



AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

Role

The role of the Audit and Risk Management Committee is to monitor and review on behalf of the Board the effectiveness of Jumbo Interactive Limited's ('the Company') control environment, reporting practices and responsibilities in the areas of accounting, risk management and compliance.

Composition

- Committee to comprise at least three members who must all be non-executive Directors, with a majority being independent.
- Committee chair must not be Chairman of the Board and must be an independent non-executive Director.
- Appropriate external consultants may be invited to be Committee members or advisers.
- Members should be accounting/finance qualified and/or bring relevant skills to the Committee.
- The CEO and/or CFO and/or external auditors' representative may be invited to Committee meetings.
- The Company Secretary will act as Committee Secretary.
- Only the Board can appoint Committee members.

Meetings

- Committee shall meet at least four times in each financial year.
- Additional meetings as Committee members deem necessary to fulfil their role.
- Committee shall meet separately with the external auditor and management from time to time.
- A quorum shall consist of a majority of the Committee members, unless the Committee has an even number of members, then the quorum shall be half that number.

Reporting

- Proceedings of all meetings are to be minuted and presented to the next following Board meeting for inclusion in the Minute Book (as required by Corps Act sec 251A[1][b]).
- Committee chair is to report on Committee activities to the Board.
- Any Committee recommendations are to be considered and decided on by the full Board.

Access

- Committee has the authority to seek any information it requires from any Director, officer, employee or consultant of/to the Company.
- The Committee also has unrestricted access to the external auditors.
- The Committee is authorised to take such professional advice it considers necessary to execute its duties and responsibilities.

Duties & Responsibilities

The Committee shall consider matters pertaining to the Company's financial affairs, accounting and control policies and practices, all aspects of risk management, and legal and financial compliance.

Specific duties and responsibilities include:

Audit

- Recommend to the Board the appointment and removal of external auditors and review their terms of engagement;
- Determine with the external auditors the audit plan and scope, and their authority and responsibilities;
- Oversee and appraise the quality of audits conducted and monitor their effectiveness;
- Review external audit reports and recommendations and ensure appropriate management response to recommendations;
- Monitor the relationship between management and the external auditors;
- Review and assess the independence of the external auditor: and
- Review the need for an internal audit function and if in place, monitor its effectiveness

Accounting

- Monitor and review the adequacy of the Company's accounting system and internal control environment.
- Review the annual and half yearly financial statements of the Company, and make recommendations to the Board.
- Review and consider all ASX releases containing any financial material or information.
- Determine Company-specific accounting policies within the ambit of the Accounting Standards.
- Review significant transactions which are not a normal part of the Company's business.

Risk Management

- Identify and assess areas of risk which might impact on the Company and research appropriate mitigation.
- Monitor, review and evaluate the adequacy and effectiveness of the Company's risk management controls, both internally and externally.
- Evaluate the effectiveness of the Company's business continuity plans.
- Evaluate the adequacy of the Company's insurance covers at least annually.

Compliance

- Establish adequate and effective legal compliance and control systems.
- Monitor and evaluate compliance processes and adherence.

- Ensure Committee members have an adequate understanding of relevant legislation, regulations and codes of conduct/practice relevant to the Company, including:
 - Corporations Act
 - Accounting Standards
 - ASX Listing Rules
 - Trade Practices
 - Privacy
 - Workplace Health & Safety
 - Equal Employment Opportunity
 - Anti Discrimination

External Auditor Appointment

Preface

The Audit and Risk Management Committee's duties include reviewing the nomination, performance and independence of the external auditors, including making recommendations to the Board for the appointment or removal of an external auditor.

The performance of the auditors will be reviewed annually by the Audit and Risk Management Committee which will recommend to the Board the retention or replacement of the auditors.

Should a change of auditor be required, a formal proposal process will be undertaken. The Audit and Risk Management Committee will make recommendations to the Board as to the required attributes of the auditor and provide a recommendation on the auditor to be appointed.

Appointment Procedures

The procedures adopted by the Audit and Risk Management Committee in selecting an auditor must always remain flexible, however the following matters may be taken into account:

- ability to add value to the Company's business;
- resources available to conduct the audit;
- industry experience and expertise;
- audit approach and methodology;
- methods and frequency of reporting;
- transitional issues and arrangements required;
- independence issues;
- terms of engagement and fees; and
- other services available

Independence

The auditor is required to give the Board a written declaration annually confirming compliance with the independence requirements of the Corporations Act.

Rotation of Audit Engagement Partner

The Company requires the rotation of the audit engagement partner at least every five years.