

Pacific Brands Limited Code of Conduct

1. Purpose

The Company is committed to the highest level of integrity and ethical standards in all business practices. Employees must conduct themselves in a manner consistent with current community and Company standards and in compliance with all legislation.

This Code of Conduct outlines how the Company expects directors and employees to behave and conduct business in the workplace on a range of issues. It includes legal compliance and guidelines on appropriate ethical standards. The Code of Conduct does not include:

- Every ethical issue that an employee might face; nor
- Every law and policy that applies to the Company.

The objective of the Code of Conduct is to:

- Provide a benchmark for professional behaviour throughout the Company;
- Support the Company's business reputation and corporate image within the community; and
- Make directors and employees aware of the consequences if they breach the policy.

2. Scope

All employees, including temporary employees and contractors must comply with this Code.

This Code of Conduct extends to all Company Directors.

The Code of Conduct applies to all business activities with suppliers, contractors, customers, shareholders and employees in Australia, New Zealand and overseas.

The Code of Conduct should be read in conjunction with the relevant company policies.

2.1. Responsibility

Chairman

It is the Chairman's responsibility to:

- Communicate this Code of Conduct to Company Directors.

Manager

It is a Manager's responsibility to:

- Communicate this Code of Conduct to employees and contractors;
- Take immediate action if there is a breach of this Code of Conduct;
- Take a leadership role in observing and promoting the behaviour and standards in this Code of Conduct and related policies; and
- Refer any serious breaches to the Human Resources Manager or Senior Manager for further action.

Employee/Contractor

It is the employee's/contractor's responsibility to:

- Comply with the Code of Conduct;

- Act at all times in the best interests of the Company, with strict integrity and according to legal and approved Company business practices; and
- Raise any concerns or issues with their Manager.

Human Resources

It is the responsibility of Human Resources to:

- Revise and update the Code and related policies as required; and
- Conduct regular training on the Code of Conduct for employees.

3. Responsibilities under the Code of Conduct

Responsibility lies with every person covered by this Code of Conduct to conduct themselves in accordance with the Code of Conduct whatever the persons position and role. If any person covered by this Code believes they know of or suspect any dishonest activities or breaches of this Code, they should talk to their Manager, the Human Resources Manager or contact senior management. The matter will be handled in strict confidence and only those who need to know will be made aware of the situation. Employees are expected to comply with any investigations into concerns about breach of the Code or the Company's policies and procedures. Retribution against a person for reporting or supplying information about a Code or policy concern will not be tolerated.

Managers will take immediate action if an employee breaches the Code of Conduct. The type of action will depend on the severity of the misconduct and may range from counselling to dismissal.

Any employee who is suspected of fraud, defalcation, theft of Company property etc will usually be referred to the police for further investigation and action. The Manager/Supervisor must discuss the issue with the HR Manager or Senior Manager prior to any action being taken.

4. Compliance with laws and regulations

Every person covered by the Code, whatever the role and position, should be aware of, and comply with, the duties and obligations which apply to us under any laws, legislation or regulations relevant to our work. Employees are encouraged to participate in training organised by the Company to ensure that their knowledge remains up to date and that they remain abreast of relevant legal and industry developments. Assistance is also available to clarify whether particular laws apply and how they may be interpreted.

In particular, all employees are responsible for abiding by the rules of the Trade Practices Act in Australia and relevant legislation in other countries in which Pacific Brands operates.

Trade Practices Act (Australia)

The Act is a law that was written to ensure that all Australian businesses remain competitive. It forbids a number of "anticompetitive" activities. It also provides a set of standards to protect consumers.

Examples

Examples of activities that are prohibited by the Act include:

- Deceiving a customer about the price or discount of a product;
- Making a false claim about the warranty or performance of a product or where it was made;
- Imposing any conditions on the purchase of a product, eg forcing a customer to get a necessary part from elsewhere;

- Making an agreement with a competitor to fix credit terms or prices;
- Making derogatory comments about a competitor or their products.

The Company has, among other training resources, a computer based training package known as “Safetrac” to educate employees about the Trade Practices Act and other relevant legislative obligations applicable to Pacific Brands employees.

5. Fair dealing

Pacific Brands aims to maintain the highest standard of ethical behaviour in conducting business and to behave with integrity in all dealings with customers, shareholders, government, employees, suppliers and the community. Directors, senior management, employees and contractors are expected to perform their duties in a professional manner and act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of Pacific Brands. Each of us must ensure that our actions, and the actions of those who report to us, deal fairly with Pacific Brands’ customers, suppliers, competitors and employees.

Employees may also avail themselves of the confidential line “**Faircall**” to report any conduct or behaviour which contravenes this Code. Contact numbers for “**Faircall**” are: 1800 500 965 in Australia or 0800 777 720 in New Zealand.

6. Whistleblower protection policy

Pacific Brands’ core value of “integrity” enshrines the principle that the Company will conduct its business legally and ethically. The purpose of the whistleblower protection policy is to strengthen the Company’s ethical climate by empowering employees who wish in good faith to report any improper conduct without fear of reprisal.

Improper conduct is any conduct that is prohibited under this Code of Conduct.

If an employee reasonably suspects that another employee has undertaken any improper conduct or plans to undertake some form of improper conduct which is of a serious nature, the employee should report it to Pacific Brands’ Legal Counsel or the “Faircall” freecall telephone service administered by KPMG.

KPMG or Pacific Brands’ Legal Counsel will investigate any reported improper conduct while protecting the confidentiality of the identity of the whistleblower. The identity of the whistleblower will only be disclosed where it becomes necessary because of pending litigation or where there is some other overriding reason for disclosure. Disclosure will be made only after the whistleblower has been informed of the need for it.

All reports will be investigated discreetly, and only those persons who need to know the fact, and the details, of a report, will be informed of it. This may include the Board of directors or the Managing Director in severe cases or reports alleging a breach of the Corporations Act.

Where necessary, the Company might employ external resources to assist with an investigation.

The Company will not tolerate any form of harassment or retaliation against employees who report improper conduct in accordance with this policy. Provided any report of the improper conduct is made:

- In good faith, that is, reasonably believing it to be true; and
- Without malice,

the Company will protect a whistleblower.

Threats to cause detriment (whether express, implied, conditional or unconditional) are also prohibited. Under this policy, it is irrelevant whether or not the person threatened actually fears that the threat will be carried out.

A whistleblower's confidentiality also receives statutory protection under the Corporations Act where a report relates to a potential breach of the Corporations Act.

The Act protects a whistleblower who:

- Has reasonable grounds to suspect that the Company (or an officer or employee of the Company), has, or may have, contravened a provision of the Act; and
- Reports their name to Pacific Brands' Legal Counsel and provides details of the suspected contravention.

7. Pacific Brands policies

Pacific Brands has implemented policies in relation to:

- Continuous disclosure of material information
- Guidelines for dealing in securities
- Occupational health and safety (Brandssafe)
- Equal employment opportunity
- Privacy
- Email and internet
- Gifts
- Drugs & alcohol
- Guidelines for behaviour at company functions.
- Guideline on avoidance of bullying.

You are encouraged to be familiar with and adhere to the requirements of each of these policies and guidelines at all times.

Copies of these policies are available on the Pacific Brands intranet under Business Services/Human Resources.

The Board of Directors of Pacific Brands continually assesses and upgrades its policies and procedures to ensure compliance with corporate governance requirements. You will be notified of any changes to the policies and procedures. You should ensure you regularly make yourself aware of the current policies and compliance requirements.

If you have any questions regarding this Code of Conduct or any of the Pacific Brands policies at any time, you should contact your HR Manager.

8. Conflicts of interest

A conflict of interest exists where loyalties are divided. A person can have a potential conflict of interest if, in the course of their employment or engagement with the Company, any decision they make provides for an improper gain or benefit to themselves or an associate. A conflict of interest can be defined as an issue that may occur when personal interests, the interests of an associate, or relative, or a duty or obligation to some other person or entity, conflict with a person's duty or responsibility to the Company.

All business transactions must be conducted solely in the best interests of the Company. Employees must avoid situations where their personal interests could conflict with the interests of the Company.

Any person covered by the Code is responsible for notifying the Company if he or she suspects that there is a conflict of interest or a potential conflict of interest. If you are concerned that you have a potential conflict of interest you should disclose and discuss the

matter with, and seek direction from your Manager or General Manager People or Pacific Brands Legal Counsel/Company Secretary.

The following are some common examples that illustrate actual or apparent conflicts of interest that should be avoided, but this is not intended to be an exhaustive list.

8.1 Improper personal benefits from the Company

You should not exploit your position or relationship with the Company for personal gain. For example, conflicts of interest can arise when you or a member of your family receives improper personal benefits as a result of your position. Neither you or your relatives should give unreasonable gifts to, or receive unreasonable gifts from, the Company's customers or suppliers or others with whom the Company interacts.

The Company has extensive dealings with companies based in countries where gift-giving has important cultural significance and plays an important role in business relationships. While you should be aware and respectful of such cultural practices, we encourage you to remain mindful of Company's policy in this regard. **If you are in doubt as to the appropriateness of a gift please check with your General Manager or Human Resources Manager.**

We encourage you not to accept a gift in circumstances in which it would appear to others that your business judgement has been compromised, nor put yourself or the Company in a position that would be embarrassing if the gift was made public.

Employees should all read and be familiar with the Company's detailed Gift Policy, a copy of which may be found on the Company intranet.

8.2 Financial interests in other businesses

You should avoid having a significant ownership interest in any other enterprise if that interest compromises or appears to compromise your loyalty to the Company. This will not normally apply to interests in listed entities. However, if you have any doubt about such an interest, you should consult with General Manager, People.

In particular, you may not:

- a) Engage in any business transaction with the Company unless you have the express written approval of the General Manager People or Company Legal Counsel/Company Secretary.
- b) Own a substantial interest in any organisation doing or seeking to do business with the Company. This may include a supplier of products or services or an interest in a property leased by the Company;
- c) Perform services for a competitor (or likely competitor) of the Company; or
- d) Have a substantial interest in any competitor or likely competitor of the Company. Should you own a substantial interest in any organisation which becomes a competitor of the Company, you must address this immediately with General Manager People or Company Legal Counsel/Company Secretary.

Substantial interest means an economic or family interest that might influence judgment or action.

8.3 Corporate opportunities

You should advance the Company's legitimate interests when the opportunity to do so arises and should not take advantage of property, information, your position or other opportunities arising from your position in the Company. (You should also ensure that Company property is used in accordance with ethical standards of conduct - outlined below in the section dealing with "Honesty").

For example, if you learn of a business or investment opportunity through the use of

corporate property or information or your position at the Company, you should not participate in the business or make the investment without approval from the

Chief Executive Officer. You should not participate in a joint venture, partnership or other business arrangement with the Company without approval from the Chief Executive Officer.

Employees must not acquire any interest (real estate, patent rights, securities or any other type of property) on the basis of an opportunity resulting from their employment or in which they are aware the Company has or might acquire any interest.

Further, employees must not participate in employment or activities that would detract from their job performance with the Company (eg, through long hours affecting physical or mental effectiveness) or conflict with any obligations to the Company.

The following are examples of conflict of interest:

- Working for a competitor at week-ends or night shift;
- Owning a business in competition to the Company.
- Engage in a family business which interferes with the employee's performance or achievement of KPIs.

In these examples, the employee may have access to information in the Company valuable to another employer.

9. Honesty

Employees have a responsibility to protect any Company assets under their control. This includes information, cash and financial assets and also plant, equipment, inventory and supplies.

The Company will not tolerate:

- Theft of goods, money, property or fraudulent activity;
- The improper use of Company assets; or
- Wilful or reckless damage to Company property.

Company assets may not be used for personal purposes without prior Company approval eg, use of Company vehicle, laptop or mobile phone. If removed, Company assets should be stored in a secure manner and covered by appropriate insurances.

Employees who leave the Company must immediately return all Company property in their possession.

Definitions

Theft includes dishonestly obtaining the property of the Company or of another, with an intention to permanently deprive the owner of it.

Fraud includes dishonest activity to obtain an advantage.

Examples of theft and fraud

Examples of theft and fraud include:

- Stealing from the Company, another employee or from another party who has approval to store goods, money or property at the Company's premises;
- Removing goods or property from Company premises without appropriate documentation or approval;
- Supplying customers a quantity in excess of that which is invoiced, such as charging 10 but supplying 12;

- Purchasing items for customers but invoicing the items as something different. For example, purchasing a television set but invoicing it as a normal stock item;
- Use of Company credit card for private business or personal use;
- Altering receipts for goods or services;
- False claims on an expense report or time sheet;
- Falsifying quality or safety records;
- Failing to process credits to increase sales figures;
- Altering records, financial books and accounts;
- Falsifying personal leave forms or failing to apply for leave taken.

Accurate records

All Company books, records and accounts must accurately reflect the precise nature of transactions recorded. Employees must comply with prescribed accounting and business procedures and controls at all times.

Expense reporting

All business expenses incurred must be justified and reasonable and must be accurately supported by valid receipts. Employees must report expenses accurately and in accordance with Company procedures.

10. Communications

10.1 Software

Employees must use approved Company software at work. Employees may not duplicate Company software (other than for backup and archival purposes) for business or personal use.

This includes proprietary or internally developed software. The policy applies to employees at all locations.

Breach of this policy may expose the Company to prosecution and severe penalties under copyright law.

10.2 Email and Internet

Employees should use the Company's electronic mail system (email) and internet for business purposes only, except for incidental and occasional personal use. Any messages transmitted by email are treated as business messages and constitute property of the Company.

Employees must all read and be familiar with the Company's Email and Internet Policy, a copy of which may be found on the Company intranet.

10.3 Media statements

Any requests by the media or its representatives for information relating to the Company should be referred to the Chief Executive Officer or person nominated by the Chief Executive Officer from time to time.

11. Privacy

Pacific Brands respects the privacy of others. We ask you to familiarise yourself with and comply with privacy laws and Pacific Brands' privacy policy, (a copy of which may be found on the Company intranet) to ensure that you are aware of and discharge your obligations under relevant privacy laws.

12. Continuous disclosure and public communications

Pacific Brands has adopted a Continuous Disclosure policy (a copy of which may be found on the Company intranet) relating to its obligations under the Corporations Act and the ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of Pacific Brands' securities and to correct any material mistake or misinformation in the market. You should ensure you are aware of the requirements of the policy, and if it applies to you, you must act in accordance with the policy.

You are responsible for the integrity of the information, reports and records under your control and are expected to exercise the highest standard of care in preparing materials for public communications.

Documents should:

- Comply with any applicable legal requirements;
- Fairly and accurately reflect the transactions or occurrences to which they relate and be supported by accurate documentation;
- Not contain any false or intentionally misleading information, nor intentionally misclassify information; and
- Be in reasonable detail and recorded in the proper account and in the proper accounting period.

13. Confidential information

Employees must not disclose or use in any manner confidential information about the Company, its customers or its affairs that they acquire during employment with the Company, unless the information is already legitimately public knowledge. This obligation extends after an employee leaves the Company.

Definition

"Information" in this context means any information in respect of the Company's business which is not available to the public and includes documents, books, accounts, processes or other "know how" which is:

- Supplied to the employee by the Company;
- Generated by an employee in the course of performing his or her work with the Company.

Examples

Examples of confidential information are:

- Price lists/cost sheets;
- Lists of customers;
- Employee (personal) details
- Details of marketing programs;
- Technical information;
- Information about suppliers;
- Computer systems;
- Business strategies.

Intellectual property

All inventions, discoveries, computer software processes and improvements made by an employee during his or her employment with the Company, remain the property of the Company.

This means the Company will hold all proprietary rights to intellectual property and trade secrets. This includes all ownership rights, copyright, exclusive rights to develop, make, use,

sell, licence or benefit from any inventions, discoveries, processes and improvements made during an individual's employment with the Company.

Control of information

Employees must:

- Return all Company property including any documents or confidential information on termination or on the request of the Company or its representative;
- Destroy or delete any confidential information stored in electronic, magnetic or optical form so that it cannot be retrieved or reconstructed in any way if requested by the Company or its representative.

14. Employment practices

14.1 Company reputation

Employees must not act in any way that could cause harm to the reputation or market position of the Company during and after their employment. Employees have a duty to act in all matters in a manner that merits the continued trust and confidence of the public.

14.2 Health and safety

Pacific Brands is committed to maintaining a healthy and safe working environment for its employees. To this end we have an OHS Management System called Brandssafe. All appropriate laws and internal policies and procedures (including occupational health and safety laws) should be fully complied with. All employees have an obligation to assist in ensuring that this situation is maintained at all times.

Employees are required to follow all health, safety and environment policies, report any observed hazards or injuries and participate in the management of health and safety risk. You should be aware of Pacific Brands' OH&S policy and all relevant procedures to ensure the workplace is safe and without risk to the health of others and yourself and follow any lawful and reasonable instructions consistent with that policy and those procedures.

14.3 Smoke-free policy

Smoking is prohibited in the workplace. Employees must comply with the non-smoking policy applicable in each work location. Employees may only smoke in the designated areas and at designated times.

14.4 Drug and alcohol

Employees are not permitted to:

- Use or possess illegal drugs at any Company work site;
- Attend work suffering from the effects of drug use, alcohol or illegal substances; or
- Consume alcohol at work unless authorised by the Manager.

Managers and Supervisors have a responsibility to direct any employee at work under the influence or reasonably suspected of being under the influence of drugs and alcohol away from the workplace and to report any such incidents to Human Resources.

Employees should all read and be familiar with the Company's Drug & Alcohol Guidelines, a copy of which may be found on the Company intranet.

14.5 Standards of dress

The Company sets standards of dress having regard to the nature and circumstances of employee's roles and safety requirements.

Employees are required to comply with standards of dress and personal presentation appropriate to their role, as specified by the Company. This includes complying with any safety requirements eg safety boots. Where Company uniform is required, it must be worn at work.

The Manager may send an employee home to change if he or she considers the employee's dress is unsuitable for work. People sent home for this reason are not paid for the period of time they are absent from work.

14.6 Equal opportunity and harassment

All employees are entitled to an open, friendly workplace free of harassment and discrimination.

All forms of unlawful discrimination and harassment are prohibited in the workplace. The Company will promptly investigate all allegations of harassment, bullying, victimisation or discrimination and will take appropriate corrective action. Retaliation against individuals for raising claims of harassment or discrimination will not be tolerated.

Employees should all read and be familiar with the Company's Equal Opportunity Policy, a copy of which may be found on the Company intranet.

14.7 Violence and Weapons

Employees are not permitted to carry or bring any dangerous weapons into Company premises or Company vehicles. This includes firearms of any description, knives and explosives.

The Company will not tolerate violent behaviour in the workplace. This includes acts of physical violence, aggressive behaviour, bullying, verbal threats or abuse directed at another employee or to/from a customer or visitor.

14.8 Securities trading

Pacific Brands has adopted specific guidelines for dealing in Pacific Brands' securities by Directors, officers and employees of Pacific Brands. You should review that policy and ensure you act in accordance with that policy.

15. Community

Pacific Brands is committed to doing business in an environmentally responsible manner and identifying environmental risks that may arise out of our operations. Pacific Brands has risk management programs in place to address the Company's obligations under various environmental regulations.

If you are aware of, or suspect, an action that is not environmentally responsible and in breach of the applicable laws and regulations, you must report the matter in accordance with the section dealing with "Responsibilities under the Code" (above).

This does not extend to the voluntary participation in the political process as an individual employee.

We ask that you refer to the Pacific Brands Continuous Disclosure Policy and comply with the policy in relation to making public announcements and that you do not engage in actions which could cause someone to believe that your actions reflect the views or position of Pacific Brands if that is not the case.

Pacific Brands is a responsible corporate citizen and actively supports the communities in which we live and work. We abide by all local laws and regulations. We respect and care for the environments in which we operate. We support and encourage our employees to actively contribute to the local community.

16. Conclusion

Whilst this Code of Conduct endeavours to address a wide range of business practices and procedures, it cannot anticipate every issue that may arise. You are responsible to ensure that you act ethically and lawfully at all times.

17. Consequences of Failure to comply with Code of Conduct

Any person covered by this Code of Conduct who breaches the Code or fails to notify a known breach of the Code will face disciplinary action.

18. Disclaimer

This Code of Conduct is a statement of certain fundamental principles, policies and procedures that govern actions in the conduct of Pacific Brands' business. It is not intended to, and does not create any rights in any employee, client, customer, supplier, competitor, security holder or any other person or entity.