

FOSTER'S GROUP LIMITED

RISK AND COMPLIANCE COMMITTEE CHARTER

Objective

To assist the Board to:

- actively promote ethical and responsible decision-making;
- ensure that the Company recognises legal and other obligations to all legitimate stakeholders;
- establish a sound system of risk oversight and management and internal control; and
- ensure that the Company's systems and processes are properly controlled and functioning effectively.

Constitution

The Committee is constituted and delegated functions by the Board. It has no powers other than those set out in this charter or otherwise delegated to it by the Board.

Save as specifically provided to the contrary in this Charter, the Committee's role is to review and make recommendations to the Board. It has no executive power or management function.

The Board retains full responsibility for corporate governance and risk management.

The Constitution shall govern the regulation of the meetings and proceedings of the Committee.

Composition

The Committee shall have at least 2 but no more than 5 members. One of the Committee's Members will be the Chairperson of the Audit Committee.

The Committee shall be comprised of non-executive directors with a majority of independent directors. Independence is given the same meaning as in the Board Charter.

A quorum shall be 2 members.

New Committee members shall be given a thorough briefing by the Chairperson and/or Secretary on key corporate governance, risk management and compliance issues and be provided with appropriate background documentation.

If a member of the Committee ceases to be a director of the Company, that member ceases to be a member of the Committee. The Board may remove a member of the Committee.

Chairperson

The Board shall appoint the Chairperson of the Committee.

The Chairperson shall:

- be an independent director; and
- not be the Board Chairperson.

Should the Chairperson be absent from a meeting, the members of the Committee present shall appoint a Chairperson for that particular meeting.

Frequency of Meetings

The Committee shall meet at least 4 times per year.

The Committee may call such additional meetings as the Chairperson of the Committee decides are necessary for the Committee to fulfil its duties.

Any Committee member can convene a Committee meeting.

Written Consent

Any action permitted to be taken at any meeting of the Committee may be taken without a meeting, if a written consent thereto is signed by at least 75% of the members of the Committee, provided that such written consent shall be filed with the minutes of the proceedings of the Committee.

Agenda

The Chairperson shall review the agenda for each meeting prior to its issue.

Any Committee member may require business to be included in the agenda provided the Chairperson and Secretary have been given prior notice of that business.

Attendance

The Chief Executive Officer, Risk and Assurance Director and Internal Auditors will be invited to attend meetings, as required. Other Company executives and advisers, as the Chairperson thinks fit, may be invited to attend meetings.

The Internal Auditors:

- may be required to meet separately with the Committee, without management, upon the Chairperson's request; and
- may be asked to contribute to the Committee's agenda.

Secretary

The Company Secretary or his delegate shall act as Secretary of the Committee and shall attend meetings of the Committee, as required.

Minutes

Minutes of meetings of the Committee shall be prepared by the Secretary, approved by the Chairperson in draft and circulated to all members of the Committee and to the Board.

Minutes of meetings of the Committee shall be confirmed at the next meeting of the Committee and then signed by the Chairperson.

Access to Information

The Committee may seek information directly from any employee or external party, including the Internal Auditors.

The Committee may obtain any external, professional advice it requires to fulfil its duties. The Committee has authority to compensate these parties as it deems appropriate.

Responsibilities and Duties

The primary responsibilities of the Committee are to:

- recommend to the Board and then promulgate clear standards of ethical behaviour required of directors and key executives and encourage observance of those standards;
- recommend to the Board and then promulgate and maintain a sound system of risk oversight and management and internal control which:
 - identifies, assesses, manages and monitors risk; and
 - informs investors of material changes to the Company's risk profile.

The Corporate Governance duties of the Committee include:

- reviewing and recommending to the Board changes to the Company's Board Charter dealing with, amongst other matters:
 - the structure and responsibilities of the Board;
 - the proper relationship between the Board and management including the proper relationship between the roles of the Chairperson and the Chief Executive Officer; and
 - the responsibilities of management;
- reviewing and recommending to the Board changes to:
 - the environmental policies of the Company; and
 - the occupational health, safety and welfare policies of the Company
- monitoring compliance with the above policies and investigating allegations of a breach of them;
- reviewing and recommending to the Board changes to the Company's Code of Conduct and other material designed to guide the directors, executives and other employees as to:
 - compliance with legal and other obligations to legitimate stakeholders, such as shareholders, suppliers, customers and employees;
 - the ethical standards and practices necessary to maintain confidence in the Company's integrity;

- the responsibility and accountability of individuals for reporting and investigating reports of unlawful and unethical practices; and
 - the behaviour expected of them and the Company's corporate culture generally;
- monitoring compliance with the Code of Conduct and investigating allegations of breach of the Code;
 - reviewing and recommending to the Board changes to the Company's Share Trading Policy;
 - monitoring compliance with the Share Trading Policy and investigating allegations of breach of it;
 - reviewing and recommending to the Board changes to the Company's Continuous Disclosure Policy and Procedures document;
 - monitoring compliance with the Continuous Disclosure Policy and Procedures document and investigating allegations of breach of it;
 - reviewing and recommending to the Board changes to the Company's Delegated Limits of Authority;
 - monitoring compliance with the Company's Delegated Limits of Authority and investigating allegations of breach of them;
 - reviewing and recommending to the Board policies to avoid conflicts of interest between the Company and executives;
 - monitoring compliance with the Board's conflict of interest policies and investigating allegations of breach of them;
 - reviewing and monitoring the propriety of related party transactions and considering the adequacy of disclosure of those transactions in the Company's financial statements;
 - reviewing and recommending to the Board the Corporate Governance Statement (other than the Remuneration Report) to be contained in the Company's Annual Report;
 - acting as a resource for individual directors, key executives and the Company as a whole on questions of corporate governance and ethical standards, including providing decisions and/or advice on such matters as are referred to the Committee by the Chairperson, the Board or the Chief Executive Officer.

The Risk Management Duties of the Committee include:

- ongoing assessment of the Company's risk profile;
- assessing and recommending to the Board acceptable levels of risk;
- assessing and monitoring, in consultation with the Internal Auditors, appropriate risk management and internal control systems to ensure that risk is reduced to or managed at levels determined to be acceptable by the Board;
- on an annual basis, in conjunction with the Audit Committee, approving the audit plan of the Internal Auditors and agreeing terms of engagement with them, including their fees;
- agreeing with the Audit Committee which aspects of the internal audit are non-financial aspects to be monitored by the Risk and Compliance Committee;

- in relation to the non-financial aspects of the internal audit:
 - monitoring the progress of the Internal Auditors against the audit plan;
 - reviewing all representation letters signed by management;
 - discussing the results of the internal audit with the Internal Auditors;
 - enquiring if there has been any significant disagreements between management and the Internal Auditors; and
 - monitoring management's response to the Internal Auditors recommendations that are adopted;
- initiating and monitoring special investigations into areas of corporate risk and break-downs in internal control; and
- reviewing the nature and level of insurance coverage.

The Committee may consider any other matters relating to corporate governance and risk management that it considers desirable. In addition, the Committee shall examine any other matters referred to it by the Board.

Reporting

The Chairperson shall report to the Board at the Board meeting following each Committee meeting. The report shall cover:

- the primary responsibilities and the recommendations set out in the Responsibilities and Duties section; and
- any other material matters relevant to the Committee's duties.

Distribution

After its review each year, this charter shall be distributed by the Company Secretary to all Directors, the Chief Executive Officer, the Risk and Assurance Director and the Internal Auditors.

This Risk and Compliance Committee Charter will be available for viewing by any person on the Company's website or a copy will be sent upon request.

Updated as at 18 February 2008