

Audit and Risk Committee Charter

The Audit and Risk Committee supports and advises the board in fulfilling its corporate governance and oversight responsibilities by assessing the integrity of the financial statements, tax compliance, internal financial controls and the external audit function. The Committee also helps the board identify and manage areas of significant financial risk and assesses the effectiveness of internal financial controls in place to mitigate these risks.

The overall objective of the Committee is to provide the Board with an independent and objective review of financial and other information prepared by management. The Chief Executive Officer and the Chief Financial Officer have day to day responsibility for the financial reporting and provide an annual certification to the Board regarding the integrity of the company's financial statements and that the financial information is founded on a sound system of risk management and internal compliance and control systems.

The overall responsibilities of the Audit and Risk Committee are to:

- review and report to the Board on the annual and half year report and financial statements;
- assist the Board in reviewing the effectiveness and adequacy of the organisation's internal financial control environment to enable them to provide the Board with up to date and reliable financial information.

Members

The Audit and Risk Committee must consist of a minimum of three members and a majority of its members must be independent non-executive directors.

All members of the Committee must be financially literate and at least two members must have a sound understanding of the industry in which the company operates.

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

Administrative Matters

The Committee shall meet at least three times each year, or as often as the Committee members deem necessary in order to fulfil their role and objectives. The quorum for a meeting of the Committee is two members.

The Committee must meet with the external auditors at least once a year without executive management being present.

The Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party, and obtain external legal or other independent professional advice. The Committee may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate.

Key responsibilities – Financial Reporting and Audit:

The Committee's specific function is to review and report to the Board that:

- the system of internal financial control effectively safeguards the assets of the Company;
- processes are in place such that accounting records are properly maintained in accordance with statutory requirements;
- processes exist to reasonably guarantee that financial information provided to investors and the Board is accurate and reliable;
- decisions requiring a major element of judgement by management have been considered and challenged;
- internal financial controls and processes have been evaluated to ensure compliance with applicable accounting standards and other requirements relating to the preparation and presentation of the financial results; and
- overseeing the Company's financial reporting and disclosure processes and the outputs of that process.

The Committee is also charged with the responsibilities of:

- recommending to the Board the appointment, removal and remuneration of the external auditors, and reviewing the terms of their engagement, and the scope and quality of the audit and non-audit services.
- reviewing and approving the audit plan of the external auditors, including the nature, scope, materiality levels and procedures of their audits.
- requiring and reviewing reports from the external auditors in relation to their major audit findings, management responses and action plans in relation to those findings;
- considering significant audit adjustments that may not have been adjusted; and
- assessing the independence (particularly in regard to any non-audit related services), objectivity and effectiveness of the external auditors.

Key responsibilities – Risk and Compliance

The Committee's specific function on risk management is to review and report to the Board that:

- the Company's ongoing risk management framework effectively identifies all areas of potential risk;

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- adequate policies and procedures have been designed and implemented to manage identified risks;
- a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies.

In fulfilling its responsibilities the Committee receives regular reports from management and external auditors. The external auditors have a clear line of direct communication at any time to either the Chairperson of the Audit and Risk Committee or the Chairman of the Board.

The Audit and Risk Committee is also responsible for determining and recommending to the Board if the Company requires a separate Internal Audit Function. To date activities undertaken by management and the internal loss preventions teams have been considered sufficient by the Committee and the Board in assessing and monitoring the internal financial control environment.

The Chief Financial Officer will be responsible for preparing, in consultation with the Committee Chair, the agenda for each meeting of the Committee and for compiling papers for the Committee to consider. The CFO will advise the dates, times and venues of each meeting and circulate agendas and Committee papers to all members of the Committee as far in advance as possible.

Reporting

The Committee reports to the full Board after each committee meeting and relevant papers and minutes are provided to all directors. The Committee will make recommendations to the Board of Directors as it deems necessary.

Review

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