

Board of Directors Charter

Roles and Responsibilities of the Board

The role of the board is to provide effective governance over the company's affairs to ensure the interests of shareholders are protected and enhanced and the confidence of the investment market is maintained whilst having regard for the interests of all stakeholders, including customers, employees, suppliers and local communities.

The board of Specialty Fashion Group Limited (SFG) is ultimately responsible for the oversight and review of the management, administration and overall governance of SFG, including:

- the protection of shareholders' interests;
- formulating and overseeing the strategic direction;
- authorizing financial policies, approval of budgets, financial statements and other published reports;
- where appropriate, ratifying the appointment and removal of senior executives
- establishing goals for management and monitoring the achievement of these goals;
- the selection, appointment and succession planning process of the Company's Chief Executive Officer;
- the maintaining of good corporate governance standards;
- to act honestly, fairly and diligently;
- to act in accordance with laws and regulations;
- to avoid or manage conflicts of interest; and
- to promote SFG as a good corporate citizen

Composition of the Board

The board currently comprises six directors, five non-executive directors and one executive director. The composition of the board is determined using the following principles:

- a majority of the board will be comprised of independent directors to ensure that no individual or group of individuals dominates the Board's decision making process;
- the Chairman will be an independent non-executive director and a person cannot hold the positions of both Chairman and CEO; and
- directors are expected to have qualifications, experience, and expertise of benefit to the company and to bring an independent view to the Board's deliberations.

Each director is required to complete a declaration of their interests prior to their appointment and is required to keep the Board updated if any circumstances

change which may conflict with their position as director of the company or the interests of the company. The company considers the Chairman and the majority of non-executive directors of the board to be independent directors.

Board membership is regularly reviewed. Recommendations on the appropriate skill mix, personal qualities, expertise and diversity of each position are made. Suitable candidates are interviewed and appointed by the board.

Term of Office

The company's constitution specifies that all directors must stand for re-election every three years.

Independent Professional Advice

Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

Board Processes

To assist it in fulfilling its responsibilities and to allow detailed consideration of complex issues the Board establishes committees.

The current committee of the Board is the Audit Committee consisting of non executive directors. This committee has written mandates and operating procedures, which are reviewed on a regular basis.

The Board also presides over the remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors, the Chief Executive Officer and other senior executives and employees of Specialty Fashion Group Limited (SFG).

The full board currently holds 12 scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise. The Chairman holds meetings with non-executive directors from time to time without the presence of the executive directors or other management.

The agenda for meetings is prepared in conjunction with the chairperson, chief executive officer and company secretary. Standing items include the chief executive officer's report, financial reports, strategic matters, governance and compliance. Submissions

are circulated in advance.

The Board is assisted by the Company Secretary who, under the direction of the Chairman is responsible for facilitating good information flows within the Board and its committees and between senior executives and non-executive directors. The Company Secretary is responsible for monitoring compliance with the Board's procedures, and for advising the Board, through the Chairman, on all governance matters. All directors have access to the advice and services of the Company Secretary, whose appointment and removal is a matter for the Board. Other Executives of the company are regularly involved in board discussions and directors have other opportunities, including visits to business operations, for contact with a wider group of employees.

Review

The Board will, at least once per year review the membership and charter of the Board of Directors to determine its adequacy for current circumstances, and revise these as necessary.