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ROLE OF THE AUDIT COMMITTEE

Dated : 29 May 2009

In accordance with ASX Corporate Governance Principles and Recommendations (Second Edition), eBet Limited (referred to as the Company) sets out the Role of the Audit Committee (referred to as the Committee) in this charter.

Functions

The general functions of the Audit Committee are to assist the Board in fulfilling its obligations in respect of the following :-

- financial reporting;
- internal controls;
- management of material business risks;
- external audit functions; and
- monitoring compliance with applicable laws and regulations.

The Audit Committee reports to the Board and provides advice and / or recommendations relevant to the Role of the Audit Committee, for decision making by the Board.

Members

- The Audit Committee should consist of no less than two (2) members appointed by the Board, with the Chairman being an independent non executive Director.
- The Board is requested to approve all changes to members and their remuneration.
- At least one member should have a professional background.
- The Chairman of the Audit Committee is to be appointed by the Board from time to time. The Chair of the Board should not be the Committee Chair.
- Any Director may attend any Audit Committee meeting at any time.

Meetings

The Audit Committee is required to hold at least two (2) meetings per year. A simple majority of committee members will constitute a quorum. Meetings must be held to review the following :-

- results of the external audit review;
- proposed half yearly profit announcement and financial results, prior to the Board approving the announcement and results;
- proposed preliminary annual profit announcement and financial statements, prior to the Board approving these announcement and statements.

The Audit Committee can call additional meetings as the Board Chairman decides are necessary for the Audit Committee to fulfill its duties. In addition, the Audit Committee Chair must call a meeting of the Audit Committee when requested by a Committee member or the external Auditors. The Audit Committee may invite such other persons to its meetings, as it deems necessary.

Authority

The Audit Committee is authorised to investigate any activity within its responsibilities and can seek any information from any employees, and all employees are required to co-operate with any requests.

The Audit Committee can obtain outside professional advice if it considers this necessary, subject to prior consultation with the Chairman of the Board.

The Audit Committee has unlimited access to the external auditors and to Senior Management of the Company.

Responsibilities

The broad matters to be addressed and decided by the Audit Committee are as follows :-

General

- review the Company's internal controls;
- review the Company's risk management function, processes and policies;
- review the financial information presented by Management to shareholders, analysts and the general public;
- oversee the audits conducted by the Company's external auditors;
- maintain communications with the Board and the external Auditors, to ensure exchange of appropriate information;
- consider any other matters referred to it by the Board.

Internal Controls

- monitor policies, procedures and content of the Company's statutory and management reporting;
- review the Company's exposure to fraud;
- review the Company's control culture by emphasising the importance of internal controls and the management of risk;
- review security of computer systems, applications and the plans for processing financial information in the event of a systems breakdown; and
- ensure that internal control recommendations made by external auditors have been implemented by Management.

Financial Reporting

- review the Company's administrative, operating and accounting policies with Management, and external auditors;
- review reports from external auditors on any significant proposed regulatory, accounting or reporting issue; and
- review the Company's management information and accounting control systems through written reports from the external auditors, and oversee Management's responses and actions.

External Reporting

- review all financial reports regarding the Company's financial reporting prior to their public release;
- review significant accounting and reporting issues, including recent professional and regulatory pronouncements for compliance;
- review how management is managing financial risks;
- review any abnormal business transactions; and

- review the Company's Annual Report before its release, and consider whether the information is understandable and consistent with the Company's operations.

External Audit

- review the relationship with the external auditor and evaluate the overall effectiveness of external audit services annually;
- discuss problems and reservations arising before the interim and final results, and any matters the external Auditor may wish to discuss;
- review reports prepared by the external Auditor and Management's response; review all representation letters signed by Management, and check that the information provided is complete and appropriate;
- review the external Auditors' independence, taking into account the services provided by the external Auditors and other services that may lead to lack of independence;
- the Audit Committee may allow the external Auditor to provide non-audit services in certain circumstances; and
- require the external Auditors to confirm in writing that they have complied with all professional and regulatory requirements relating to auditor independence, prior to the announcement of pending results.

Other Responsibilities

- perform other functions as requested by the Board; and
- review policies to avoid conflicts of interest, and review past or proposed transactions between the Company and members of the Board and management.

Reporting

- Update the Board about Audit Committee activities and make appropriate recommendations; and
- Ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the business of the Company.

Assessment

The Board will review the performance of the Audit Committee, which will include an annual review of the role of the Audit Committee.