

Board Approved 4 July 2006

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JUMBO INTERACTIVE LIMITED
ABN 66 009 189 128

Option Plan



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RULES OF THE JUMBO INTERACTIVE LIMITED OPTION PLAN

1. Definitions and interpretation

1.1 Definitions

In this Plan, unless the context otherwise requires:

Application Form means the form that the Board determines is to be used by an Eligible Employee to apply for Options under the Plan.

Associated Company means:

- (a) a body corporate that is a related body corporate of the Company;
 - (b) a body corporate that has voting power in the Company of not less than 20%; or
 - (c) a body corporate in which the Company has voting power of not less than 20%,
- (as the terms **related body corporate** and **voting power** are defined in the Corporations Act).

ASX means Australian Securities Exchange.

Board means the board of Directors of the Company or a committee appointed by the board of Directors for the purpose of this Plan.

Company means Jumbo Interactive Limited, ABN 66 009 189 128.

Constitution means the constitution of the Company, as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cwth).

Director means a director of the Company or an Associated Company from time to time.

Eligible Person means:

- (a) an Eligible Employee; or
- (b) a Permitted Nominee of an Eligible Employee.

Permitted Nominee means, in respect of an Eligible Employee:

- (a) a person who is the spouse of an Employee;
- (b) a body corporate in which the Eligible Employee holds and beneficially owns not less than 50% of the issued voting share capital; or
- (c) such other person who is approved by the Board in its absolute discretion.

Eligible Employee means any person who, at the time of the offer under the Plan, is a full-time or part-time employee of, or is a Director of, the Company or any Associated Company.

Exercise Condition means, in relation to an Option, the period of time, performance hurdles and other vesting conditions determined by the Board at the time of the offer of the Option that are required to be satisfied before the Option can be exercised.

Exercise Period means, in relation to an Option, the period during which the Option may be exercised as determined by the Board, which period must not exceed 5 years from date of grant of the Option.

Exercise Price means, in relation to an Option, the amount payable per Share on the exercise of the Option as determined in accordance with Rule 6.

Invitation means an invitation made to an Eligible Employee in accordance with Rule 3.2.

Listing Rules means the official listing rules of ASX.

Option means an option to acquire a Share granted under this Plan.

Participant means:

- (a) an Eligible Employee or that person's Permitted Nominee who accepts an Invitation to participate in the Plan and to whom an Option has been granted; or,
- (b) following the death or legal incapacity of a person referred to in paragraph (a), the duly appointed legal personal representative of that person.

Plan means the Jumbo Interactive Limited Option Plan established and operated by the Company in accordance with these Rules.

Retirement means, in relation to an Eligible Employee, the termination of the Eligible Employee's employment or employment relationship with the Company or an Associated Company by reason of:

- (a) reaching the normal retirement age of the Company or an Associated Company as determined by the Board from time to time;
- (b) participation in an early retirement plan or a voluntary redundancy plan of the Company or an Associated Company;
- (c) the illness or incapacity of the Eligible Employee necessitating the permanent withdrawal of the Eligible Employee from the work force; or
- (d) circumstances which the Directors consider should be treated as a Retirement for the purposes of the Plan.

Retrenchment means, in relation to an Eligible Employee, the compulsory termination of the employment or employment relationship of the Eligible Employee with the Company or an Associated Company where the termination is expressed to be on the ground that:

- (a) the employment of the Eligible Employee is not necessary and his or her position is not to be filled;
- (b) the work for which the Eligible Employee was engaged is finished; or
- (c) the quantity of work required by the Company or a Associated Company to be undertaken has diminished and has rendered a reduction in the number of employees necessary.

Rules means these rules, as amended from time to time.

Share means a fully paid ordinary share in the capital of the Company.

1.2 Interpretation

In this Plan, unless the context otherwise requires:

- (a) a reference to the singular includes the plural and vice versa and to the masculine includes the feminine;
- (b) a reference to an enactment or to the Listing Rules includes the enactment or Listing Rules as amended, re-enacted or replaced;
- (c) unless otherwise defined in these Rules, an expression defined in, or given a meaning for the purpose of, the Corporations Act has the same meaning when used in these Rules; and
- (d) headings are for reference only and do not affect the meaning or construction of the Rules.

2. Purpose

The purpose of the Plan is to:

- (a) recognize the ability and performance of Eligible Employees who have contributed to the success of the Company;

- (b) provide Eligible Employees with the opportunity to participate in the Company's future growth;
- (c) encourage Eligible Employees to improve the long term performance of the Company and to achieve its long term goals; and
- (d) assist the Company to attract and retain the services of skilled and experienced employees and promote loyalty between the Company and its employees.

3. Invitation

3.1 Board to determine

Subject to these Rules, the Board may in its absolute discretion from time to time determine that an Eligible Employee may participate in the Plan and the extent of that participation. In making that determination, the Board may have regard to:

- (a) the seniority of the Eligible Employee and the position that person occupies with the Company or any Associated Company ;
- (b) the length of service of the Eligible Employee with the Company or any Associated Company;
- (c) the record of employment of the Eligible Employee with the Company or any Associated Company;
- (d) the potential contribution of the Eligible Employee to the growth and profitability of the Company or any Associated Company;
- (e) the extent (if any) of the existing participation of the Eligible Employee in the Plan; and
- (f) any other matters which the Board considers relevant.

3.2 Invitations

The Board must issue an invitation (**Invitation**) to an Eligible Employee who is invited to participate in the Plan. The Invitation must be accompanied by an Application Form and will set out:

- (a) the number of Options for which the Eligible Employee may apply (**Specified Options**);
- (b) the Exercise Period for the Specified Options;
- (c) the Exercise Price for the Specified Options or the method of calculation of the Exercise Price;
- (d) any applicable Exercise Conditions and any other terms and conditions relation to the Invitation or the Specified Options which in the opinion of the Board are fair and reasonable but not inconsistent with these Rules;
- (e) the time within which the Invitation may be accepted by the Eligible Employee;
- (f) in respect of the initial application made by an Eligible Employee, a summary of or copy of these Rules; and
- (g) any other information or documents which the Corporations Act or Listing Rules require the Company to give to the Eligible Employee.

The number of Specified Options, the Exercise Price and Exercise Period shall be determined by the Board in its absolute discretion.

4. Application

4.1 Application Form

Following receipt of an Invitation, an Eligible Employee, or a Permitted Nominee of the Eligible Employee in whose favour the Eligible Employee renounces the Invitation, may accept the Invitation and apply for the number of Specified Options, or any lesser number, by sending to the Company a duly signed and completed Application Form. The Application Form must be received by the Company within the acceptance period specified in the Invitation.

4.2 Provision of additional information

The Eligible Employee or his or her Permitted Nominee must provide any additional information which the Board reasonably requires concerning the Eligible Employee or his or her Permitted Nominee or the application.

4.3 Applicant bound by Application Form, Rules and Constitution

On receipt by the Company of an Application Form in accordance with Rule 4.1, the Eligible Employee or Permitted Nominee, as the case may be, is taken to have applied for the Options specified in the Application Form under the Plan on the terms of issue specified under Rule 3.2 and to have agreed to be bound by the terms of the Application Form, the Rules and the Constitution. If the applicant is a Permitted Nominee of the Eligible Employee, the Eligible Employee must ensure that the Permitted Nominee complies with the terms of the Application Form, the Rules and the Constitution.

5. Grant of Options

5.1 Grant

Following receipt of a duly signed and completed Application Form for Specified Options, and subject to acceptance of the Application Form by the Board and satisfaction of any terms and conditions set out in the Invitation, the Company will grant the Options applied for to the Eligible Employee or his or her Permitted Nominee, as the case may be, on the terms of issue set out in Rule 3.2.

5.2 No payment for Options

Options granted under the Plan will be granted free of charge, unless the Board decides otherwise.

5.2 No quotation on ASX

Options will not be quoted on ASX

5.2 Option certificate

The Company must issue an option certificate to each Participant in respect of Options granted to that participant. The Company must comply with the Constitution, the Listing Rules and the Corporations Act with respect to the issue of the certificate.

6. Exercise Price of Options

The exercise price of Options granted under the Plan will be determined by the Board, but must not be less than:

- (a) if there was at least one transaction in Shares on ASX during the one week up to and including the date on which the Invitation to acquire the Options is issued, the weighted average of the prices at which Shares were traded during that period; or

- (b) if there were no transactions in Shares during that one week period, the last price at which an offer was made to purchase Shares on ASX.

7. Exercise of Options

7.1 Exercise during Exercise Period

Subject to these Rules and the terms of the Options, including satisfaction of any Exercise Conditions included in those terms, Options may be exercised at any time or from time to time during the Exercise Period applicable to those Options.

7.2 Exercise in other circumstances

The Board may determine that an Option may be exercised, whether or not all Exercise Conditions included in the terms of the Option have been satisfied:

- (a) if a takeover bid in respect of Shares in the Company is made or a scheme of arrangement undertaken in respect of the Company and the Board either recommends acceptance (in the case of a takeover bid) or otherwise determines in its absolute discretion that exercise is appropriate; or
- (b) if there is a change of control of the Company so that a shareholder or associated shareholders becomes entitled to sufficient shares in the Company to replace in a general meeting all or a majority of the Board;
- (c) if it otherwise determines in its absolute discretion.

7.3 Method of exercise

Options may only be exercised by written notice to the Company in such form as the Board may prescribe. The notice must specify the number of Options being exercised and must be accompanied by:

- (a) the Exercise Price for the number of Options specified in the notice; and
- (b) the certificate for those Options, for cancellation by the Company.

The notice will only be effective when received by the Company and when the Company has received full value for the full amount of the Exercise Price.

7.4 Multiples

A Participant may only exercise Options in multiples of 100, unless the Participant is exercising all Options which that holder is able to exercise at that time or unless the Board determines otherwise.

7.5 Allotment of Shares on exercise of Options

Following exercise of an Option in accordance with these Rules and subject to:

- (a) any necessary consents or approvals as may be required by any competent authority having first been obtained; and
- (b) the Participant having complied with the terms of the Options,

the Company must allot and issue the number of Shares specified in the notice of exercise to the Participant within such time as determined by the Board.

7.6 Rights of new Shares allotted

Shares which are issued as a result of the exercise of Options granted under the Plan will rank equally in all respects with all Shares on issue including in relation to:

- (a) voting rights: and

- (b) entitlements to participate in distributions and dividends and future rights and bonus issues,

where the record date for determining entitlements falls on or after the date of allotment.

7.7 Quotation on ASX

The Company must apply for quotation on ASX of all new Shares issued on the exercise of Options as soon as practicable after the issue of those Shares, subject to the Shares being quoted at that time.

8. Lapse of Options

8.1 At end of Exercise Period

Options not validly exercised by the end of the Exercise Period will lapse, unless the Options have lapsed earlier by operation of this Rule 8.

8.2 On Retirement, Retrenchment, death

If a Participant ceases to be an Eligible Person by reason of any of the following events:

- (a) the Retirement of the Participant, or if the Participant is not an Eligible Employee, the Retirement or Retrenchment of the Eligible Employee by virtue of whom the Participant holds Options; or
- (b) the Retrenchment of the Participant, or if the Participant is not an Eligible Employee, the Retirement or Retrenchment of the Eligible Employee by virtue of whom the Participant holds Options; or
- (c) the death of the Participant, or if the Participant is not an Eligible Employee, the death of the Eligible Employee by virtue of whom the Participant holds Options,

the Options held by that Participant in respect of which the Exercise Conditions (if any) have been satisfied will lapse at the expiration of 3 months after the date of the relevant event, and all other Options held by that participant will lapse on the date of the relevant event, unless the Board determines otherwise.

8.3 On resignation

If a Participant ceases to be an Eligible Person by reason of his or her resignation, or if the Participant is not an Eligible Employee, the resignation of the Eligible Employee by virtue of whom the Participant holds Options, other than resignation to avoid dismissal for misconduct, all Options held by that Participant in respect of which the Exercise Conditions (if any) have been satisfied will lapse at the date of resignation and all other Options held by that participant will lapse on the date of resignation, unless the Board determines otherwise.

8.4 In other circumstances

If a Participant ceases to be an Eligible Person, or if the Participant is not an Eligible Employee, the Eligible Employee by virtue of whom the Participant holds Options ceases to be an Eligible Person, for any reason other than the reasons set out in this Rule 8, all Options held by that Participant will lapse on the date of cessation, unless the Board otherwise determines.

9. Restriction on transfer of Options

Options granted under the Plan may not be transferred, [mortgaged, charged or otherwise dealt with].

10. Effect of new issues and capital alterations

10.1 New issues

Subject to the Listing Rules, a Participant may only participate (in respect of Options issued under the Plan) in new issues of Shares to existing shareholders of the Company if the Options have been exercised in accordance with the Rules and Shares have been allotted to the Participant in respect of those Options prior to the record date for determining entitlements for the new issue.

10.2 Capital alterations and reconstructions

Subject to the Listing Rules, if, prior to the expiry of an Option granted under the Plan, there is an alteration to or a reorganisation of the issued share capital of the Company (including a consolidation, reconstruction, subdivision or reduction of or return of capital to shareholders, rights issue or bonus issue), the number of Shares over which the Option is exercisable and/or the Exercise Price will be adjusted by the Board in the manner required or permitted by the Listing Rules and otherwise on the basis that the Board considers appropriate.

10.3 Notification of adjustments

The Board must notify each Participant of any adjustment to Options pursuant to this Rule 10 in accordance with the Listing Rules and as soon as practicable after its decision.

11. Administration

11.1 Powers of Board

Subject as otherwise provided in these Rules, the Board shall administer the Plan and shall have the power to:

- (a) determine procedures from time to time for administration of the Plan consistent with these Rules;
- (b) resolve conclusively and bind the Company and Participants regarding any question of fact or interpretation or application of these Rules;
- (c) delegate to any person for such period of time and on such conditions as the Board may determine the exercise of any of its powers or discretions arising under the Plan; and
- (d) determine matters falling for its determination under these Rules in its absolute discretion having regard to the interests of and for the benefit of the Company.

11.2 Suspension and termination of Plan

The Board may at any time by resolution suspend or terminate the Plan. Suspension or termination will not affect the rights of Participants who were issued Options prior to the suspension or termination and the Rules will continue to operate with respect to those Options.

11.3 Costs

The Company will pay the costs and expenses of the establishment and operation of the Plan. An Associated Company may be required to share such costs and expenses as determined by the Board.

11.4 Compliance with laws

The Plan must not be operated, and the Board must not exercise its powers under the Rules, in contravention of the Corporations Act, the Listing Rules or any other applicable laws.

12. Notices

12.1 To Eligible Employees and Participants

A notice or direction to be given under these Rules by the Company or the Board must be delivered to the person entitled to it either personally or sent by post to the address supplied by that person to the Company for that purpose or given in any reasonable manner which the Board from time to time determines. A notice or direction sent the Company or the Board by post will be deemed to be received on the second business day following the date of posting.

12.2 To the Company

A notice to be given under these Rules to the Company or the Board must be delivered or sent to the registered office of the Company and will not be deemed to be received until actually received by the Company. The Board may make other arrangements for the receipt of notices.

13. Amendment of the Rules

13.1 General

Subject to Rule 13.2 and the Listing Rules, the Board may from time to time amend the Rules in any manner it thinks fit in its absolute discretion.

13.2 Limitation

No amendment may be made to the provisions of these Rules which reduces the rights of Participants in respect of Options acquired by them prior to the date of the amendment, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans or the Listing Rules;
- (b) to correct any manifest error or mistake; or
- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a Court of competent jurisdiction.

13.3 Notification of amendments

The Board must give written notice to all Participants of any amendment to the Rules which affects their rights.

14. Limit on number of Options to be issued

The Board must ensure that it does not offer Options under the Plan if the number of Shares that may be acquired on exercise of the Options being offered when aggregated with:

- (a) the number of Shares which would be issued were each outstanding offer or option to acquire unissued Shares, being an offer made or option acquired pursuant to the Plan or any other employee share or option plan, was to be accepted or exercised (as the case may be); and
- (b) the number of Shares issued during the previous 5 years pursuant to the Plan or any other employee share or option plan extended only to Eligible Employees of the Company,

but disregarding any offer made, or option acquired or share issued by way of or as a result of:

- (c) an offer to a person situated at the time of receipt of the offer outside the jurisdiction;
or
- (d) an offer that did not require disclosure to investors because of section 708 of the Corporations Act,
- (d) an offer that did not require disclosure to investors because of section 708 of the Corporations Act,
- (d) an offer made under a disclosure document or prospectus,
does not exceed 5 per cent of the total number of issued Shares as at the time of the offer.

15. Governing law

This Plan and any Option granted under it is governed by, and is to be construed in accordance with, the laws of Queensland.