

BEYOND SPORTSWEAR INTERNATIONAL LIMITED

ACN 108 042 593

(the Company)

Audit Committee Charter

1. Organisation

This Charter governs the operations of the Audit Committee of the Company.

2. Membership

The Committee consists of at least three members of the Board with complementary skills and experience. All members of the Committee must be Non Executive Directors and the majority of members should be independent. In addition, wherever possible one member is to have accounting or related financial management expertise as determined by the Board.

The Committee chairperson is to be independent and have leadership experience and a strong finance, accounting or business background. All Committee members are to be financially literate – or to become financially literate within a reasonable period of time after appointment.

Independence of members of the Committee will be considered in accordance with the Company's Policy on Independence of Directors.

The Board appoints the chairperson of the Audit Committee.

3. Operations

The Committee is to meet at least four times each year. The purpose of these meetings is to:

- review and approve external audit programs;
- review and approve the half-year financial report;
- update the external audit program;
- review and approve the annual financial report;
- review the corporate governance policies; and
- propose the corporate governance statement be contained in the annual report.

Additional meetings may be held as the Committee or its chair determine.

The Committee will maintain minutes of all its meetings. It will report actions and progress to each meeting of the Board. Committee members will be given copies of the minutes at each meeting and any action taken by unanimous consent.

4. Purpose

The Audit Committee assists the Board to fulfill its corporate governance and oversight responsibilities in relation to the Company's:

- financial reporting;
- internal control structure;
- risk management systems; and
- external audit functions and overall corporate governance policies.

The Committee is empowered to investigate any matter brought to its attention. It has:

- full access to all books, records, facilities and personnel of the Company; and
- the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

5. Responsibilities

Financial reporting

The primary responsibility of the Committee is to oversee the Company's financial reporting processes on behalf of the Board and to report the results of its activities to the Board.

The Board is responsible for the Company's financial reports including the appropriateness of the accounting policies and principles that the Company uses. The external auditors are responsible for auditing the Company's financial reports and for reviewing the Company's unaudited interim financial reports.

The Committee will take appropriate action to set the overall corporate 'tone' for quality financial reporting, sound business risk practices and ethical behaviour.

Corporate governance

The Committee is responsible for the Company's corporate governance policies. The Committee will review these policies at least annually and make any recommendation to the Board to ensure compliance with the law and best practice standards.

The Committee is also responsible for the corporate governance statement included in the annual report. It will provide a draft statement to the Board for approval.

Understanding the business risks

The Committee is to ensure that members understand the Company's structure, controls and types of transactions in order to adequately assess the significant risks the Company faces in the current environment.

6. Duties

Assessment of accounting, financial and internal controls

The Committee will discuss with management and the external auditors the adequacy and effectiveness of the accounting and financial controls – including the Company's policies and procedures to assess, monitor and manage business risk and legal and ethical compliance programs.

The Committee is to meet periodically with management and the external auditors to discuss issues and concerns warranting committee attention – including their assessment of the effectiveness of internal controls and the process for improvement. The Committee is to provide sufficient opportunity for the external auditors to meet privately with the members of the Committee. Also, the Committee is to review with the external auditor any audit problems or difficulties and management's response.

The Committee is to receive regular reports from the external auditor:

- on the critical policies and practices of the Company; and
- on all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

Appointment of external auditors

The Committee is directly responsible for recommending to the Board the appointment, reappointment, replacement, remuneration, monitoring and independence of the external auditors. The appointment of external auditors is to be undertaken in accordance with the Company's procedures for selecting external auditors.

The Committee will pre-approve all audit and non-audit services provided by the external auditors. The Committee may not engage the external auditors to perform any non-audit/assurance services that may impair, or appear to impair, the external auditor's judgement or independence in respect of The Company. The Committee may delegate pre-approval authority to a member of the Audit Committee. Any Committee member to whom pre-approval is delegated must present their decisions to the full Committee at its next scheduled meeting.

Assessment of the external audit

At least once a year, the Committee is to either review a report by the external auditors describing the following, or to meet, discuss and document the following;

- the audit firm's internal quality control procedures;
- any material issues, or steps taken in relation to material issues, raised by the most recent review of, or inquiries into, the audit firm in the previous 3 years whether the

internal quality control review, peer review or governmental or professional authorities that relates to any one or more independent audits carried out by the firm; and

- all relationships between the external auditor and the Company to assess the auditor's independence.

Independence of the external auditors

The Committee will review and assess the independence of the external auditor with guidance from Professional Statement F.1 on Professional Independence. The Committee will draft an annual statement for inclusion in The Company's annual report as to whether the Committee is satisfied that the audit firm's provision of non-audit services is compatible with external auditor independence.

Scope of the external audit

The Committee is to discuss with the external auditors the overall scope of the external audit, including identified risk areas and any additional agreed on procedures. Also, the Committee is to review the external auditor's compensation to ensure that the firm is able to conduct an effective, comprehensive and complete audit.

Communications with stakeholders

Other than in relation to disclosures made pursuant to the Company's continuance disclosure obligations, the Committee is to review and discuss ASX releases which relate to matters directly within its responsibilities, as well as financial information and earnings guidance provided by the Company to analysts and rating agencies.

The Committee will review the half-year and full year financial report and Appendix 4B (Appendix 4D) before the Company files them with the ASX. Also, the Committee will discuss the results of the half-year review and full year results and any other matters communicated to the Committee by the external auditors under generally accepted auditing standards.

The Committee will review all representation letters to be signed by management to ensure that the information provided is complete and appropriate.

The Committee will receive reports of evidence of a material breach of the Corporations Act, the ASX Listing Rules, breaches of fiduciary duty and departures from the ASX Corporate Governance Best Practice Recommendations.

7. Committee performance

The Board will evaluate the performance of the Audit Committee at least annually to determine whether it is functioning effectively by reference to current best practice.

ADOPTED BY THE BOARD: 8 APRIL, 2004

REVIEWED AND UPDATED BY THE BOARD: NOVEMBER 2008