

1. Policy on Assessing the Independence of Directors

Emerge Gaming Ltd ACN 004 766 376 (Company)

An independent director is a director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

It is the Board's policy that in determining a director's independence, the Board considers the factors relevant to assessing the independence of a director as set out in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) as follows:

Examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:

- (a) is, or has been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- (b) is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the Company or any of its child entities;
- (c) is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the Company or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- (d) is a substantial security holder¹ of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- (e) has a material contractual relationship with the Company or any of its child entities other than as a director;
- (f) has close family ties with any person who falls within any of the categories described above; or
- (g) has been a director of the Company for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

¹ For this purpose a "substantial security holder" is a person with a substantial holding as defined in section 9 of the Corporations Act. As at the date of this policy this equals 5%.

2. Policy and Procedure for Selection and (Re)Appointment of Directors

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New directors

It is the policy of the Board that in determining candidates for the Board, the following process shall occur:

- (a) The Nomination Committee evaluates the mix of skills, experience, expertise and diversity of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills and diversity that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board. Regard must also be had to the Company's *Diversity Policy* in identifying appropriate candidates.
- (b) The Nomination Committee will identify potential candidates by seeking applications from suitably qualified individuals; and/or placing advertisements in appropriate media; and/or engaging external consultants that will present diverse candidates.
- (c) The Nomination Committee interviews selected candidates.
- (d) A potential candidate is considered with reference to their skills and expertise in relation to other Board members. The Nomination Committee will also have regard to the other matters identified in this *Policy and Procedure for Selection and Re(Appointment) of Directors* as relevant when identifying and considering candidates for the Board.
- (e) If relevant, the Nomination Committee recommends an appropriate candidate for appointment to the Board. The Nomination Committee must undertake appropriate checks before recommending an appropriate candidate for appointment to the Board. These should include checks as to the person's character, experience, education, criminal record and bankruptcy history.
- (f) Any appointment made by the Board is subject to ratification by shareholders at the Company's next annual general meeting.
- (g) The Company must enter into a written agreement with each director appointed to the Board setting out the terms of their appointment.

Board renewal

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Re-appointment of directors is not automatic. The Company must hold an election of directors each year. Under the Company's Constitution, a director of the Company must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is longer. However, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity. This rule does not apply to the Managing Director.

Size and composition of the Board

The Board should be structured in such a way that it has a proper understanding of, and competence to deal with, the current and emerging issues of the business and encourages enhanced performance of the Company.

Reference is made to the Company's size and operations as they evolve from time to time.

Commitment to the Board

Non-executive directors must provide to the Nomination Committee (or equivalent), prior to their appointment or re-election, details of their other commitments and an indication of the time involved in carrying out those other commitments.

All directors should consider the number and nature of their directorships and calls on their time from other commitments. Prior to appointment, or being submitted for re-election non-executive directors are required to specifically acknowledge to the Company that they will have sufficient time to fulfil their responsibilities as a director.

Informing shareholders

Shareholders will be informed of the names of candidates submitted for election as directors. So that shareholders can make an informed decision on whether or not to elect or re-elect a candidate as a director, the following information will be supplied to shareholders:

- (a) biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
- (b) details of any other material directorships currently held by the candidate;
- (c) if the candidate is standing for election as a director for the first time:
 - (i) any material adverse information revealed by the checks the Company has performed about the candidate;
 - (ii) details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its security holders generally; and
 - (iii) if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect;
- (d) if the candidate is standing for re-election as a director:
 - (i) the term of office currently served by the director; and
 - (ii) if the Board considers the director to be an independent director; a statement to that effect; and
- (e) a statement by the Board as to whether it supports the election or re-election of the proposed candidate.

3. Whistleblower Policy

Emerge Gaming Ltd ACN 004 766 376 (Company)

Report and Investigation Officer: Derek Hall

1 Purpose

Directors, officers and employees of the Company are expected to observe high standards of business and personal ethics in the conduct of their duties and responsibilities as set out in the Company's *Code of Conduct*. All directors, officers and employees of the Company must conduct themselves with integrity, honesty and fairness in all business practices and observe the rule and spirit of the legal and regulatory environment in which the Company operates.

The purpose of this Whistleblower Policy is to encourage the reporting of violations (or suspected violations) of the Company's *Code of Conduct* and provide effective protection from victimisation or dismissal to those reporting by implementing systems for confidentiality and report handling.

2 Reporting responsibility

It is the responsibility of all directors, officers and employees to comply with the Company's *Code of Conduct* and report violations or suspected violations in accordance with this policy.

3 No retaliation

No director, officer or employee who in good faith reports a violation under this policy shall suffer detriment, either actual or threatened, harassment, retaliation or adverse employment or engagement consequence. If a director, officer or employee retaliates against someone who has reported a violation in good faith they will be subject to disciplinary action, which may include termination of your employment or engagement with the Company.

4 Reporting violations

This policy is intended to encourage and enable directors, officers and employees and others to raise serious concerns within the Company.

In most cases, you should approach your supervisor first as they may be in the best position to address a concern.

If you are not comfortable speaking to your supervisor or not satisfied with your supervisor's response, you are encouraged to speak with anyone in management whom you are comfortable in approaching.

Supervisors and managers are required to report suspected violations of the Company's *Code of Conduct* to the Report and Investigation Officer, who has specific and exclusive responsibility to investigate all reported violations.

5 Report and Investigation Officer

The Report and Investigation Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Company's *Code of Conduct*.

At their discretion, the Report and Investigation Officer will advise the Chair and Managing Director and/or the Audit Committee or its equivalent.

The Report and Investigation Officer has direct access to the Audit and Risk Committee and, is required to report to the Audit and Risk Committee at least annually on compliance activity.

If any person is not comfortable speaking with the Report and Investigation Officer on a particular matter, or if they are unavailable and the matter is urgent, they should contact the Chair or another member of the Board.

6 Accounting and auditing matters

The Audit and Risk Committee will address concerns raised in relation to corporate accounting practices, internal controls or auditing. The Report and Investigation Officer is responsible for notifying the Audit and Risk Committee of any such complaint and must work with the committee to resolve the matter.

7 Acting in good faith

Anyone filing a complaint concerning a violation or suspected violation of the Company's *Code of Conduct* must act in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Company's *Code of Conduct*. It is a serious matter to make allegations that prove to be unsubstantiated, or are made maliciously or known to be false and any person doing so may be subject to disciplinary action including termination.

8 Confidentiality

Reports of violations or suspected violations will be kept confidential and may only be disclosed to ASIC, APRA, a member of the Australian Federal Police or to someone else with the consent of the discloser to the extent possible, consistent with the need to conduct an adequate investigation.

9 Handling of reported violations

The Report and Investigation Officer will notify the person who reported the alleged violation and acknowledge receipt of the report within 5 business days. All reports will be promptly investigated and, if warranted, appropriate corrective action will be taken. In conducting investigations, the Report and Investigation Officer must ensure they observe the confidentiality obligations and in particular must not disclose the information reported, the identity of the person making the disclosure or any information that is likely to lead to the identification of the person making the disclosure.

4. Process for Performance Evaluations

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Board, Board committees and individual directors

The Chair evaluates the performance of the Board by way of an informal round-table discussion with all directors and through questionnaires completed by each director.

The Chair reviews the performance of the committees of the Board by way of an information round-table discussion with all directors and through questionnaires completed by each director who is a member of the committee being evaluated.

Individual director's performance evaluations are completed by the Chair. The Chair meets with each individual director and reviews questionnaires completed by each director.

Chair

The Senior Independent Director is responsible for evaluating the performance of the Chair after having canvassed the views of the other directors via the questionnaires completed by each director.

Managing Director

The Managing Director's performance evaluation is conducted by the Chair. The Chair conducts a performance evaluation of the Managing Director by way of meeting with the Managing Director and with an informal round-table discussion with all directors, and by reference to the Managing Director's key performance indicators which are set by the Nomination and Remuneration Committee.

Senior executives

The Managing Director (and in their absence the Board) reviews the performance of the senior executives. The Managing Director conducts a performance evaluation of the senior executives by way of on-going information monitoring throughout each financial year and at an annual formal interview.

5. Risk Management Policy*

Emerge Gaming Ltd ACN 004 766 376 (Company)

1 Purpose

Recognising and managing risk is fundamental to the Company achieving its strategic objectives, and a crucial part of the role of the Board and management. Sound risk management practices can not only help to protect established value, but also can assist in identifying and capitalising on opportunities to create value.

The Company recognises that a failure by it to recognise or manage risk can adversely impact not only on the Company and its shareholders, but also other stakeholders which may include employees, customers, suppliers, creditors, consumers, taxpayers and the broader community in which the Company operates.

The Board is ultimately responsible for deciding the nature and extent of the risks it is prepared to take to meet its strategic objectives. To enable the Board to do this, the Company must have an appropriate risk management framework to identify and manage risk on an ongoing basis.

This policy sets out the Company's approach to risk management, including its approach to identifying and managing risk, the responsibilities of the Board, management and others within the Company in relation to risk management, and the resources and processes dedicated to risk management. Managing risk is the responsibility of everyone in the Company.

In this policy:

management refers to the senior management team as distinct from the Board, comprising the Company's senior executives, being those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance.

risk means effect of uncertainty on objectives²;

risk management means co-ordinated activities to direct and control the Company with regard to risk³;

risk management framework is the set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the Company⁴.

2 Who does this policy apply to?

All directors, officers and employees of the Company must comply with this policy.

² As defined in Australian/New Zealand Standard AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*

³ As defined in Australian/New Zealand Standard AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*

⁴ As defined in Australian/New Zealand Standard AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*

3 Risk appetite

The Board is responsible for deciding the nature and extent of the risks it is prepared to take to meet its objectives (**risk appetite**).

The Company has a high tolerance for taking risks if they can be justified by greater rewards. Management incorporates risk management into strategic planning and business decision making to understand and prioritise material business risks.

4 Risk management framework

The framework adopted references the Australian/New Zealand Standard AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines* and involves:

4.1 Risk identification

The risks faced by the Company will be identified and documented in a risk register, as per the example in Appendix A, or equivalent. Risk identification will be undertaken as part of the Company's strategic planning and budgeting process, and may be carried out through a workshop with management and potentially the board, facilitated by an external service provider or by a member of management.

The Company's risks will be classified under the following broad categories:

- (a) Market-related
- (b) Financial reporting
- (c) Product or service quality
- (d) Operational
- (e) Environmental
- (f) Human resources
- (g) Sustainability
- (h) Occupational Health & Safety
- (i) Political
- (j) Strategic
- (k) Technological
- (l) Ethical conduct
- (m) Economic cycle/marketing
- (n) Reputation
- (o) Legal and compliance
- (p) Project negotiation and delivery

- (q) Information technology
- (r) Intellectual Property (IP – access to information)

The individual risks which fall within these categories will be included in the Company's risk register.

4.2 Risk analysis

Once the list of risks is agreed on by management and the Board, the risks will be analysed by determining consequences of the risks eventuating and their likelihood. Existing risk controls and their effectiveness (as perceived by management) should be taken into account when considering how likely the risk event is to occur and the impact/consequences it will have on the business.

Risk prioritisation will be undertaken at the same time as risk identification and will be considered in light of a 5x5 risk matrix, as the per the example in Appendix B, or equivalent.

4.3 Risk evaluation

Prioritised risk should be compared with the risk appetite established by the Board. The output of this process will be a prioritised list of risks for further action.

4.4 Risk treatment

Where the level of risk is above the desired level, management will develop and execute an action plan to address the risk by either: transferring the risk; reducing the risk or accepting the risk or a combination of these approaches. When selecting the way a risk will be treated, the Company will consider the values and perceptions of stakeholders and the most appropriate ways to communicate with them.

4.5 Monitoring and review

The risk register will be reviewed, and if required updated, on at least a quarterly basis, or more often if required.

Risk will be addressed regularly at Board meetings.

The risk management framework will be monitored and reviewed through the risk activities outlined in section 5. However, the Board may request independent verification in relation to all or some of the risk management framework or individual controls, via internal or external means.

4.6 Documentation

The risk management framework and processes will be documented.

5 Risk management activities

The Company's annual risk management activities are divided into quarters as follows:

5.1 Quarter One commencing 1 July

Management:

- (a) reviews and updates the risk register and/or completes an individual risk report for critical material business risks and presents the register and/or the report to the Board;

- (b) the Managing Director and Chief Financial Officer (or their equivalents) provide the Board with a declaration in accordance with Recommendation 4.2 and section 295A of the Corporations Act 2001 (Cth) (**Corporations Act**);
- (c) the Managing Director provides a summary of the Company's annual risk management effort, including a report to the Board on whether the Company's material business risks are being managed effectively; and
- (d) prepares the disclosure for inclusion in the Company's corporate governance statement in relation to Recommendations 7.1 to 7.4.

The Board:

- (e) notes the updated risk register and/or individual risk reports and questions management if required;
- (f) notes the Managing Director and Chief Financial Officer declaration for the purposes of Recommendation 4.2 and section 295A of the Corporations Act;
- (g) notes the Managing Director summary regarding the Company's annual risk management effort (including the effectiveness report); and
- (h) approves the disclosure for inclusion in the Company's corporate governance statement in relation to Recommendations 7.1 to 7.4.

5.2 Quarter Two commencing 1 October and Three commencing 1 January

Management:

- (a) the Managing Director and Chief Financial Officer provide the Board with a declaration in accordance with Recommendation 4.2 and section 295A of the Corporations Act ;
- (b) reviews the status of risk management strategies, and reviews and updates the risk register and/or complete an individual risk report for critical material business risks and provide the register and/or the report to the Board.

The Board:

- (c) notes the Managing Director and Chief Financial Officer declaration for the purposes of Recommendation 4.2 and section 295A of the Corporations Act; and
- (d) notes the updated risk register/individual risk reports and questions management if required.

5.3 Quarter Four commencing 1 April

Management:

- (a) the Managing Director and Chief Financial Officer provide the Board with a declaration in accordance with Recommendation 4.2 and section 295A of the Corporations Act;
- (b) reviews this Risk Management Policy and make recommendations to the Board about any proposed changes;
- (c) unless reviewed by a specific committee of the Board, reviews the Company's risk management framework to satisfy itself that it continues to be sound;

- (d) reviews the Company's Board Charter and Audit and Risk Committee Charter and role descriptions for management to ensure accountability for all risk management is included;
- (e) reviews and updates the risk register and/or completes an individual risk report for critical material business risks and presents the register and/or the report to the Board.

The Board:

- (f) determines the Company's overall risk appetite;
- (g) approves the Risk Management Policy and provides input into the Company's risk profile;
- (h) notes the Managing Director and Chief Financial Officer declaration for the purposes of Recommendation 4.2 and section 295A of the Corporations Act; and
- (i) notes the updated risk register/individual risk reports and questions management if required.

6 Risk management roles and responsibilities

6.1 Board

The Board is responsible for setting the Company's risk appetite, for overseeing the risk management framework designed and implemented by management and to satisfy itself that the risk management framework is sound. The Board is also responsible for monitoring and reviewing the Company's risk profile.

6.2 Audit and Risk Committee

The Board has established a separate Audit and Risk Committee which is responsible for, among other things, the adequacy of the Company's corporate reporting processes and the appropriateness of managements accounting judgements or choices. It also reviews the Company's internal financial control system and oversees the company's risk management framework. The role of the Audit and Risk Committee is set out in the Company's *Audit and Risk Committee Charter*.

However, ultimate responsibility for the Company's risk management framework rests with the Board.

6.3 Managing Director

The Managing Director has responsibility for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for identifying any material changes to the Company's risk profile and ensuring, with approval of the Board, the risk profile of the Company is updated to reflect any material change.

The Managing Director is required to report on the progress of, and on all matters associated with, risk management as a standing item at each Board meeting. The Managing Director is to report to the Board as to the effectiveness of the Company's management of its material business risks, at least annually.

In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

6.4 Management

Senior executives are responsible for assisting the Managing Director identify, assess, monitor and manage risks.

6.5 Managers and supervisors

Managers and supervisors must:

- (a) monitor material business risks for their areas of responsibilities;
- (b) provide adequate information on implemented risk treatment strategies to management to support ongoing reporting to the Board; and
- (c) ensure staff are adopting the Company's risk management framework as developed and intended.

6.6 Individual staff

All staff within the Company should:

- (a) recognise, communicate and respond to expected, emerging or changing material business risks;
- (b) contribute to the process of developing the Company's risk profile; and
- (c) implement risk management strategies within their area of responsibility.

7 Review

The Company's risk management framework is evolving. It is an on-going process and it is recognised that the level and extent of the risk management framework will evolve commensurate with the development and growth of the Company's activities. This will include an annual review of this policy by the Audit and Risk Committee.

*This Policy incorporates some material from "Principle 7: Recognise and Manage Risk – Guide for Small-Mid Market Capitalised Companies" produced by ASX Markets Supervision Pty Ltd, Deloitte Touche Tohmatsu and Blakiston & Crabb.

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