

**CAMPBELL BROTHERS LIMITED**  
**AUDIT AND COMPLIANCE COMMITTEE**

**TERMS OF REFERENCE**

**PURPOSE**

The Committee's purpose is to identify and recommend implementation of policies, practices and processes, to receive reports from management, and to monitor performance, so that the Campbell Brothers Group discharges its responsibilities to exercise due care, diligence and skill in relation to the Group's –

- reporting of financial information
- application of accounting policies
- financial management
- internal control systems
- risk management systems
- business policies and practices
- protection of assets
- compliance with relevant laws, regulations, standards and best practice guidelines.

The Committee has no executive or governing status and reports to the Board of Directors.

**GUIDELINES**

In carrying out its purpose the Committee will have regard to-

- the corporate governance policies, recommendations and guidelines from time to time adopted by the Australian Securities Exchange,
- the expectation of the Board of Directors that the Committee will focus the attention of the Board, management, staff, the internal auditor and external auditors on establishing high standards for management of the Group's businesses, the protection of its assets and the safety of its employees, its customers, the public and the environment, acknowledging that the laws of various places where the Group operates have established minimum standards for compliance in these areas, and
- the expectation of the Board of Directors that the Group will strive to achieve consistency throughout its operations in all parts of the world in the fundamentals of financial accountability, compliance, control and reporting.

## **STRUCTURE**

The members of the Committee, and its chairman, are appointed and may be removed, by the Board of Directors.

All members of the Committee must be non-executive directors. There must be at least 3 members.

The chairman of the Committee must not be the chairman of the Board of Directors.

The chairman of the Board of Directors, and any director, are entitled to be present at all meetings of the Committee.

Unless the chairman of the Committee directs otherwise in relation to a specific meeting of the Committee, the following persons are to be invited to meetings of the Committee, and provided with all notices and papers circulated to members of the Committee-

- the Chief Executive Officer
- the Group Finance Manager
- the Company Secretary
- the Group Compliance and Risk Manager
- the responsible partner, and the audit manager, of the Group's external auditors.

The Company will provide secretarial support to the Committee.

The Group Compliance and Risk Manager will be a part time resource officer to assist the Committee in its operations.

A quorum is 2 members.

The Committee will meet at least 4 times a year, and will time those meetings to enable it to review and make specific recommendations to the Board of Directors on-

- the half-yearly financial statements,
- the annual report and annual financial statements,
- the scope, cover and cost of the insurance program for the Group, and
- these terms of reference.

A diagrammatic overview of the Committee is presented in the attachment to these terms of reference.

These terms of reference were reviewed by the Board of Directors, following recommendations from the Committee, and adopted on 26 May 2009.

**ATTACHMENT ONE: AUDIT AND COMPLIANCE COMMITTEE OVERVIEW**

