

Nomination and Remuneration Committee Charter

Adopted by the Board on 18 February 2004 and
Amended by the Board on 26 July 2005 and 27 June 2007

The Board of Pacific Brands Limited (Pacific Brands) has established a Nomination and Remuneration Committee (the Committee). The purpose for which the Committee was established and the powers of the Committee are set out in this document.

1. Role and Objectives

The role of the Committee is to assist and advise the Board on matters relating to the appointment and remuneration of the non-executive directors, Chief Executive Officer and other senior executives and employees of the Pacific Brands Limited group (the Group).

The objectives of the Committee include:

- To review, assess and make recommendations to the Board on the necessary and desirable competencies of the non-executive members of the board of directors;
- To oversee the selection and appointment practices for non-executive directors and senior executives of the Group;
- 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 remuneration policies.

2. Membership of the Committee

Unless otherwise determined by the Board, the Committee comprises a minimum of three non-executive directors. A majority of the directors must be independent directors.

The Board will appoint the Chair of the Committee.

The current members of the Committee are:

- Maureen Plavsic (Chair);
- Andrew Cummins;
- Dominique Fisher
- Pat Handley
- Max Ould

The Board may appoint such additional members to the Committee or remove and replace members of the Committee by resolution.

Where not appointed as a member, the Chair of the Board may attend meetings of the committee at his or her discretion, in an ex-officio capacity. Members of management may also attend meetings of the Committee at the invitation of the Chair. No Executive Officer of the Company may participate in deliberations of the Committee (whether as a member of the Committee or in an ex-officio capacity) where he or she has a personal interest.

3. Administrative matters

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will meet at least 3 times each year.

A quorum consists of the lesser of 2 members or a majority of members of the Committee.

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 and consult with such members of management as it considers appropriate.

The General Manager Human Resources will attend all Committee meetings as minute secretary. All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

The Secretary 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 secretary will circulate agendas and Committee papers to all members of the Committee and to all other directors of the Board.

4. Reporting

The Committee Chair will prepare a report of the actions of the Committee to be included in the Board papers for the Board meeting next following a meeting of the Committee.

The Committee Chair will also, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

5. Responsibilities and functions

The Committee will be responsible for:

- Reviewing and making recommendations to the Board on:
 - The total level of remuneration of non-executive directors and for individual fees for non-executive directors and the Chair, including any additional fees payable for membership of Board committees;
 - The total remuneration package for the Chief Executive Officer, including short term and long term incentives for the Chief Executive Officer,
- Reviewing and approving recommendations from the Chief Executive Officer on total levels of remuneration for senior executives reporting to the Chief Executive Officer, including their participation in short and long term incentive schemes;
- Reviewing the performance targets for senior executives reporting to the Chief Executive Officer;
- Reviewing human resources and remuneration policies and practices for the Group as brought forward by the Chief Executive Officer and where appropriate, recommend for adoption by the Board;
- Reviewing management succession planning for Pacific Brands in general, but specifically in regard to the Chief Executive Officer and senior executives reporting to the Chief Executive Officer;
- Reviewing the appointments and terminations to senior executive positions reporting to the Chief Executive Officer;

- Reviewing the Group's obligations on matters such as superannuation and other employment benefits and entitlements.
- Reviewing and making recommendations to the Board regarding the appointment of non-executive directors, including attending to the following matters:
 - Periodically assessing the appropriate mix of skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
 - Establishing processes for the identification of suitable candidates for appointment to the Board, including:
 - establishing criteria for Board membership;
 - engaging appropriate search firms to assist in identifying potential candidates; and
 - where appropriate, nominating appropriate candidates for non-executive directorship.
 - Monitoring the length of service of current Board members, considering succession planning issues and identifying the likely order of retirement by rotation of non-executive directors;
 - Establishing processes for the review of the performance of individual non-executive directors, the Board as a whole and the operation of Board committees; and
 - Designing induction and ongoing training and education programs for the Board to ensure that non-executive directors are provided with adequate information regarding the operations of the business, the industry and their legal responsibilities and duties.

6. Review

The Board will, at least once per year, review the membership and charter of the Committee to determine its adequacy for current circumstances. Where necessary the Board may by resolution, alter the responsibilities, functions or membership of the Committee. The Committee may also recommend to the Board the formal adoption of the revised charter for future operations of the Committee.