

Nomination and Remuneration Committee Charter

The role of the Committee is to assist and advise the Board on 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 objectives of the committee include:

- to review, assess and make recommendations to the Board on the necessary and desirable competencies of the executive members of the board of directors;
- to oversee the selection and appointment practices for executive directors and senior executives of the company;
- to develop succession plans for the Board and to oversee development by management of succession planning for senior executives; and
- to assist the Board in determining appropriate and relevant remuneration and incentive policies.

The Executive Remuneration policy is set by the Committee to ensure packages are set at levels that are intended to attract and retain executives capable of managing the company's operations. The Committee monitors the company's compliance with the policy:

- by reviewing the proposed remuneration (including incentive awards, equity awards and service contracts) for the Senior Executive Team;
- ensuring the contractual terms on termination, and any payments made are fair to the individuals and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized.

The Committee is also responsible for reviewing and approving the design of executive incentive plans including determining appropriate targets.

Members

The board policy is that the nomination and remuneration committee will comprise entirely of independent non-executive directors. The Chief Executive Officer is invited to nomination and remuneration committee meetings, as required, to discuss senior executives' performance and remuneration packages but does not attend meetings involving matters pertaining to him.

At least one member of the Committee must have an understanding of the remuneration policies and practices.

The Chair of the Committee will be elected by and hold office for the period determined by the members of the Committee and must not also be the Chair of the Board.

Administrative Matters

The Committee shall meet as frequently as required in order to fulfill their role. However, it is intended that the Committee will meet at least once each year. A quorum for Nomination and Remuneration Committee meetings will be two members

The date, times and venues of each meeting will be notified by the Company Secretary to all members of the Committee as far in advance as possible and supporting papers for each meeting will be distributed at this time as well.

The Committee may have access to financial, legal or other independent advisers, in accordance with the Board's general policy. The Committee may obtain information from, consult with and invite to Committee meetings such members of management as it considers appropriate.

Reporting

The Chair of the Committee must report to the Board on the Committee's proceedings following each meeting on all matters relevant to the Committee's duties and responsibilities.

The Committee will make recommendations to the Board of Directors as it deems necessary about:

- changes to remuneration or contract terms of Executive Directors;
- the design or amendment of any incentive plans; and
- termination payments to executive directors and senior executive team.

The Board must approve (subject to recommendation by the committee):

- the executive remuneration policy
- the remuneration report to be included in the annual report
- the design of all incentive plans; and
- the remuneration of the non-executive directors.

Review

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