

World Wide Entertainment Group Limited

Audit and Compliance Committee Charter

Introduction

A Committee Charter should be a living document that is referred to regularly and updated as required. It sets out the functions and responsibilities of the Committee.

This Charter has been written with reference to the ASX Corporate Governance Council 2003, "Principles of Good Corporate Governance and Best Practice Recommendations", as updated or amended from time to time, the World Wide Entertainment Group Limited Constitution and the World Wide Entertainment Group Limited Board Charter.

1. Role of the Committee

The Audit and Compliance Committee should assist the Board in fulfilling its oversight responsibilities. The Audit and Compliance Committee should review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee should maintain effective working relationships with the Board of Directors, management, and the external auditors. To perform his or her role effectively, each committee member should obtain an understanding of the detailed responsibilities of Committee membership as well as the Company's business, operations, and risks.

2. Membership of the Committee

(a) The Audit and Compliance Committee will comprise not less than three members, all of whom will be non-executive Directors and a majority of whom should be independent Directors.

(b) Each member should be independent of management and capable of making a valuable contribution to the Committee.

(c) The Chairman of the Audit and Compliance Committee shall be an independent Director nominated by the Board from time to time, and not the Chairman of the Board of Directors.

(d) Members will be appointed for a three year term of office subject to review at any time by the Board.

3. Responsibilities

The Audit and Compliance Committee should be responsible for:

3.1 Internal Control

- (a) Evaluate whether management is setting the appropriate “control culture” by communicating the importance of internal control and the management of risk and ensuring that all employees have an understanding of their roles and responsibilities;
- (b) Gain an understanding of any risks that may impact the business. Evaluate the processes that analyse the risks and provide systems to mitigate the risk.
- (c) Consider how management is held to account for the security of computer systems and applications, and the contingency plans for processing financial information in the event of a systems breakdown;
- (d) Gain an understanding of whether recommendations made by external auditors have been implemented by management.

3.2 Financial Reporting

3.2.1 General

- (a) Gain an understanding of the current areas of greatest financial risk and how management is managing these effectively;
- (b) Consider with the external auditors any fraud, illegal acts, deficiencies in internal control or other similar issues;
- (c) Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- (d) Ask management and the external auditors about significant risks and exposures and the plans to minimise such risks;
- (e) Review any legal matters which could significantly impact the financial statements.

3.2.2 Annual Financial Statements

- (a) Review the annual financial statements and determine whether they are complete and consistent with the information known to Committee members;
- (b) Assess whether the financial statements reflect appropriate accounting principles;
- (c) Pay particular attention to complex and/or unusual transactions;

(d) Focus on judgmental areas, for example those involving valuation of assets and liabilities, environmental liability, litigation, reserves and other commitments and contingencies;

(e) Meet with the management and the external auditors to review the financial statements and the results of the audit

3.2.3 Quarterly Reports, Preliminary Announcements, Interim Financial Statements and Analysts' Briefings

(a) Be briefed on how management develops preliminary announcements, interim financial information and analysts' briefings; the extent of internal audit involvement; and the extent to which the external auditors review such information

(b) Assess the fairness of the preliminary and interim statements and disclosures, and obtain explanations from management and internal and external auditors on whether:

(i) actual financial results for the interim period varied significantly from budgeted or projected results;

(ii) changes in financial ratios and relationships in the interim financial; statements are consistent with changes in the Company's operations and financing practices;

(iii) generally accepted accounting principles have been consistently applied;

(iv) there are any actual or proposed changes in accounting or financial reporting practices;

(v) there are any significant or unusual events or transactions;

(vi) the Company's financial and operating controls are functioning effectively;

(vii) the preliminary announcements and interim financial statements contain adequate and appropriate disclosures.

3.3 Internal Audit

Consider and monitor the internal audit function to review the activities and organisational structure of the Company.

3.4 External Audit

(a) Review the external auditors' proposed audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope.

(b) Review the performance of the external auditors.

(c) Consider the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services bought by the Company.

(d) Make recommendations to the board regarding the reappointment of the external auditors.

(e) Meet separately with the external auditors to discuss any matters that the Committee or

auditors believe should be discussed privately.

(f) Ensure that significant findings and recommendations made by the external auditors are received and discussed on a timely basis.

(g) Ensure that management responds to recommendations by the external auditors.

3.5 Compliance with Laws and Regulations

(a) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.

(b) Obtain regular updates from management and Company's legal counsel regarding compliance matters.

(c) Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements.

(d) Review the findings of any examinations by regulatory agencies.

3.6 Compliance with the Company's Code of Conduct

(a) Ensure that the Code of Conduct is in writing and that arrangements are made for all employees to be aware of it.

(b) Evaluate whether management is setting the appropriate "tone at the top" by communicating the importance of the code of conduct and the guidelines for acceptable behaviour.

(c) Review the process for monitoring compliance with the Code of Conduct.

(d) Obtain regular updates from management regarding compliance.

3.7 Reporting Responsibilities

(a) Regularly update the Board about Committee activities and make appropriate recommendations at least twice annually.

(b) Ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

(c) Evaluate the Committee's own performance on a regular basis.

3.8 Other Responsibilities

(a) Perform other oversight functions as requested by the full Board.

(b) If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.

4. Authority

The Board authorises the Audit and Compliance Committee, within the scope of its responsibilities, to:

(a) Seek any information it requires from:

- (i) any employee (and all employees are directed to co-operate with any request made by the Audit and Compliance Committee)
- (ii) external parties

(b) Obtain outside legal or other professional advice

(c) Ensure the attendance of Company officers at meetings as appropriate

5. Committee Meetings

5.1 Meetings

Meetings shall be convened as required and often enough to undertake its role effectively.

5.2 Agenda

An agenda and any supporting documentation should be sent to all members of the Committee one week (five business days) prior to each meeting.

5.3 Quorum

A quorum for any meeting will be two thirds of members.

5.4 Recording of Committee Minutes

(a) The secretary of the Audit and Compliance Committee should be the Company Secretary, or such other person as nominated by the Board.

(b) The proceedings of all meetings will be minuted by the secretary and the minutes should be presented to the next full Board meeting after each Audit and Compliance Committee meeting.

5.5 Attendance of Meetings

(a) The Audit and Compliance Committee may invite such other persons (e.g. the Managing Director, CFO) to its meetings, as it deems necessary.

(b) The external auditors should be invited to make presentations to the Audit and Compliance Committee as appropriate.

6. Governance Framework

This document should be updated by the Board on an ongoing basis. The Committee should review the governance framework at least annually to ensure it accurately reflects the policies and procedures of the Committee.