give any notice under these Rules to any Shareholder, ASX or any other person will not invalidate any act, matter or thing.
- (f) For the purposes of this rule 19, an application or notice includes, but is not limited to, a Participation Notice.

20 General

- (a) The Company will record, with respect to each Participant:
 - (1) the name and address of the Participant (being the name and address in the Company's share register from time to time); and
 - (2) the number of Participating Shares held by the Participant from time to time.
- (b) The Company's records are conclusive evidence of the matters recorded in them.
- (c) The Board may delegate any power, discretion or function under these Rules to any person.
- (d) Any Dividend payable on Participating Shares which the Company is entitled to retain as a result of a charge or lien in favour of the Company in accordance with the Constitution, or other requirement of law, is not available for the purpose of participating in the DRP.
- (e) Subject to the Constitution, the Company may:
 - (1) implement the DRP in the manner the Company thinks fit; and
 - (2) settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the DRP or these Rules as the Company thinks fit, whether generally or in relation to any Shareholder or DRP account or any Shares, and the determination of the Company is conclusive and binding on all relevant Shareholders and other persons to whom the determination relates.
- (f) Neither the Company nor any officer, employee, agent or adviser of it is liable or responsible to any Shareholder or Participant for any loss or alleged loss or disadvantage suffered or incurred by them as a result, directly or indirectly, of any one or more of:
 - (1) the establishment, operation, suspension or termination of the DRP;
 - (2) participation or non-participation in the DRP; or
 - (3) any advice given with respect to participation in the DRP by any person.
- (g) The DRP, its operation and these Rules are governed by the laws of the State of New South Wales and each Shareholder submits to the jurisdiction of the Courts of that State and the Courts which may hear appeals from those Courts.
- (h) Despite anything else in these Rules, the Listing Rules prevail to the extent of any inconsistency with these Rules.

Dividend Reinvestment Plan

Shareholder Information Booklet



What is the DRP?

The DRP enables you, as a shareholder in TLC, to reinvest all or part of any dividend paid on your shares in additional TLC shares instead of receiving that dividend in cash.

Who can participate?

All shareholders of fully paid ordinary shares in TLC who are resident in, and whose address on the register of shareholders at the relevant dividend record date is in, Australia or New Zealand may participate in the DRP, subject to certain limits set out in the DRP Rules. In all other cases, participation is subject to specific approval from TLC.

The opportunity to participate in the DRP is being extended to New Zealand shareholders pursuant to the *New Zealand Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*.

Is participation optional?

Yes. Participation in the DRP is voluntary. Participation is dependent on the submission of valid instructions to the share registry.

How do I participate in the DRP?

If you wish to participate in the DRP, we encourage you to make your election online at www.linkmarketservices.com.au

Alternatively, please complete and sign a DRP participation notice and return it to the Company's share registry at the address below. If a DRP participation notice does not accompany this booklet, please contact the Company's share registry:

Link Market Services
Locked Bag A14
Sydney South NSW 1235

Telephone: 1800 550 560 (within Australia) or +61 1800 550 560 (outside Australia)

Facsimile: +61 2 9287 0303

Email: thelotterycorporation@linkmarketservices.com.au

DRP participation notices must be received, or online elections made, by 5:00pm (Sydney time) on the Last Election Date for a dividend if you wish to participate for that dividend.

Can I participate in the DRP for some of my shares?

Yes, you can nominate all of your shares or a specific number of your shares to participate in the DRP.

- **Full participation:** If you elect full participation, dividends on all of your shares will be reinvested in acquiring DRP shares. Dividends on any shares you may acquire in the future will also be reinvested in this way unless you notify us otherwise.
- **Partial participation:** If you elect partial participation, you nominate a number of your shares which will participate in the DRP. Only the dividends paid on those shares that you nominate will be reinvested. For shares not participating in the DRP, dividends will be paid in the usual way.

If your DRP participation notice or online election does not clearly indicate the level of participation in the DRP, it will be deemed to be an application for full participation.

Is there a minimum or maximum participation level?

No. However, TLC has the discretion under the DRP Rules to introduce a minimum or maximum participation level for future dividends.

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When will my participation begin?

Your participation in the DRP will begin with the first dividend payment after receipt of your online election or participation notice. Your election must be received by 5.00pm (Sydney time) on the Last Election Date for a dividend to be effective for that dividend.

The Last Election Dates for forthcoming dividends will be notified to ASX and posted on TLC's website when the relevant dividend is announced.

For elections received after the Last Election Date for a particular dividend, you will not participate in the DRP for that dividend and your participation will begin from the next dividend.

What happens if I have more than one shareholding?

You must make a separate election for each shareholding registered under different names or holding numbers by either making an online election or submitting a separate participation notice for each shareholding.

Can I withdraw or change my participation at any time?

Yes. Simply notify the share registry online. Alternatively, forms to vary or terminate your participation can be obtained at www.linkmarketservices.com.au or by contacting TLC's share registry. The change will be effective from the next dividend payment, provided that the election is received by 5.00pm (Sydney time) on the Last Election Date for that dividend. If your change is received after that date, the change will not be effective until the next dividend.

TLC will announce the relevant Last Election Date for each dividend to the ASX and on the TLC website at the time it announces the dividend.

At what price will the shares be allocated?

Shares will be allocated at an average of the daily market price over a period of at least 5 trading days ('Allocation Price'), in accordance with the DRP Rules. The pricing period for the Allocation Price will be announced to ASX and posted on TLC's website at the time TLC announces a dividend.

The Allocation Price may be reduced by a discount, which the Board may determine from time to time and announce to the ASX. TLC does not currently intend to offer a discount to the Allocation Price. The final Allocation Price for a dividend will be notified in the same way after the Allocation Price is determined.

How many shares will I receive?

The number of shares you will receive is the number (rounded down to the nearest whole number) obtained by dividing the amount of cash dividend held on your behalf in your DRP account by the average of the daily market price over a period of at least 5 trading days – i.e. dividing the cash dividend amount by the Allocation Price.

How will my DRP shares be treated for subsequent dividend payments?

- **Full participation:** If you elect full participation, all shares held by you at each dividend record date will be treated as participating in the DRP, including any shares previously acquired under the DRP or other shares.
- **Partial participation:** If you elect partial participation, only the number of shares you have specified will be treated as participating in the DRP. If you hold fewer shares than the number of shares you have specified in the participation notice/election, then the dividends on the shares that you actually hold will be reinvested.

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The number of shares that will be treated as participating in the DRP may be limited if TLC elects to introduce a minimum or maximum participation limit.

What will it cost me to participate?

Nothing. No brokerage fees, commission or other transaction costs will be payable for any shares allocated under the DRP.

For avoidance of doubt, once you have obtained shares under the DRP, and you subsequently decide to deal with them, they will be subject to the same fees and transaction costs that you would ordinarily incur in dealing with any other shares that you may be holding.

Can I sell my shares when I choose?

Yes. You can sell any or all of your shares at any time. However, if you sell all of your shares, your participation in the DRP will cease with effect from the date TLC registers a transfer or instrument of disposal of your holding.

If you elect for full participation and then sell some of your shares, the dividends on your remaining shares will continue to be reinvested under the DRP. If you elect for partial participation and then sell some of your shares, the number of shares sold will be deemed to the full extent possible to be non-participating shares and the balance, if any, will be deemed to be participating shares under the DRP.

What are the tax implications of participating?

- **Australian shareholders:** The Australian Taxation Office currently treats dividends reinvested under the DRP as assessable income in the same way as cash dividends received on shares which are not participating in the DRP. This means that you will pay tax on the amount of the reinvested dividend in the income year in which the dividend is reinvested.

For Capital Gains Tax (CGT) purposes, shares acquired under the DRP will receive a cost base equal to the amount reinvested and be acquired on the date the shares are issued (or transferred).

On 14 September 2022, Treasury released Exposure Draft legislation with respect to announced changes to the *Income Tax Assessment Act 1997* (Cth) which would prevent the distribution of franking credits where a dividend to shareholders is funded by particular capital raising activities. Because a DRP necessarily involves the making of dividends which may be 'funded' by capital raising, these proposed changes are potentially relevant. As the proposed legislation is not intended to apply to dividends that are consistent with prior practice, it is not expected that the DRP would be caught by the draft legislation if enacted. However, the ultimate passage of these changes will need to be monitored on an on-going basis.

- **New Zealand shareholders:** Any dividends reinvested on your behalf under the DRP will be taxable to you at your marginal tax rate. You may need to include those dividends (plus any Australian withholding tax deducted, and converted to New Zealand dollars at the time of distribution) in your income tax return. If you are a natural person shareholder, you may instead need to include those dividends in your IRD "pre-populated account" following the end of the relevant income year (broadly speaking, this is required if you have more than NZ\$200 of income for the income year that has not been subject to withholding tax in New Zealand). Any Australian withholding tax deducted from the dividend can be credited against your income tax liability, although the tax credit cannot exceed your New Zealand tax liability on the dividend. You will not be able to apply any franking credits attached to the dividend against your New Zealand tax liability.

TLC takes no responsibility for the taxation consequences of shareholders participating in the DRP, and recommends you obtain professional taxation advice. These comments are current as at 23 February 2023, and only apply to shareholders who are Australian residents or New Zealand residents for tax purposes and who

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are not transitional residents. They are general in nature only. You should seek professional taxation advice in relation to your individual circumstances.

Will I receive a dividend statement?

After each allocation of shares under the DRP, a dividend statement showing full details of shares allocated to you under the DRP will be provided to you in the manner you ordinarily receive notices from TLC. You should keep this statement for your taxation records.

Can the DRP be modified, suspended or cancelled?

TLC may vary the terms and conditions, alter, suspend or terminate the DRP at any time by notification to the ASX and on the TLC website.

What happens to any residual value after each dividend?

The application of the dividend reinvestment formula normally results in a residual amount. This is because your dividend amount will be used to acquire a whole number of shares, usually leaving a residual amount which is less than the price of one TLC share.

For each dividend, if there is a residual amount, then the residual amount on each dividend will be carried forward, without interest, and added to your next dividend.

What happens if I leave the DRP?

If you cease to participate in the DRP for any reason, or the DRP is suspended or terminated by TLC, any positive residual balance in your DRP account will be paid to you.

How do I find out about TLC's historic dividend amounts?

The interim dividend for the half-year ended 31 December 2022 and the special dividend announced on 23 February 2023 will be TLC's first dividends since its demerger from Tabcorp Holdings Ltd. Details about these and future dividend amounts can be found at www.thelotterycorporation.com/investors/shareholder-services.

Will TLC issue new securities or will they be sourced through an on-market purchase?

TLC may, in its discretion, issue new shares, acquire existing shares to be transferred to participants, or undertake a combination of both.

Need more information?

If you have further questions (other than on taxation) about how the DRP operates and how you can participate, please contact Link Market Services on 1800 550 560 (within Australia) or +61 1800 550 560 (outside Australia).

23 February 2023

Dear Shareholder

ESTABLISHMENT OF A DIVIDEND REINVESTMENT PLAN

We are pleased to announce the establishment of a Dividend Reinvestment Plan (**DRP**) for The Lottery Corporation Limited (**TLC**).

If you elect to participate, the **DRP** will enable you to increase your existing holding in **TLC** by reinvesting either all or part of your dividend payments into additional fully paid **TLC** shares in an easy and cost-effective way. You will not incur any brokerage, commission or other transaction costs to acquire shares under the **DRP**.

The **DRP** will operate for both the interim dividend (for the half-year ended 31 December 2022) and the special dividend announced on 23 February 2023. No discount will apply to the allocation of **TLC** shares at this time.

Key features of the **DRP**

- The **DRP** is a convenient way to increase your holding of **TLC** shares.
- Participation in the **DRP** is optional and available to shareholders with a registered address in Australia or New Zealand.
- Shares under the **DRP** will be acquired by shareholders free of brokerage, commission and other transaction costs.
- You may apply the **DRP** to part or all of your total shareholding and there is no minimum or maximum limit on the number of your shares that may participate.
- You may join, vary your participation in, or withdraw from the **DRP** at any time, subject to adequate notice being given to the share registry.
- **TLC** may suspend or terminate the **DRP** at any time in its absolute discretion.
- **DRP** participation should not affect your eligibility for franking credits in respect of the dividends announced on 23 February 2023. Shareholders are encouraged to read the Shareholder Information Booklet including the section titled "What are the tax implications of participating?". This section contains important information in relation to the dividends announced on 23 February 2023 and any dividends that may be announced by **TLC** in the future.
- Shares allocated to you under the **DRP** rank equally with existing shares.
- Once you elect to participate, the **DRP** will continue to apply for future dividend payments, unless you advise otherwise or unless **TLC** suspends or terminates the **DRP** (in its absolute discretion).

For further information on the DRP, including some frequently asked questions and the Rules of the DRP, please visit our website at www.thelotterycorporation.com/investors/shareholder-services

We recommend you seek financial advice and read the full terms and conditions set out in the DRP Rules before deciding whether to participate.

How to participate

You can elect to participate in the DRP at any time. In order to participate in the DRP for a dividend, you will need to ensure your DRP participation notice is received by Link Market Services, or your online election is made, by no later than 5pm (AEDT) on the Last Election Date for the relevant dividend. The Last Election Date for a dividend will be released on the ASX and posted on TLC's website at the same time the relevant dividend is announced.

The Last Election Date to participate in the DRP for the interim dividend and special dividend (announced on 23 February 2022) is 3 March 2023.

You can make your election online by visiting www.linkmarketservices.com.au. Alternatively, you can use the DRP participation notice accompanying this letter but it must be received by **5pm (AEDT)** on 3 March 2023 to be eligible to participate in the DRP for the interim and special dividends announced on 23 February.

For more information please visit www.linkmarketservices.com.au or contact the Company's share registry, Link Market Services, by phone on 1800 550 560 (Australia) or +61 1800 550 560 (New Zealand).

Yours sincerely

Patrick McGlinchey
Company Secretary