

PACIFIC BRANDS RISK OVERSIGHT AND MANAGEMENT POLICY

1 Our Risk Oversight and Management Policy

The Risk Oversight and Management Policy sets out Pacific Brands' policy in relation to risk oversight and management.

2 Purpose of the Risk Oversight and Management Policy

The purpose of the Risk Oversight and Management Policy is to formalise and communicate Pacific Brands' approach to the oversight and management of risk.

The Risk Oversight and Management Policy is intended to provide an effective framework for the management of risk across Pacific Brands. It also demonstrates compliance with Principle 7 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations.

3 Roles and Accountabilities of participants in the Risk Management Framework

The following describes only the key roles and accountabilities in Pacific Brands risk management framework. All Pacific Brands personnel have a role to play in the management of risk.

3.1 Board

The Board is responsible for the oversight of the risk management framework.

3.2 Business, Audit and Compliance

Part of the Business Risk Audit and Compliance Committee's role is to advise the Pacific Brands Board on risk management and assist the Pacific Brands Board to fulfil its risk management and oversight responsibilities.

3.3 Management

The Chief Executive Officer and senior management are responsible and accountable for ensuring that systems, procedures, and controls are in place so that risks are managed to an acceptable level.

3.4 External Audit

External Audit is responsible for reviewing compliance with internal controls including specific risk policies and procedures and assessing their effectiveness and for providing an opinion on the truth and fairness of annual financial report.

4 Risk Profile and Identification

To properly determine and maintain an appropriate risk profile, Pacific Brands is committed to ongoing processes for the identification, assessment, monitoring and management of risk and for the reporting and consolidation of group-wide risk assessments on a consistent basis for presentation to the Pacific Brands Board and the Audit, Business Risk and Compliance Committee, as appropriate. The Company has in place a range of policies addressing key risk areas such as treasury, capital management and stock control.

5 Reporting Requirements

All commercial managers and general managers must report all risks with an EBIT impact greater than \$250,000, which have not been brought to account, to the Group Chief Accountant.

All business unit commercial managers must certify quarterly, through the 'Controls Assurance Checklist' that all financial systems and controls are operating effectively and as designed in accordance with Pacific Brands policies and procedures.

Biannually the Chief Executive Officer, Chief Financial Officer and other members of the senior management team provide compliance certificates to the Audit, Business Risk and Compliance Committee in relation to the integrity and legal compliance of the Company's financial records, financial results and financial and reporting control systems.

6 Access to the Risk Oversight and Management Policy

This Risk Oversight and Management Policy will be available for viewing by any person on Pacific Brands' website.

7 Review of the Risk Oversight and Management Policy

The Risk Oversight and Management Policy is subject to regular review by the Board and will be amended (as appropriate) to reflect current best practice and changes in regulatory requirements.

8 Company Contact

Questions about the Risk Oversight and Management Policy and its application may be directed to the Chief Financial Officer.

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