UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)
[ ] **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

[X] **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended January 31, 2019

OR

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

[ ] **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report _____

Commission File Number 001-38544

NAKED BRAND GROUP LIMITED

(Exact name of registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Australia

(Jurisdiction of incorporation or organization)

c/o Bendon Limited
Building 7B, Huntley Street
Alexandria
NSW 2015, Australia
+61 2 9384 2400

(Address of principal executive offices)

Justin Davis-Rice, Executive Chairman
c/o Bendon Limited
Building 7B, Huntley Street
Alexandria
NSW 2015, Australia
+61 2 9384 2400

(Name, telephone, e-mail and/or facsimile number and address of Company contact person)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Ordinary Shares	**The Nasdaq Capital Market**

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: At June 12, 2019, 59,487,636 ordinary shares were issued and outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes [ ] No [X]

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.

Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ]	Accelerated filer [ ]	Non-accelerated filer [X]
		Emerging growth company [X]

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP [ ]	International Financial Reporting Standards as issued by the International Accounting Standards Board	[X]	Other [ ]

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 [ ] Item 18 [ ]

If this report is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

NAKED BRAND GROUP LIMITED

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INTRODUCTION

Unless otherwise indicated, all references in this Annual Report on Form 20-F to "we," "our," "us," the "Company," "Naked" or similar terms refer to Naked Brand Group Limited and its consolidated subsidiaries. We publish our consolidated financial statements in New Zealand dollars. In this Annual Report, unless otherwise specified, all monetary amounts are in New Zealand dollars, and all references to "$," "NZD$," and "dollars" mean New Zealand dollars, unless otherwise indicated.

This Annual Report on Form 20-F (this "Annual Report") contains our audited consolidated financial statements and related notes for the years ended January 31, 2019 and 2018, the seven month period ended January 31, 2017 and the year ended June 30, 2016 ("Audited Consolidated Financial Statements"). Our Audited Annual Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

On June 19, 2018, we consummated the transactions contemplated by that certain Agreement and Plan of Reorganization, dated as of May 25, 2017 and amended on July 26, 2017, February 21, 2018, March 19, 2018 and April 23, 2018 (the "Merger Agreement"), by and among our company, Naked Brand Group Inc., a Nevada corporation ("Naked (NV)"), Bendon Limited, a New Zealand limited company ("Bendon Limited"), Naked Merger Sub Inc., a Nevada corporation and a wholly owned subsidiary of ours ("Merger Sub") and Bendon Investments Ltd., a New Zealand company and at the time the owner of a majority of the outstanding shares of Bendon Limited (the "Principal Shareholder").

Pursuant to the Merger Agreement, (i) we undertook a reorganization (the "Reorganization") pursuant to which all of the shareholders of Bendon Limited exchanged all of the outstanding ordinary shares of Bendon Limited (the "Bendon Ordinary Shares") for our ordinary shares ("Naked Ordinary Shares"), and (ii) immediately thereafter, the parties effectuated a merger of Merger Sub and Naked (NV), with Naked (NV) surviving as a wholly owned subsidiary of ours and the Naked (NV) stockholders receiving Naked Ordinary Shares in exchange for all of the outstanding shares of common stock of Naked (NV) (the "Merger" and together with the Reorganization, the "Transactions").

As a result of the Transactions, Bendon Limited and Naked (NV) became our wholly owned subsidiaries and the shareholders of Bendon Limited and the stockholders of Naked (NV) became shareholders of ours.

TRADEMARKS AND SERVICE MARKS

This Annual Report contains references to a number of trademarks which are our registered trademarks or trademarks for which we have pending applications or common law rights. Our major trademarks include, among others, the "Naked" trademark, the Heidi Klum trademarks, Frederick's of Hollywood trademarks and other related trademarks.

Solely for convenience, the trademarks, service marks and trade names referred to in this Annual Report are listed without the®, (sm) and (TM) symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements. Forward-looking statements include all statements that are not historical facts. Forward-looking statements can be identified by words such as "anticipate," "believe," "envision," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," "contemplate" and other similar expressions, although not all forward-looking statements contain these identifying words. They appear in a number of places throughout this Annual Report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. Forward-looking statements contained in this Annual Report include, among other things, statements relating to:

- expectations regarding industry trends and the size and growth rates of addressable markets;

- our business plan and our growth strategies, including plans for expansion to new markets and new products; and
- expectations for seasonal trends.

These statements are not assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Although we base the forward-looking statements contained in this Annual Report on assumptions that we believe are reasonable, we caution you that actual results and developments (including our results of operations, financial condition and liquidity, and the development of the industry in which we operate) may differ materially from those made in or suggested by the forward-looking statements contained in this Annual Report. In addition, even if results and developments are consistent with the forward-looking statements contained in this Annual Report, those results and developments may not be indicative of results or developments in subsequent periods. Certain assumptions made in preparing the forward-looking statements contained in this Annual Report include:

- our ability to implement our growth strategies;
- our ability to maintain good business relationships with our suppliers, wholesalers and distributors;
- our ability to keep pace with changing consumer preferences;
- our ability to protect our intellectual property; and
- the absence of material adverse changes in our industry or the global economy.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described in Item 3.D of this Annual Report, “Risk Factors,” which include, but are not limited to, the following risks:

- we may be unable to raise any necessary capital;
- we may be unable to maintain the strength of our brand or to expand our brand to new products and geographies;
- we may be unable to protect or preserve our brand image and proprietary rights;
- we may not be able to satisfy changing consumer preferences;
- an economic downturn may affect discretionary consumer spending;
- we may not be able to compete in our markets effectively;
- we may not be able to manage our growth effectively;
- poor performance during our peak season may affect our operating results for the full year;
- our indebtedness may adversely affect our financial condition;
- our ability to maintain relationships with our select number of suppliers;
- our ability to manage our product distribution through our retail partners and international distributors;
- the success of our marketing programs;

- the risk our business is interrupted because of a disruption at our headquarters; and
- fluctuations in raw materials costs or currency exchange rates.

Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. As a result, any, or all of our forward-looking statements in this Annual Report may turn out to be inaccurate. We have included important factors in the cautionary statements included in this Annual Report, particularly in Item 3.D of this Annual Report, "Risk Factors," that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not rely on our forward-looking statements. Moreover, we operate in a highly competitive and rapidly changing environment in which new risks often emerge. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make.

You should read this Annual Report and the documents that we reference herein and have filed as exhibits hereto completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained herein are made as of the date of this Annual Report, and we do not assume any obligation to update any forward-looking statements except as required by applicable law.

NON-IFRS FINANCIAL MEASURES

This document includes "non-IFRS financial measures," that is, financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS. Specifically, we make use of the non-IFRS measures "EBITDA."

EBITDA is defined as earnings before interest, taxes, depreciation, depletion, amortization and impairment. Our management uses EBITDA as a measure of our operating results and considers it to be a meaningful supplement to net income as a performance measurement, primarily because we incur significant depreciation and depletion and the exclusion of impairment losses in EBITDA eliminates the non-cash impact.

EBITDA is used by investors and analysts for the purpose of valuing an issuer. The intent of EBITDA is to provide additional useful information to investors and the measure does not have any standardized meaning under IFRS. Accordingly, this measure should not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate EBITDA differently. For a reconciliation of net income from continuing operations to EBITDA, please see Item 5 of this Annual Report, "*Operating and Financial Review and Prospects – Results of Operations*."

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIME TABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The selected statement of operations data set forth below for the years ended January 31, 2019 and 2018, the seven month period ended January 31, 2017 and the year ended June 30, 2016, and the selected balance sheet data as at January 31, 2019, 2018 and 2017 and June 30, 2016, has been derived from our audited consolidated financial statements prepared and presented in accordance with IFRS, which are included in this Annual Report. The selected financial information set forth below for the year ended January 31, 2017 has been derived from unaudited consolidated financial information that is not included in this Annual Report.

The selected financial information below is only a summary and should be read in conjunction with our audited financial statements and notes thereto contained elsewhere herein. The financial results should not be construed as indicative of financial results for subsequent periods. See Item 5 of this Form 20-F and the financial statements and the accompanying notes thereto included under Item 18 of this Form 20-F for further information about our financial results and condition.

Naked Brand Group Limited Financial Information as prepared under IFRS and in New Zealand Dollars (NZ$)

Consolidated Statement of Operations Data:

	Jan. 31, 2019 NZ$000 12 months	Jan. 31, 2018 NZ$000 12 months	Unaudited Jan. 31, 2017 NZ$000 12 months	Jan. 31, 2017 NZ$000 7 months	June 30, 2016 NZ$000 12 months	June 30, 2015 NZ$000 12 months
Revenue	111,920	131,388	152,144	96,284	151,000	138,838
Cost of goods sold	(74,480)	(87,459)	(84,358)	(57,144)	(83,525)	(79,031)
Gross profit	37,440	43,929	67,786	39,140	67,475	59,807
Brand management	(49,256)	(53,653)	(53,957)	(32,040)	(48,362)	(42,203)
Administrative expenses	(3,432)	(4,131)	(3,712)	(2,383)	(4,090)	(4,691)
Corporate expenses	(14,145)	(12,851)	(12,920)	(8,082)	(13,002)	(13,940)
Finance expense	(4,041)	(8,791)	(11,214)	(6,238)	(10,409)	(5,870)
Brand transition, restructure and transaction expenses	(10,075)	(3,272)	(2,430)	(1,321)	(2,232)	(12,182)
Impairment expense	(8,173)	(1,914)	(2,865)	(292)	(2,157)	0
Other foreign currency gains/(losses)	1,963	757	(14,327)	(3,306)	(2,423)	4,700
Fair value gain/(loss) on convertible notes derivative	(775)	2,393	(592)	(592)	0	0
Loss before income tax	(50,494)	(37,533)	(34,230)	(15,114)	(15,200)	(14,379)
Income tax benefit/(expense)	1,274	(60)	(6,123)	(865)	(5,546)	1,274
Loss for the period	(49,220)	(37,593)	(40,352)	(15,979)	(20,746)	(13,105)
Other comprehensive loss						
Exchange differences on translation of foreign operations	(7)	148	384	(29)	31	(93)
Total comprehensive loss for the period	(49,227)	(37,445)	(39,968)	(16,008)	(20,715)	(13,198)
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the company:						
Basic loss per share (NZ$)*	(2.01)	(1.79)	(2.06)	(0.82)	(1.13)	(0.72)
Diluted loss per share (NZ$)*	(2.01)	(1.79)	(2.06)	(0.82)	(1.13)	(0.72)

*A stock reorganization occurred on June 19, 2018 upon completion of the merger between Naked (NV) and Bendon Limited. As a result, the calculation of basic and diluted earnings per share for 2018, 2017 and 2016 has been adjusted retrospectively. The number of ordinary shares outstanding has been adjusted to reflect the proportionate change in the number of shares. See note 23 of our audited consolidated financial statements for further information.

Consolidated Balance Sheet Data:

	January 31, 2019 NZ$000	January 31, 2018 NZ$000	January 31, 2017 NZ$000	June 30, 2016 NZ$000	June 30, 2015 NZ$000
Cash and cash equivalents	1,962	10,739	2,645	4,193	1,246
Working capital	(29,426)	(20,752)	(19,644)	(19,987)	(24,067)
Total assets	75,687	88,096	101,232	95,591	99,849
Borrowings	20,967	52,121	68,998	77,593	56,273
Total shareholders' equity	10,519	(5,710)	(9,044)	(17,876)	2,839

Unless otherwise noted, all translations from U.S. dollars to New Zealand dollars in this Form 20-F were made at the closing rate as at January 31, 2019 of NZ$1 = US$0.69. We make no representation that any New Zealand dollars or U.S. dollar amounts could have been, or could be, converted into U.S. dollar or New Zealand dollars, as the case may be, at any particular rate, at the rates stated below, or at all.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Risks Related to Our Business and Operations

We have a history of operating losses that may continue into the foreseeable future.

We have a history of operating losses and negative cash flow that may continue into the foreseeable future. If we fail to execute our strategy to achieve and maintain profitability in the future, investors could lose confidence in the value of our Ordinary Shares, which could cause our share price to decline and adversely affect our ability to raise additional capital. Investors should evaluate an investment in our company in light of this.

If we are unable to obtain additional financing on acceptable terms, we may have to curtail our growth or cease our development plans and operations.

The operation of our business and our growth efforts will require significant cash outlays. We are largely dependent on outside capital to implement our business plan and support our operations. We anticipate for the foreseeable future that cash on hand and cash generated from operations will not be sufficient to meet our cash requirements, and that we will need to raise additional capital through investments to fund our operations and growth. We cannot assure you that we will be able to raise additional capital as needed on terms acceptable to us, if at all. If we are unable to raise capital as needed, we may be required to reduce the scope of our growth efforts, which could harm our business plans, financial condition and operating results, or cease our operations entirely, in which case, you may lose all your investment. Financings, including future equity investments, if obtained, may be on terms that are dilutive to our stockholders, and the prices at which new investors would be willing to purchase our securities may be lower than the price at which you purchase your shares. Furthermore, the terms of securities issued in a financing, if obtained, may be more favorable for new investors.

Investors should be aware that the value of an investment in our company may go down as well as up. In addition, there can be no certainty that the market value of an investment in our company will fully reflect its underlying value.

The auditors' report on our consolidated financial statements included an explanatory paragraph regarding there being substantial doubt about the ability to continue as a going concern.

For the financial year ended January 31, 2019, we experienced a loss after income tax from continuing operations of $49.2m and operating cash outflows of $9.4m. We also are in a net current liability position of $29.4m and a positive net asset position of $10.5m. We anticipate we will need to continue to fund losses through to the start of the fiscal year beginning February 1, 2021. We also have trade creditors that are trading beyond their original credit terms and have breached the loan covenants of our credit facility during our fiscal year ended January 31, 2019. The lender has extended our credit facility from being due on June 30, 2019 to August 31, 2019 to provide us and the lender time to consider a refinance of the facility to a longer term to assist us to continue as a going concern. Therefore, there is substantial doubt about our ability to continue operations in the future as a going concern, as noted by our auditors with respect to the consolidated financial statements for the periods ended January 31, 2019. Although our consolidated financial statements raise substantial doubt about our ability to continue as a going concern, they do not reflect any adjustments that might result if we are unable to continue our business. If we cannot continue as a viable entity, our shareholders may lose all of their investment in our company.

We have a concentration of sales to key customers and any substantial reduction in sales to these customers would have a material adverse effect on our business.

During the twelve month period ended January 31, 2019 sales were concentrated with Myer, Farmers, Woolworths and David Jones accounting for 9%, 5%, 1% and 1%, respectively. During the twelve month period ended January 31, 2018, sales were concentrated with Myer, Farmers and Woolworths accounting for 7%, 6% and 2% respectively. During the twelve month period ended January 31, 2017, sales were concentrated with Myer, Farmers and Woolworths accounting for 10%, 7%, 5% and 2%, respectively.

Our results of operations would be materially adversely affected if these relationships ceased. Although we have diversified our customers and continue to receive increasing sales orders from existing customers, these customers do not have any ongoing purchase commitment agreement with us; therefore, we cannot guarantee that the volume of sales will remain consistent going forward. Any substantial change in purchasing decisions by these customers, whether due to actions by our competitors, industry factors or otherwise, could have a material adverse effect on our business and our financial condition.

Our customers generally purchase our products on credit, and as a result, our results of operations and financial condition may be adversely affected if our customers experience financial difficulties.

During the past several years, various retailers, including some of our largest customers, have experienced significant difficulties, including restructurings, bankruptcies and liquidations. This could adversely affect us because our customers generally pay us after goods are delivered. Adverse changes in our customers' financial position could cause us to limit or discontinue business with that customer, require us to assume more credit risk relating to that customer's future purchases or limit our ability to collect accounts receivable relating to previous purchases by that customer, all of which could have a material adverse effect on our business, results of operations and financial condition.

We operate in a highly competitive market and the size and resources of some of our competitors may allow them to compete more effectively than we can, resulting in a loss of our market share and a decrease in our net revenue and profitability.

The market for intimate apparel products is highly competitive. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. We compete directly against wholesalers and direct retailers of intimate apparel products, including large, diversified companies with substantial market share and strong worldwide brand recognition, such as L Brands Inc., Hanesbrands Inc. and PVH Corp., whose brands include Victoria's Secrets, Calvin Klein, Maidenform, Bonds and others. Many of our competitors have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, marketing, distribution and other resources than we do. Our competitors may be able to achieve and maintain brand awareness and market share more quickly and effectively than we can. Many of our competitors promote their brands through traditional forms of advertising, such as print media and television commercials, and through celebrity endorsements, and have greater and substantial resources to devote to such efforts. Our competitors may also create and maintain brand awareness using traditional forms of advertising more quickly than we can. Our competitors may also be able to increase sales in their new and existing markets faster than we can by emphasizing different distribution channels than we do, such as catalog sales or an extensive franchise network, as opposed to distribution through retail stores, wholesale or internet, and many of our competitors have substantial resources to devote toward increasing sales in such ways.

If we are unable to anticipate consumer preferences and successfully develop and introduce new, innovative and updated products, we may not be able to maintain or increase our sales and profitability.

Our success depends on our ability to identify and originate product trends as well as to anticipate and react to changing consumer demands in a timely manner. All of our products are subject to changing consumer preferences that cannot be predicted with certainty. We may be unable to introduce new products in a timely manner. Our customers may not accept our new products including our recently launched women's products, or our competitors may introduce similar products in a more timely fashion. Failure to anticipate and respond in a timely manner to changing consumer preferences could lead to, among other things, lower sales and excess inventory levels. Even if we are successful in anticipating consumer preferences, our ability to adequately react to and address those preferences will in part depend upon our continued ability to develop and introduce innovative, high-quality products. Our failure to effectively introduce new products that are accepted by consumers could have a material adverse effect on our financial condition.

Our net sales, profit results and cash flows are sensitive to, and may be affected by, general economic conditions, consumer confidence, spending patterns, weather or other market disruptions.

Our net sales, profit, cash flows and future growth may be affected by negative local, regional, national or international political or economic trends or developments that reduce the consumers' ability or willingness to spend on discretionary products, including the effects of general economic conditions, employment, consumer debt, changes in personal net worth based on changes in securities market price levels, residential real estate and mortgage markets, taxation, healthcare costs, fuel and energy prices, interest rates, credit availability, consumer confidence and other macroeconomic factors, and national and international security concerns such as war, terrorism or the threat thereof. In addition, market disruptions due to severe weather conditions, natural disasters, health hazards or other major events or the prospect of these events could also impact discretionary consumer spending and confidence levels.

The worldwide apparel industry is heavily influenced by general economic cycles. Apparel retailing is a cyclical industry that is heavily dependent upon the overall level of consumer spending. Purchases of specialty apparel and related goods tend to be highly correlated with the cycles of the levels of disposable income of consumers. As a result, purchases of women's intimate and other apparel, beauty and personal care products and accessories often decline during periods when economic or market conditions are unsettled or weak. Downturns, or the expectation of a downturn, in general economic conditions could materially and adversely affect consumer spending patterns. Because apparel generally is a discretionary purchase, declines in consumer spending may have a more negative effect on apparel retailers than on other retailers. A decline in consumer spending may negatively affect our profitability, because, in such circumstances, our sales may decrease and we may increase the number of promotional sales, either of which could have a material adverse effect on our results of operations, financial condition and cash flows.

The decision by the United Kingdom to leave the European Union ("Brexit") has increased the uncertainty in the economic and political environment in Europe. In particular, our business in the United Kingdom may be adversely impacted by fluctuations in currency exchange rates, changes in trade policies, or changes in labor, immigration, tax or other laws.

Extreme weather conditions in the areas in which our stores are located, particularly in markets where we have multiple stores, could adversely affect our business. For example, heavy snowfall, rainfall or other extreme weather conditions over a prolonged period might make it difficult for our customers to travel to our stores and thereby reduce our sales and profitability.

Our financial performance may be affected by general economic conditions and financial difficulties.

Future increases in interest rates or other tightening of the credit markets, or future turmoil in the financial markets, could make it more difficult for us to access funds, to refinance our indebtedness (if necessary), to enter into agreements for new indebtedness, or to obtain funding through the issuance of our securities. Any such adverse changes in the credit or financial markets could also impact the ability of our suppliers to access liquidity, or could result in the insolvency of suppliers, which in turn could lead to their failure to deliver our merchandise. Worsening economic conditions could also result in difficulties for financial institutions (including bank failures) and other parties that we may do business with, which could potentially impair our ability to access financing under existing arrangements or to otherwise recover amounts as they become due under our other contractual arrangements. Any such events could have a material adverse effect on our results of operations, financial condition and cash flows.

Our net sales, operating income, cash and inventory levels fluctuate on a seasonal basis.

We experience major seasonal fluctuations in our net sales and operating income, with a significant portion of our operating income typically realized during the fourth quarter holiday season. Any decrease in sales or margins during this period could have a material adverse effect on our results of operations, financial condition and cash flows.

Seasonal fluctuations also affect our cash and inventory levels, since we usually order merchandise in advance of peak selling periods and sometimes before new fashion trends are confirmed by customer purchases. We must carry a significant amount of inventory, especially before the holiday season selling period. If we are not successful in selling inventory, we may have to sell the inventory at significantly reduced prices or may not be able to sell the inventory at all, which could have a material adverse effect on our results of operations, financial condition and cash flows.

We are subject to risks associated with leasing retail space, are generally subject to long-term non-cancelable leases and are required to make substantial lease payments under our operating leases. Any failure to make these lease payments when due may lead to the landlord terminating the lease, which would harm our business, profitability and results of operations.

We do not own any of our stores, but instead lease all of our retail stores under operating leases. Our leases generally have initial terms of 5 years. All of our leases require a fixed annual rent, and some of them require the payment of additional rent if store sales exceed a negotiated amount. Most of our leases are "net" leases, which require us to pay all of the cost of insurance, taxes, maintenance and utilities, and we generally cannot cancel these leases at our option.

Our net sales depend on a volume of traffic to our stores and the availability of suitable lease space.

Most of our stores are located in retail shopping areas including malls and other types of retail centers. Sales at these stores are derived, in part, from the volume of traffic in those retail areas. Our stores benefit from the ability of the retail center and other attractions in an area, including "destination" retail stores, to generate consumer traffic in the vicinity of our stores. Sales volume and retail traffic may be adversely affected by factors that we cannot control, such as economic downturns or changes in consumer demographics in a particular area, competition from internet and other retailers and other retail areas where we do not have stores, the closing or decline in popularity of other stores in the shopping areas where our stores are located and the deterioration in the financial condition of the operators of the shopping areas or developers in which our stores are located.

Our ability to grow depends in part on new store openings and existing store remodels and expansions.

Our continued growth and success will depend in part on our ability to open and operate new stores and expand and remodel existing stores on a timely and profitable basis. Accomplishing our new and existing store expansion goals will depend upon a number of factors, including the ability to partner with developers and landlords to obtain suitable sites for new and expanded stores at acceptable costs, the hiring and training of qualified personnel and the integration of new stores into existing operations. There can be no assurance we will be able to achieve our store expansion goals, manage our growth effectively, successfully integrate the planned new stores into our operations or operate our new, remodeled and expanded stores profitably. These risks could have a material adverse effect on our ability to grow and results of operations, financial condition and cash flows.

Our planned international expansion may adversely impact our results and reputation.

We intend to further expand into international markets through partner arrangements and/or company-owned stores. The risks associated with our expansion into international markets include difficulties in attracting customers due to a lack of customer familiarity with our brands, our lack of familiarity with local customer preferences and seasonal differences in the market. Such expansions will also have upfront investment costs. If the expansion is not accompanied by sufficient revenues to achieve typical or expected operational and financial performance, it may have a material adverse effect on our results of operations and our business reputation.

We may not select suitable business partners for our international expansion, which could have a materially adverse effect on our results of operations.

In expanding into international markets through partner arrangements, we may be exposed to risks if we fail to identify suitable business partners. For example, these third parties may be unable to meet their projections regarding store openings and sales or they may fail to maintain compliance with federal and local law. Because these parties likely will be independent contractors, certain aspects of these arrangements will be outside of our direct control. These risks could have a material adverse effect on our results of operations, financial condition and cash flows.

Our operations in international markets are subject to additional political, economic, and other risks and uncertainties that could adversely affect our business, and our exposure to such risks will increase as we expand into additional international markets.

Our operations in international markets are subject to a number of risks inherent in any business operating in multiple countries.

As we continue our international expansion, our operations will continue to encounter the following risks, among others:

- Competition with new competitors or with existing competitors with an established market presence.
- General economic conditions in specific countries or markets.
- Volatility in the geopolitical landscape.
- Restrictions on the repatriation of funds held internationally
- Disruptions or delays in shipments.
- Changes in diplomatic and trade relationships.
- Political instability.
- Foreign governmental regulation.

If any of these or other similar events should occur, it could have a material adverse effect on our results of operations, financial condition and cash flows.

We may be impacted by our ability to service or refinance our debt.

We currently have substantial indebtedness. Some of our debt agreements contain covenants which require maintenance of certain financial ratios and also, under certain conditions, restrict our ability to pay dividends, repurchase common shares and make other restricted payments as defined in those agreements. Our cash flow from operations provides the primary source of funds for our debt service payments. If our cash flow from operations declines, we may be unable to service or refinance our current debt. If we are unable to service or refinance our current debt, we may not be able to continue as a viable entity, in which case you may lose your entire investment.

If we do not comply with the terms of our existing debt agreements, and such debt agreements cannot be amended or replaced with new indebtedness, we may be in default of our obligations under such debt agreements.

Our existing debt agreements (including our credit facility and our term loan agreement) contain a number of affirmative and negative covenants and representations and warranties. We have, in the past, been required to seek waivers of compliance with, or amendments of, certain of the financial covenants in the debt agreements, and we may be required to seek such waivers or amendments in the future. Our ability to meet these financial covenants may be affected by events beyond our control, and there can be no assurance that the lenders will grant any required waivers under, or amendments to, the debt agreements if for any reason we are unable to meet the requirements of such covenants.

If we fail to comply with covenants, representations or warranties under our debt agreements and do not either receive a waiver or amendment from our lenders or refinance the indebtedness subject to such agreements, such failure could trigger a default under our debt agreements. If we default, the lenders under those debt agreements could declare all borrowings owed to them, including accrued interest and other fees, to be due and payable, which declaration could have an adverse impact on our business and results of operations.

Our business is exposed to foreign currency exchange rate fluctuations and control regulations.

Our business has substantial international components that expose us to significant foreign exchange risk. Changes in exchange rates can impact our financial results in two ways: a translation impact and a transaction impact. The translation impact refers to the impact that changes in exchange rates can have on our financial results, as our operating results in local foreign currencies are translated into New Zealand dollars using an average exchange rate over the representative period. Accordingly, during times of a strengthening New Zealand dollar, particularly against the Australian dollar, the Euro, the British pound sterling and the U . S . dollar, our results of operations will be negatively impacted, and during times of a weakening New Zealand dollar, our results of operations will be favorably impacted.

The transaction impact on financial results is common for apparel companies operating outside the United States that purchase goods in U.S. dollars, as is the case with most of our foreign operations. During times of a strengthening U.S. dollar, our results of operations will be negatively impacted from these transactions as the increased local currency value of inventory results in higher cost of goods sold in local currency when the goods are sold, and during times of a weakening U.S. dollar, our results of operations will be favorably impacted. We also have exposure to changes in foreign currency exchange rates related to certain intercompany transactions and, to a lesser extent, SG&A expenses that are denominated in currencies other than the functional currency of a particular entity. We currently use and plan to continue to use foreign currency forward exchange contracts or other derivative instruments to mitigate the cash flow or market value risks associated with these inventory and intercompany transactions, but we are unable to entirely eliminate these risks.

We are also exposed to market risk for changes in exchange rates for the U.S. dollar in connection with our business as a licensee. Most of our license agreements require us to pay in Unites States dollars based on the exchange rate as of the last day of the contractual selling period but the sales are reported in the relevant territories' local currencies. Thus we are exposed to exchange rate changes during and up to the last day of the selling period. In addition, we are exposed to exchange rate changes up to the date we make payment in U.S. dollars. As a result, during times of a strengthening U.S. dollar, our royalty fees will be positively impacted, and during times of a weakening U.S. dollar, our royalty fees will be negatively impacted.

We conduct business, directly or through licensees and other partners, in countries that are or have been subject to exchange rate control regulations and have, as a result, experienced difficulties in receiving payments owed to us when due, with amounts left unpaid for extended periods of time. Although the amounts to date have been immaterial to our results, as our international businesses grow and if controls are enacted or enforced in additional countries, there can be no assurance that such controls would not have a material and adverse effect on our business, financial condition or results of operations.

Our reported financial results may be adversely affected by changes in accounting principles

Generally accepted accounting principles are subject to interpretation by the SEC and the Public Company Accounting Oversight Board and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change.

Acquisitions may not be successful in achieving intended benefits, cost savings and synergies.

A component of our growth strategy has been to make acquisitions. Prior to completing any acquisition, our management team identifies expected synergies, cost savings and growth opportunities but, due to legal and business limitations, we may not have access to all necessary information. The integration process may be complex, costly and time-consuming. The potential difficulties of integrating the operations of an acquired business and realizing our expectations for an acquisition, including the benefits that may be realized, include, among other things:

- failure to implement our business plan for the combined business;
- delays or difficulties in completing the integration of acquired companies or assets;
- higher than expected costs, lower than expected cost savings or a need to allocate resources to manage unexpected operating difficulties;
- unanticipated issues in integrating manufacturing, logistics, information, communications and other systems;
- unanticipated changes in applicable laws and regulations affecting the acquired business;
- unanticipated changes in the combined business due to potential divestitures or other requirements imposed by antitrust regulators;
- retaining key customers, suppliers and employees;
- retaining and obtaining required regulatory approvals, licenses and permits;
- operating risks inherent in the acquired business;
- diversion of the attention and resources of management;
- consumers' failure to accept product offerings by us or our licensees;
- assumption of liabilities not identified in due diligence;
- the impact on our or an acquired business' internal controls and compliance with the requirements under the Sarbanes-Oxley Act of 2002; and
- other unanticipated issues, expenses and liabilities.

We have completed acquisitions that have not performed as well as initially expected and cannot assure you that any acquisition will not have a material adverse impact on our financial condition and results of operations.

The loss of the services of Justin Davis-Rice as Executive Chairman, Anna Johnson as Chief Executive Officer, other members of our executive management team, or other key personnel could have a material adverse effect on our business.

Justin Davis-Rice's and Anna Johnson's leadership in the design and marketing areas of our business has been a critical element of our success since our inception. The death or disability of Mr. Davis-Rice , Anna Johnson or other extended or permanent loss of his or her services, or any negative market or industry perception with respect to him or her or arising from his or her loss, could have a material adverse effect on our business, results of operations, and financial condition.

We also depend on the service and management experience of other key executive officers and other members of senior management who have substantial experience and expertise in our industry and our business and have made significant contributions to our growth and success. The loss of the services of any of our key executive officers or other members of senior management, or one or more of our other key personnel, or the concurrent loss of several of these individuals or any negative public perception with respect to these individuals, could also have a material adverse effect on our business, results of operations, and financial condition.

We are not protected by a material amount of key-man or similar life insurance covering our executive officers, including Mr. Davis-Rice or Ms. Johnson, or other members of senior management. We have entered into employment agreements with certain of our executive officers, but competition for experienced executives in our industry is intense and the non-compete period with respect to certain of our executive officers could, in some circumstances in the event of their termination of employment with our company, end prior to the employment term set forth in their employment agreements.

We rely on third-party suppliers and manufacturers to provide fabrics for and to produce our products, and we have limited control over them and may not be able to obtain quality products on a timely basis or in sufficient quantity.

We do not manufacture our products or the raw materials for them and rely instead on third-party suppliers and manufacturers. Many of the specialty fabrics used in our products are technically advanced textile products developed and manufactured by third parties and may be available, in the short-term, from only one or a very limited number of sources. We may experience a significant disruption in the supply of fabrics or raw materials from current sources or, in the event of a disruption, we may be unable to locate alternative materials suppliers of comparable quality at an acceptable price, or at all. In addition, if we experience significant increased demand, or if we need to replace an existing supplier manufacturer, we may be unable to locate additional suppliers of fabrics or raw materials or additional manufacturing capacity on terms that are acceptable to us, or at all, or we may be unable to locate any supplier or manufacturer with sufficient capacity to meet our requirements or to fill our orders in a timely manner. Identifying a suitable supplier is an involved process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labor and other ethical practices. Even if we are able to expand existing or find new manufacturing or fabric sources, we may encounter delays in production and added costs as a result of the time it takes to train our suppliers and manufacturers in our methods, products and quality control standards. Delays related to supplier changes could also arise due to an increase in shipping times if new suppliers are located farther away from other participants in our supply chain. Any delays, interruption or increased costs in the supply of fabric or manufacture of our products could have an adverse effect on our ability to meet customer demand for our products and result in lower net revenue and income from operations both in the short and long term. We have occasionally received, and may in the future continue to receive, shipments of products that fail to comply with our technical specifications or that fail to conform to our quality control standards. In that event, unless we are able to obtain replacement products in a timely manner, we risk the loss of net revenue resulting from the inability to sell those products and related increased administrative and shipping costs. If defects in the manufacture of our products are not discovered until after our customers purchase such products, our customers could lose confidence in the technical attributes of our products and our results of operations could suffer and our business could be harmed.

The fluctuating cost of raw materials could increase our cost of goods sold and cause our results of operations and financial condition to suffer.

The fabrics used by our suppliers and manufacturers include synthetic fabrics whose raw materials include petroleum-based products. Our products also include natural fibers, including cotton. Our costs for raw materials are affected by, among other things, weather, consumer demand, speculation on the commodities market, the relative valuations and fluctuations of the currencies of producer versus consumer countries and other factors that are generally unpredictable and beyond our control. Increases in the cost of raw materials could have a material adverse effect on our cost of goods sold, results of operations, financial condition and cash flows.

We face challenges as consumers migrate to online shopping and we depend on our ability to compete in the e-commerce marketplace.

As consumers continue to migrate online, we face pressures to compete in the e-commerce marketplace. We continue to significantly invest in our online sales capabilities to provide a seamless shopping experience to our customers between our brick and mortar locations and our online environments. Insufficient, untimely or misguided investments in this area could significantly impact our profitability and growth and affect our ability to attract new customers, as well as maintain our existing ones. In addition, declining customer store traffic and migration of sales from brick and mortar stores to digital platforms could lead to store closures, restructuring and other costs that could adversely impact our results of operations and cash flows.

A material disruption in our computer systems could adversely affect our business or results of operations.

We rely extensively on our computer systems to process transactions, summarize results and manage our business. Our computer systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber-attack or other security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism, and usage errors by our employees. If our computer systems are damaged or cease to function properly, including a material disruption in our ability to authorize and process transactions at our stores or on our online systems, we may have to make a significant investment to fix or replace them, and we may suffer loss of critical data and interruptions or delays in our operations. Any material interruption in our computer systems could negatively affect our business and results of operations.

If our technology-based e-commerce systems do not function properly, our operating results could be negatively affected.

Customers are increasingly using computers, tablets and smart phones to shop online and to do price and comparison shopping. We strive to anticipate and meet our customers' changing expectations and are focused on building a seamless shopping experience across our omnichannel business. Any failure to provide user-friendly, secure e-commerce platforms that offer a variety of merchandise at competitive prices with low cost and quick delivery options that meet customers' expectations could place us at a competitive disadvantage, result in the loss of e-commerce and other sales, harm our reputation with customers and have a material adverse impact on the growth of our business and our operating results.

If we are unable to safeguard against security breaches with respect to our information systems our business may be adversely affected.

In the course of our business, we gather, transmit and retain confidential information, including personal information about our customers, and process payment transactions through our information systems. Although we endeavor to protect confidential information and payment information through the implementation of security technologies, processes and procedures, it is possible that an individual or group could defeat security measures and access sensitive information about our customers, employees and other third parties. Any misappropriation, loss or other unauthorized disclosure of confidential or personally identifiable information gathered, stored or used by us could have a material impact on the operation of our business, including damaging our reputation with our customers, employees, third parties and investors. We could also incur significant costs implementing additional security measures to comply with applicable federal, state or international laws and regulations governing the unauthorized disclosure of confidential or personally identifiable information as well as increased costs such as organizational changes, implementing additional protection technologies, training employees or engaging consultants. In addition, we could incur lost revenues and face increased litigation as a result of any potential cyber-security breach. We are not aware of that we have experienced any material misappropriation, loss or other unauthorized disclosure of confidential or personally identifiable information as a result of a cyber-security breach or other act, however, a cyber-security breach or other act and/or disruption to our information technology systems could have a material adverse effect on our business, prospects, financial condition or results of operations.

Our fabrics and manufacturing technology are not patented and can be imitated by our competitors.

The intellectual property rights in the technology, fabrics and processes used to manufacture our products are owned or controlled by our suppliers and are generally not unique to us. Our ability to obtain intellectual property protection for our products is therefore limited and we currently own no patents or exclusive intellectual property rights in the technology, fabrics or processes underlying our products. As a result, our current and future competitors are able to manufacture and sell products with performance characteristics, fabrics and styling similar to our products. Because many of our competitors have significantly greater financial, distribution, marketing and other resources than we do, they may be able to manufacture and sell products based on our fabrics and manufacturing technology at lower prices than we can. If our competitors do sell similar products to ours at lower prices, our net revenue and profitability could suffer.

Our failure or inability to protect our intellectual property rights could diminish the value of our brand and weaken our competitive position.

We currently rely on trademarks, as well as confidentiality procedures, to establish and protect our intellectual property rights. We cannot assure you that the steps taken by us to protect our intellectual property rights will be adequate to prevent infringement of such rights by others, including imitation of our products and misappropriation of our brand. In addition, intellectual property protection may be unavailable or limited in some foreign countries where laws or law enforcement practices may not protect our intellectual property rights as fully as in the United States, Canada or the European Union, and it may be more difficult for us to successfully challenge the use of our intellectual property rights by other parties in these countries. If we fail to protect and maintain our intellectual property rights, the value of our brand could be diminished and our competitive position may suffer.

We may be impacted by changes in taxation, trade and other regulatory requirements.

We are subject to income tax in local, national and international jurisdictions. In addition, our products are subject to import and excise duties and/or sales or value-added taxes in many jurisdictions. We are also subject to the examination of our tax returns and other tax matters by the Internal Revenue Service and other tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. Fluctuations in tax rates and duties, changes in tax legislation or regulation or adverse outcomes of these examinations could have a material adverse effect on our results of operations, financial condition and cash flows.

We have significant tax losses arising on historical trading losses. The availability to utilize these tax losses to offset future taxable profit is dependent on future performance and trade of the business. There can be no assurance as to the availability of these losses for utilization.

There is increased uncertainty with respect to tax policy and trade relations between the U.S. and other countries. Major developments in tax policy or trade relations, such as the disallowance of tax deductions for imported merchandise or the imposition of unilateral tariffs on imported products, could have a material adverse effect on our results of operations, financial condition and cash flows.

Our current operations in international markets and our efforts to expand into additional international markets, and any earnings in those markets, may be affected by legal and regulatory risks.

We are subject to the U.S. Foreign Corrupt Practices Act, in addition to the anti-corruption laws of the foreign countries in which we operate and manufacture our products. Although we implement policies and procedures designed to promote compliance with these laws, our employees, contractors and agents, as well as those companies to which we outsource certain of our business operations, may take actions in violation of our policies. Any such violation could result in sanctions or other penalties and have an adverse effect on our business, reputation and operating results.

We may be subject to loss and theft.

Our merchandise is subject to loss, including those caused by illegal or unethical conduct by associates, customers, vendors or unaffiliated third parties. We have experienced events such as inventory shrinkage in the past, and we cannot assure that incidences of loss and theft will decrease in the future or that the measures we are taking will effectively reduce these losses. Higher rates of loss or increased security costs to combat theft could have a material adverse effect on our results of operations, financial condition and cash flows.

A portion of our revenue is dependent on royalties and licensing.

License arrangements exist for Heidi Klum and Frederick's of Hollywood, and previously existed for Stella McCartney through June 30, 2018. The license arrangements for Heidi Klum, Stella McCartney and Frederick's of Hollywood contributed revenue of 21%, 5% and 35% of Company sales, respectively, in the twelve month period to January 31, 2019. The gross margin contribution during this period was 26%, 7%, and 30%, respectively, of total Company gross margin. The license arrangements for Heidi Klum, Stella McCartney and Frederick's of Hollywood contributed revenue of 25%, 11% and 21% of Company sales, respectively, in the twelve month period to January 31, 2018. The gross margin contribution during this period was 19%, 12%, and 30%, respectively, of total Company gross margin. The license arrangements for Heidi Klum, Stella McCartney and Frederick's of Hollywood contributed revenue of 32%, 9% and 11% of Company sales, respectively, in the twelve month period to January 31, 2017. The gross margin contribution during this period was 29%, 8%, and 16%, respectively, of total Company gross margin.

The operating profit associated with our royalty, advertising and other revenue is significant because the operating expenses directly associated with administering and monitoring an individual licensing or similar agreement are minimal. Therefore, the loss of a significant licensing partner, whether due to the termination or expiration of the relationship, the cessation of the licensing partner's operations or otherwise (including as a result of financial difficulties of the partner), without an equivalent replacement, could materially impact our profitability. For example, Bendon Limited's license to use the Stella McCartney brand terminated effective June 30, 2018.

While we generally have significant control over our licensing partners' products and advertising, we rely on our licensing partners for, among other things, operational and financial controls over their businesses. Our licensing partners' failure to successfully market licensed products or our inability to replace our existing licensing partners could materially and adversely affect our revenue both directly from reduced royalty and advertising and other revenue received and indirectly from reduced sales of our other products. Risks are also associated with our licensing partners' ability to obtain capital, execute their business plans, timely deliver quality products, manage their labor relations, maintain relationships with their suppliers, manage their credit risk effectively and maintain relationships with their customers.

A significant shift in the relative sources of our earnings, adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our results of operations and cash flow.

We have direct operations in many countries and the applicable tax rates vary by jurisdiction. As a result, our overall effective tax rate could be materially affected by the relative level of earnings in the various taxing jurisdictions to which our earnings are subject. In addition, the tax laws and regulations in the countries where we operate may be subject to change and there may be changes in interpretation and enforcement of tax law. As a result, we may pay additional taxes if tax rates increase or if tax laws, regulations or treaties in the jurisdictions where we operate are modified by the competent authorities in an adverse manner.

In addition, various national and local taxing authorities periodically examine us and our subsidiaries. The resolution of an examination or audit may result in us paying more than the amount that we may have reserved for a particular tax matter, which could have a material adverse effect on our cash flows, business, financial condition and results of operations for any affected reporting period.

We and our subsidiaries are engaged in a number of intercompany transactions. Although we believe that these transactions reflect arm's length terms and that proper transfer pricing documentation is in place, which should be respected for tax purposes, the transfer prices and conditions may be scrutinized by local tax authorities, which could result in additional tax liabilities.

If we fail to implement and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations.

We previously have identified deficiencies in our internal controls that are deemed to be material weaknesses. A material weakness is a deficiency, or a combination of deficiencies in internal controls over financial reporting, such that if there is a material misstatement in our financial statements, they will not necessarily be prevented or detected on a timely basis. As of January 31, 2019, the matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were:

1) The audit committee has been established, however is still operating under the first year exemptions as outlined in section 16 D in respect of independent members.

2) Lack of skilled resources and lack of expertise with complex IFRS and SEC reporting matters.

3) No formally implemented system of internal control over financial reporting and no associated written documentation of our internal control policies and procedures.

4) We did not maintain an effective process for reviewing financial information and did not have a sufficient number of personnel with an appropriate level of accounting knowledge, experience and training in the application of International Financial Reporting Standards commensurate with management's financial reporting requirements.

We believe that these material weaknesses primarily related to our lack of board oversight and appropriately skilled resources. While these material weaknesses have not resulted in errors that were material to our financial statements in the current year, it impacted our company's ability to close financial reporting on a timely basis and resulted in numerous late amendments to draft financial statements. We believe the introduction of a properly constituted board with diverse skills and talent will assist in managing the risks across the business. We delayed implementing the appointment of an appropriately qualified personnel on the basis we were preparing to merge with Naked (NV). Upon completion of the merger and becoming public, Naked (NV)'s newly appointed independent non-executive director became a member of our board of directors. In addition, upon becoming public, we established an audit committee. In the future, we plan to provide improved support for our Chief Financial Officer and to take a number of other actions to correct these material weaknesses, including, but not limited to, appointing additional independent directors, adding experienced accounting and financial personnel and retaining third party consultants to review our internal controls and recommend improvements.

Our efforts to remediate these material weaknesses may not be effective. If our efforts to remediate these material weaknesses are not successful, the remediated material weaknesses may reoccur, or other material weaknesses could occur in the future. As a result of these material weaknesses, we may be unable to report our financial results accurately on a timely basis, which could cause our reported financial results to be materially misstated and result in the loss of investor confidence and could cause the stock price to decline. As a result of such failures, we could also become subject to investigation by the stock exchange on which our shares are listed, the SEC, or other regulatory authorities, and become subject to litigation from investors, which would harm our reputation, business, financial condition and results or operations, and divert financial and management recoveries from our core business.

In addition, any future testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or the subsequent testing by our independent registered public accounting firm, if and when required, may reveal additional deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our consolidated financial statements or identify other areas for further attention or improvement. If we are unable to remedy the existing material weaknesses in our internal control over financial reporting, if in the future we identify additional material weaknesses in our internal control over financial reporting, including at some of our acquired companies, if we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm required to and is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are then listed, the SEC, or other regulatory authorities, which could require additional financial and management resources. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

We incurred substantial transaction fees and costs in connection with the Transactions.

We incurred material non-recurring expenses in connection with the Merger Agreement and consummation of the Transactions contemplated by the Merger Agreement. Additional unanticipated costs may be incurred in the course of the integration of the businesses of Bendon Limited and Naked. We cannot be certain that the elimination of duplicative costs or the realization of other efficiencies related to the integration of the two businesses will offset the transaction and integration costs in the near term, or at all.

Nasdaq may delist the Naked Ordinary Shares from quotation on its exchange, which could limit investors' ability to sell and purchase our securities and subject us to additional trading restrictions.

The Naked Ordinary Shares are currently listed on the Nasdaq Capital Market under the trading symbol "NAKD". However, on February 5, 2019, we received a notice from the Listing Qualifications Department of Nasdaq stating that, for the last 30 consecutive business days, the closing bid price for the Naked Ordinary Shares had been below the minimum of US$1.00 per share required for continued inclusion on the Nasdaq Capital Market under Nasdaq Listing Rule 5550(a)(2). We will be afforded 180 calendar days (until August 5, 2019) to regain compliance with the minimum bid price requirement. In order to regain compliance, the bid price for shares of the Naked Ordinary Shares must close at US$1.00 per share or more for a minimum of ten consecutive business days. The notification letter also states that in the event we do not regain compliance within the 180 day period, we will be eligible for additional time if we meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement, and notify Nasdaq of our intention to cure the deficiency during such second compliance period, including by effecting a reverse stock split, if necessary. There can be no assurance that we will regain compliance with the minimum bid price requirement within the allotted period, or that we will be able to maintain compliance with the other continued listing requirements under the Nasdaq Listing Rules.

If the Naked Ordinary Shares are not listed on Nasdaq at any time after this offering, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity;
- a determination that the Naked Ordinary Shares are a "penny stock" which will require brokers trading in our shares to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for the Naked Ordinary Shares;
- a limited amount of news and analyst coverage for our company; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

As a foreign private issuer, we are permitted and expect to follow certain home country corporate governance practices (in our case Australian) in lieu of certain Nasdaq requirements applicable to domestic issuers and we are permitted to file less information with the Securities and Exchange Commission than a company that is not a foreign private issuer. This may afford less protection to holders of our securities.

As a foreign private issuer under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Nasdaq allows us to follow home country governance practices (in our case Australian) in lieu of the otherwise applicable Nasdaq corporate governance requirements. In accordance with this exception, we follow Australian corporate governance practices in lieu of certain of the Nasdaq corporate governance standards, as more fully described elsewhere herein. In particular, we will follow Australian law and corporate governance practices with respect to the composition of our board and quorum requirements applicable to shareholder meetings. These differences may result in a board that is more difficult to remove as well as less shareholder approvals required generally. We will also follow Australian law instead of the Nasdaq requirement to obtain shareholder

approval prior to the issuance of securities in connection with a change of control, certain acquisitions, private placements of securities, or the establishment or amendment of certain stock option, purchase, or other equity compensation plans or arrangements. These differences may result in less shareholder oversight and requisite approvals for certain acquisition or financing related decisions or for certain company compensation related decisions. The Australian home country practices described above may afford less protection to holders of our securities than that provided under the Nasdaq Listing Rules.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Office Location

Our principal and registered office is located at Building 7B, Huntley Street, Alexandria, NSW 2015, Australia, and our telephone number is +61 2 9384 2400. Our agent for service of process in the United States is Graubard Miller, our U.S. counsel, located at The Chrysler Building, 405 Lexington Avenue, New York, New York 10174.

Principal Legal Advisers

Our principal legal adviser in the United States is Graubard Miller, located at The Chrysler Building, 405 Lexington Avenue, New York, New York 10174.

History and Development

We are an Australian public limited company formed on May 11, 2017 under the name "Bendon Group Holdings Limited." We were formed to serve as a holding company for Bendon Limited and Naked (NV) after consummation of the Transactions. Bendon Limited was formed in 1947. Naked (NV) was incorporated in the State of Nevada on May 17, 2005, under the name "Search By Headlines.com Corp." Prior to the completion of the Transactions, we had no assets and had not conducted any material activities other than those incidental to our formation.

On June 19, 2018, we consummated the Transactions contemplated by the Merger Agreement. Pursuant to the Merger Agreement, Bendon Limited and Naked (NV) completed a business combination transaction by means of (i) the Reorganization, pursuant to which all of the shareholders of Bendon Limited exchanged all of the outstanding Bendon Ordinary Shares for Naked Ordinary Shares, and (ii) immediately thereafter, Merger Sub merged with and into Naked (NV), with Naked (NV) surviving as a wholly owned subsidiary of ours and the Naked (NV) stockholders receiving Naked Ordinary Shares in exchange for all of the outstanding shares of common stock of Naked (NV). Effective on and from the closing of the Transactions, we changed our name from Bendon Group Holdings Limited to "Naked Brand Group Limited."

On November 15, 2018, we and our wholly-owned subsidiary, Bendon, entered into a stock purchase agreement with the shareholders of FOH Online Corp. ("FOH"), including Cullen Investments Limited ("Cullen"), a significant shareholder of the Company and also a debtor to the Company. Pursuant to the agreement, on December 6, 2018, we purchased all of the issued and outstanding shares of FOH, in order to gain direct ownership of the Frederick's of Hollywood license arrangement FOH had with Authentic Brands Group ("ABG"). We previously marketed merchandise under the Frederick's of Hollywood brand through a sub-license arrangement with FOH. As a result of the acquisition of FOH, we now have a direct relationship with ABG in relation to the Frederick's of Hollywood license. Under the terms of the stock purchase agreement, we paid a purchase price of approximately US$18.2 million, as follows (i) the Company forgave debt owed to it by FOH and Cullen, in the aggregate amount of approximately US$9.9 million, and (ii) the Company issued 3,765,087 of our Ordinary Shares to FOH's shareholders, valued at a price per share of US$2.20. We also agreed to satisfy certain obligations with respect to certain claims involving the parties. A portion of the Ordinary Shares issued to FOH's shareholders are held in trust and may be released to Cullen to the extent not applied in satisfaction of such claims.

Additional Information

The SEC maintains an internet site, *www.sec.gov*, that contains reports, proxy and information statements, and other information regarding issuers, like us, that file electronically with the SEC. We also maintain a website at *www.nakedbrands.com*, which contains information about our company. The information on our website shall not be deemed part of this Annual Report.

Principal Capital Expenditures

Our capital expenditures for the twelve months ended January 31, 2019, 2018 and 2017 amounted to $0.2m, $2.2m and $0.7m, respectively. Our capital expenditures during those years consisted of investments in property, plant and equipment for new and existing stores. We anticipate our capital expenditures in fiscal year 2020 to include investments in property, plant and equipment for new and existing stores, which will be financed through cashflows from operations and from financing transactions.

B. Business Overview

Overview

We operate in the highly competitive specialty retail business. We are a designer, distributor, wholesaler, and retailer of women's and men's intimate apparel, as well as women's swimwear. Our merchandise is sold through company-owned retail stores in Australia and New Zealand; through online channels; and through wholesale partners in Australia, New Zealand, the United States and Europe (collectively, "partners").

We have seven reportable segments:

- *Australia Retail*: This segment covers retail and outlet stores located in Australia.
- *New Zealand Retail*: This segment covers retail and outlet stores located in New Zealand.
- *Australia Wholesale*: This segment covers the wholesale of intimates apparel to customers based in Australia.
- *New Zealand Wholesale*: This segment covers the wholesale of intimates apparel to customers based in New Zealand.
- *U.S. Wholesale*: This segment covers the wholesale of intimates apparel to customers based in the United States.
- *Europe Wholesale*: This segment covers the wholesale of intimates apparel to customers based in Europe.
- *E-commerce*: This segment covers the Company's online retail activities.

In addition, we continually explore new ways to expand its business, including through the use of new technologies, such as blockchain technology. We are presently evaluating how these new technologies may be leveraged in the retail fashion industry. For instance, blockchain technology might be used in the future to create highly efficient end-to-end operations from suppliers to consumers and also to provide low cost trade finance for market participants through blockchain trading platforms. However, we have not yet established the feasibility of, or taken any steps to progress the use of, blockchain technology in our business.

Revenues by Segment

Our revenues in each of our reportable segments for the twelve months ended January 31, 2019 and 2018 and the 7 months ended January 31, 2017 were as follows:

	12 Months Ended January 31,		7 months ended January 31,	12 months ended January 31,
	2019	2018	2017	2016
			Unaudited	
Australia Retail	$ 18.5m	$ 18.2m	$ 12.1m	$ 20.6m
New Zealand Retail	$ 31.8m	$ 34.3m	$ 22.0m	$ 37.4m
Australia Wholesale	$ 11.5m	$ 15.5m	$ 18.1m	$ 28.0m
New Zealand Wholesale	$ 7.2m	$ 10.5m	$ 7.5m	$ 15.1m
U.S. Wholesale	$ 5.8m	$ 6.4m	$ 9.0m	$ 18.8m
Europe Wholesale	$ 5.0m	$ 14.1m	$ 9.5m	$ 16.5m
E-commerce	$ 32.1m	$ 32.2m	$ 18.1m	$ 6.7m

Recent Developments

On February 14, 2019, Carole Hochman resigned from the board of directors and as our Executive Chairman, and from all other positions she held with our subsidiaries. Ms. Hochman's resignation was for personal reasons, and was not due to any disagreement with us or our management on any matter relating to our operations, policies or practices (financial or otherwise).

In March 2019, we issued 1,400,000 Naked Ordinary Shares and 1,400,000 warrants to purchase Naked Ordinary Shares to a service provider in exchange for services. The warrants have an exercise price of US$0.50 and expire two years from the date of issuance. The exercise price and the number of shares covered by the warrants are subject to adjustment for stock splits, stock combinations and certain other transactions affecting the share capital as a whole.

On the March 27, 2019, the Company closed on the following share issuances.

(1) NZ$6.60 million/US$4.50 million related to the issue of 11,248,415 Naked Ordinary Shares to trade creditors in satisfaction of trade payables due to them, at an effective per share price of US$0.40.

(2) NZ$1.25 million/US$0.85 million related to the issue of 2,119,178 Naked Ordinary Shares to the holder of one of our outstanding promissory notes in the amount of US$847,671, at an effective per share price of US$0.40 per share.

(3) NZ$1.69 million/US$1.15 million related to the issue of 4,510,588 Naked Ordinary Shares to investors in a private placement at a share price of US$0.255. The investors also received warrants to purchase 100% of the number of Naked Ordinary Shares for which they had subscribed. The warrants have an exercise price of US$0.306 and expire two years from the date of issuance. The exercise price and the number of shares covered by the warrants are subject to adjustment for stock splits, stock combinations and certain other transactions affecting the share capital as a whole.

(4) NZ$4.05 million/US$2.75 million relating to the issue of 10,784,313 Naked Ordinary Shares to certain accredited investors at an agreed per share price of US$0.255, except that, to the extent an investor would beneficially own more than 9.9% of our outstanding Naked Ordinary Shares after the closing, we agreed to issue the investor a "pre-funded" warrant (the "March Pre-Funded Warrants") in lieu of such shares. Each investor also received an "investment" warrant (the "March Investment Warrants" and together with the March Pre-Funded Warrants, the "March Warrants") to purchase 100% of the number of Naked Ordinary Shares for which it had agreed to subscribe. As a result, we issued 3,914,846 Naked Ordinary Shares, March Pre-Funded Warrants to purchase 6,869,467 Naked Ordinary Shares and March Investment Warrants to purchase 10,784,313 Naked Ordinary Shares to the investor at the closing. The March Investment Warrants have an exercise price of US$0.306 per share and expire five years from the date of issuance. The March Pre-Funded Warrants have an exercise price of US$0.01 per share and expire five years from the date of issuance. The exercise price and number of shares covered by the March Warrants are subject to adjustment for stock splits, stock combinations and certain other transactions affecting the share capital as a whole, as well as for subsequent equity issuances occurring prior to July 16, 2019, subject to certain exceptions. If the exercise price of the March Warrants is higher than the last closing bid price of the Naked Ordinary Shares, at any time starting on June 16, 2019, the March Warrants may be exercised on a cashless basis for a number of shares equal to the Black-Scholes value of the portion of the warrant being exercised (as calculated in accordance with the March Warrants), divided by the closing bid price as of two business days prior to the exercise date (but not less than US$0.10). The March Warrants may not be exercised to the extent the holder and its affiliates would beneficially own more than 9.9% of our outstanding Ordinary Shares after such exercise.

On April 2, 2019, the board of directors appointed Anna Johnson as our Chief Executive Officer. Previously Ms Johnson was Chief Executive Officer of Bendon Limited, the main operating entity within the Company. In connection with Ms. Johnson's appointment, Justin Davis-Rice was appointed as Executive Chairman and resigned as our Chief Executive Officer.

Effective on May 13, 2019, we completed a private placement of a Secured Convertible Promissory Note (the "Note") to St. George Investments LLC (the "Noteholder") for a purchase price of US$3,000,000, pursuant to a Securities Purchase Agreement (the "NSPA") of even date. Pursuant to the NSPA, the Note was sold with an original issue discount of the US$300,000 and we paid US$20,000 of the Noteholder's expenses, which amount was added to the principal balance of the Note. Accordingly, the Note had an initial principal balance of US$3,320,000. The NSPA includes certain customary representations and warranties and covenants. In addition, we agreed that, so long as the Note is outstanding, we will not issue any debt instrument or incur any debt, subject to certain exceptions, including an exception for any debt incurred from a bank. The Note accrues interest at a rate of 10% per annum, compounded daily, and matures on November 13, 2020. We have the right to prepay the Note, subject to a 15% premium. The Note is secured by a second priority security interest in all our assets and is subordinated to the Company's existing senior secured credit facility with the Bank of New Zealand (the "Bank" or "BNZ"). The Noteholder has the right to convert the Note into Naked Ordinary Shares at a conversion price of US$0.90 per share, subject to adjustment for subdivisions or combinations of the ordinary shares. The Noteholder also has the right, beginning on December 13, 2019, to cause us to redeem any portion of the Note, up to a maximum of US$400,000 per month.

On the May 14, 2019, we closed on NZ$2.17 million/US$1.5million share issuance of 6,000,000 shares to an investor in a private placement at a share price of US$0.25. The investor also received warrants to purchase 1,000,000 Naked Ordinary Shares. The warrants have an exercise price of US$0.25, subject to adjustment, and expire two years from the date of issuance.

On May 16, 2019, we issued 653,595 ordinary shares in exchange for the cancellation of US$200,000 in debt held by a shareholder, or an effective purchase price of US$0.306 per share.

On June 11, 2019, we announced that we had appointed David Anderson to become our new Chief Financial Officer. Previously, Mr. Anderson served as Head of Finance for Goodman Fielder, one of the largest consumer goods companies in New Zealand, where he oversaw all financial aspects of the business and led numerous acquisitions. Mr. Anderson will succeed Howard Herman, our current Chief Financial Officer, after the filing with the SEC of certain amendments to our existing registration statements, but no later than June 20, 2019. In connection with the appointment of Mr. Anderson, Mr. Herman is resigning from all positions held by him with our company.

Our senior secured credit facility with the Bank matures on August 31, 2019 and discussions are continuing to extend the facility beyond that point. As at October 31, 2018, there was a breach in minimum gross EBITDA ratio. As at January 31, 2019, there was a breach of the minimum Gross EBITDA ratio and a breach of the inventory and receivables ratio. The Bank has advised that they are currently taking these breaches under review.

Brands

Heidi Klum

Heidi Klum is the face and Creative Director of our flagship brands, Heidi Klum Intimates, Heidi Klum Swim, Heidi Klum Man, and Heidi Klum Intimates Solutions. Our flagship brand, Heidi Klum Intimates collection exudes femininity, elegance and sophistication, each piece designed with the modern woman in mind. We sell our Heidi Klum products at 63 Bendon stores in Australia, New Zealand and Ireland and online at *www.bendonlingerie.com* and *www.heidiklumintimates.com*. Additionally, Heidi Klum products are sold in approximately 5,000 wholesale doors in 43 countries across regions in Australia, New Zealand, United States, Europe and United Kingdom under wholesale arrangements.

Frederick's of Hollywood

Since 1946, Frederick's of Hollywood has set the standard for innovative apparel, introducing the push-up bra, the padded bra, and black lingerie to the United States market. The brand's rich history has led it to become one of the most recognized in the world. Through FOH, we are the exclusive licensee of the Frederick's of Hollywood global online license, under which we sell Frederick's of Hollywood intimates products, sleepwear and loungewear products, swimwear and swimwear accessories products, and costume products. We sell our Frederick's of Hollwood products online at *www.bendonlingerie.com* and *www.fredericks.com*.

Naked

Naked is an apparel and lifestyle brand company that is currently focused on innerwear products for women and men. Under its flagship brand name and registered trademark "Naked®", Naked designs, manufactures and sells men's and women's underwear, intimate apparel, loungewear and sleepwear through retail partners and direct to consumer through its online retail store *www.wearnaked.com*. Naked has a growing retail footprint for its innerwear products in premium department and specialty stores and internet retailers in North America, including accounts such as Nordstrom, Dillard's, Bloomingdale's, Amazon.com, and others.

Other Brands

Our other brands are Bendon, Bendon Man, Davenport, Fayreform, Hickory, Lovable and Pleasure State. We sell our products at 63 Bendon stores in Australia and New Zealand and online at *www.bendonlingerie.com*. Additionally, our products are sold in approximately 3,293 wholesale stores in 43 countries across regions in Australia, New Zealand, United States, Europe and United Kingdom under wholesale arrangements.

Until June 30, 2018, we sold Stella McCartney Lingerie and Stella McCartney Swimwear products at Bendon stores in Australia and New Zealand and online at *www.bendonlingerie.com*. Additionally, Stella McCartney products were sold in wholesale doors in numerous countries across regions in Australia, New Zealand, United States, Europe and United Kingdom under wholesale arrangements.

Our Strengths

We believe the following competitive strengths contribute to our leading market position and differentiate us from our competition:

Distinct, Well-Recognized Brands

Our iconic brands, including Heidi Klum Intimates and Swimwear and Frederick's of Hollywood Intimates and Swimwear, have come to represent a unique lifestyle across its targeted customers. Our brands allow us to target markets across the economic spectrum, across demographics and across the world. We believe our flagship brands and prominent, highly-recognized creative directors provide us with a competitive advantage.

In-Store Experience and Store Operations

We view our customers' in-store experience as an important vehicle for communicating the image of each brand. We utilize visual presentation of merchandise, in-store marketing and our sales associates to reinforce the image represented by the brands. Our in-store marketing is designed to convey the principal elements and personality of each brand. The store design, furniture, fixtures and music are all carefully planned and coordinated to create a unique shopping experience. Every brand displays merchandise uniformly to ensure a consistent store experience, regardless of location. Store managers receive detailed plans designating fixture and merchandise placement to ensure coordinated execution of the company-wide merchandising strategy. Our sales associates and managers are a central element in creating the atmosphere of the stores by providing a high level of customer service.

Product Development, Sourcing and Logistics

We believe a large part of our success comes from frequent and innovative product launches, as well as launches of new collections from our existing brands. Our merchant, design and sourcing teams have a long history of bringing innovative products to our customers. Our key vendor partners are industry leaders in both innovation and social responsibility. We work closely together to form a world class supply chain that is dynamic and efficient.

Highly Experienced Leadership Team

Our management team is led by Justin Davis-Rice, Executive Chairman, who joined Bendon in 2011 and is responsible for leading our revenue growth. Prior to joining Bendon, Mr. Davis-Rice co-founded Pleasure State. Anna Johnson, Chief Executive Officer, brings to us a track record of over 25 years' experience driving growth across a number of industries, including consumer electronics, outdoor adventure and intimate apparel. The rest of our senior management team has a wealth of retail and business experience at Gazal, Specialty Fashion Group, and Pleasure State. We have developed a strong and collaborative culture aligned around our goals to create the most sensual, functional and comfortable lingerie and underwear for women and men all over the world.

Growth Strategy

Our growth strategy involves seeking to take advantage of the following opportunities across brands and channels:

Channel

- Opportunity for an additional 50+ retail stores across Australia and New Zealand
- Additional 25 Bendon outlet stores across Australia and New Zealand in the next 5 years
- Leveraging e-commerce to attract and educate new and existing customers
- Targeting e-commerce sales penetration of 40% over the medium term
- Improving productivity in existing wholesale accounts by gaining additional floor space
- Selectively adding new wholesale doors, with a focus on US markets
- Enhancing margins by increasing the proportion of the business derived from direct-to-consumer channels

Brands

- Expanding the brand and product offering via organic innovation and new license partnerships
- Expanding brand reach by leveraging our brand portfolio to extend globally, particularly in the US and EU
- Continuing to build our license portfolio and add new licenses in existing and tangential categories

Vision and Culture

We are passionate about making sure we have a great company culture that supports our vision, which is to be close to our customers for life. We value individual differences and diverse thought processes. We believe the quality of decision making is improved by people with varying backgrounds and perspectives working together by connecting and sharing ideas. If we get the culture right then we can deliver on our goal to be the leader in intimate apparel because great customer service, designing great products, passionate employees and customers will happen naturally. Our commitment to our customers has grown stronger over 70 years, evolving into the Bendon culture statement:

ONE COMPANY, ICONIC BRANDS, A MILLION IDEAS. COLLABORATE AND COMMUNICATE.

We believe this simple, resonant message reminds our people to actively participate, and inspire others, every day in making us a world leader in intimate apparel. At our company, our values underpin everything we do. They guide the way we work, the way we make decisions and how we interact with each other. They define what we can expect when we interact with work colleagues, stakeholders and what our customers can expect when they deal with us. Our message is defined by 5 core values:

People

Our success is built on the success of our people, as it is our people who help create a high-performing culture. Friendly, like-minded, innovative and passionate, we work together to achieve a common goal. Driven to be the best we can be, we celebrate our successes and push boundaries in everything we do.

Pride

We are a house of brands that has captured hearts and souls all around the world. We are inspired by our customers and aim to delight our consumers through designing and creating high quality, beautiful products that engage our customers in a lifetime relationship with us. We promote a positive, energizing, and optimistic environment and continuously strive to find ways to improve what we do every day.

Collaboration

At our company, we believe that diverse minds are critical to our success and we drive innovation, creativity and problem-solving across all levels. We believe in building strong working relationships, always considering the views of others and most importantly letting people know when they've done a good job. A collaborative environment is encouraged with a flat structure and open door policy. Embracing our heritage as a family business means that we all work together as a unit to celebrate ideas enabling us to become stronger and more successful.

Business strength

We are determined to reach greater heights. By constantly raising the bar and aiming for ambitious goals, we commit to achieving superior financial results. Driven by targets, we push ourselves to win and increase our market share. We achieve this through our people and their drive to promote our brands positively at every opportunity and to operate with integrity, openness and honesty.

Responsibility

We are all committed to contributing to a sustainable global community, and supporting non-profit organizations that seek to make a positive difference in the world. We recognize the importance of providing social support to our global community. At our company, we look for opportunities to change lives and shape the future by giving our time, money, and unique expertise. Giving is an essential aspect of our culture and we have been able to deliver projects and contributions throughout the years. We aim to attract employees who understand this is a core part of who we are.

Real Estate

Executive Offices and Warehouse

Our principal executive offices are in a 497 m^2 facility located at Building 7B, Huntley Street, Alexandria, NSW 2015, Australia. We have additional office space and a warehouse in a 9,163 m^2 facility located at 8 Airpark Drive, Airport Oaks, Auckland 2022, New Zealand. We occupy the Alexandria facility pursuant to a five-year lease that expires on April 24, 2024 and we occupy the Auckland facility pursuant to a six-year lease that expires on May 31, 2022. We believe that these facilities are in good condition and are suitable to the conduct of our business.

Company-owned Retail Stores

Our company-owned retail stores are located in shopping malls and strips in Australia, New Zealand and Ireland. As a result of our strong brands and established retail presence, we have been able to lease high-traffic locations.

The following table provides the number of our company-owned retail stores in operation for each location as of January 1, 2019, 2018 and 2017.

Store Location (State/City)	Country	January 1, 2017	January 1, 2018	January 1, 2019
Australian Capital Territory	Australia	1	1	1
New South Wales	Australia	8	8	8
Queensland	Australia	5	7	6
South Australia	Australia	1	1	1
Victoria	Australia	9	10	9
Western Australia	Australia	1	0	2
North Island	New Zealand	28	31	29
South Island	New Zealand	5	5	7
Kildare	Ireland	1	0	0

The following table provides the changes in the number of our company-owned retail stores operated for the past five calendar years.

Calendar Year	Beginning of Year	Opened	Closed	End of Year
2018	62	4	(3)	63
2017	59	5	(2)	62
2016	52	8	(1)	59
2015	50	3	(1)	52
2014	54	2	(6)	50

Franchise, License and Wholesale Arrangements

In addition to our company-owned stores, our products are sold at many partner locations in 43 countries. Under these arrangements, third parties operate stores that sell our products under brand names. Revenue recognized under franchise and license arrangements generally consists of royalties earned and recognized upon sale of merchandise by franchise and license partners to retail customers. Revenue is generally recognized under wholesale arrangements at the time the title passes to the partner. We continue to increase the number of locations under these types of arrangements as part of our international expansion.

The following table provides the number of partner stores that sell our products as of January 1, 2019, 2018 and 2017.

Wholesale doors, excluding distributors		January 1, 2017	January 1, 2018	January 1, 2019
ANZ	Australia & New Zealand	1,783	1,344	1,078
UK	United Kingdom	166	137	2
INTL	International	106	105	5
US	United States of America	1,595	5,204	4,456
Total		3,650	6,790	5,241

Additional Information

Merchandise Suppliers

During the twelve months ended January 31, 2019, 2018 and 2017, we purchased merchandise from approximately 59, 22 and 23 suppliers located primarily in China. We believe price volatility is low.

Distribution and Merchandise Inventory

Most of our merchandise is shipped from our suppliers to our distribution centers in New Zealand and Los Angeles. We use a variety of shipping terms that result in the transfer to us of title to the merchandise at either the point of origin or point of destination. From our distribution centers, our merchandise is transported to our wholesale customers, to our retail stores and directly to consumers who purchase online.

Our policy is to maintain sufficient quantities of inventories on hand in our retail stores and distribution centers to enable us to offer customers an appropriate selection of current merchandise. We emphasize rapid turnover and take markdowns as required to keep merchandise fresh and current.

Information Systems

Our management information systems consist of a full range of retail, financial and merchandising systems. The systems include applications related to point-of-sale, e-commerce, merchandising, planning, sourcing, logistics, inventory management, data security and support systems including human resources and finance.

Seasonal Business

Our operations are seasonal in nature and consist of two selling periods across the year, where the second selling season generates the most sales (the August to January period). This second selling period, which includes the holiday season, accounted for approximately 57%, 54% and 56% of our net sales for the twelve months ended January 31, 2019, 2018 and 2017, respectively, and is typically our most profitable period.

Working Capital

We fund our business operations through a combination of available cash and cash equivalents, cash flows generated from operations and equity and debt financing transactions. In addition, our senior credit facilities are available for additional working capital needs and investment opportunities.

Regulation

We and our products are subject to regulation by various federal, state, local and foreign regulatory authorities. We are subject to a variety of customs regulations and international trade arrangements.

Legal Proceedings

From time to time, we are subject to certain legal proceedings and claims in the ordinary course of business. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our business, financial condition, operating results or cash flows. We establish reserves for specific legal matters when we determine that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable.

Trademarks and Patents

Our trademarks and patents, which constitute our primary intellectual property, have been registered or are the subject of pending applications in 20 countries and with the registries of many foreign countries and/or are protected by common law. All Heidi Klum and Frederick's of Hollywood trademarks are licensed under license agreements, while all of our other trademarks are company-owned. We believe our products are identified by our intellectual property and, thus, our intellectual property is of significant value. Accordingly, we intend to maintain our intellectual property and related registrations and vigorously protect our intellectual property assets against infringement.

Competition

The sale of women's intimate and other apparel, personal care and beauty products and accessories through retail stores is a highly competitive business. Our competitors are numerous and include individual and chain specialty stores, department stores and discount retailers. Brand image, marketing, design, price, service, assortment and quality are the principal competitive factors in retail store sales. Our online businesses compete with numerous online merchandisers. Image presentation, fulfillment and the factors affecting retail store sales discussed above are the principal competitive factors in online sales.

Employee Relations

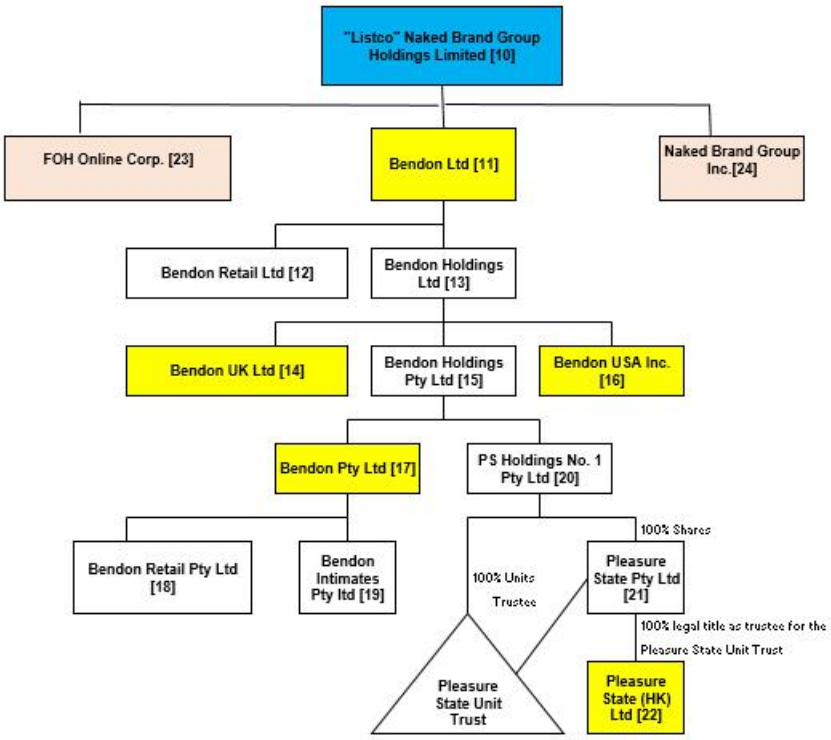
As of January 31, 2019, we employed approximately 772 employees, 537 of whom were part-time or casual. The number of employees, by geography, is noted in the table below.

Region	Employees
Australia	332
New Zealand	400
United Kingdom	12
Hong Kong	7
United States of America	21

None of the employees are currently covered by a collective bargaining agreement. We have had no labor-related work stoppages and believes its relations with its employees are excellent.

C. Organizational Structure

The following chart illustrates the organizational structure of us and our subsidiaries as of the date of this Annual Report:



Note	Company No.	Incorporated
10	619054938	NSW Australia
11	110935	New Zealand
12	1013361	New Zealand
13	480331	New Zealand
14	04200853	England and Wales
15	094492841	NSW Australia
16	3760307	Delaware, USA
17	001222064	NSW Australia
18	153 498 116	VIC Australia
19	149125388	NSW Australia
20	142982483	VIC Australia
21	108588076	NSW Australia
22	1247545	Hong Kong
23	150874814	Delaware, USA
24	1383097	Nevada, USA

D. Property, Plants and Equipment

The disclosure set forth under “Real Estate” on page 19 is incorporated herein by reference.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis (this "MD&A") for Bendon Limited provides information concerning our financial condition and results of operations for the year ended January 31, 2019, 2018 and 2017 and should be read in conjunction with our audited consolidation financial statements and the related notes included in Part III, Item 17, "Financial Statements." Our selected financial information are reported for the fiscal years ended January 31, 2019 and 2018, for the seven month period ended January 31, 2017, and for the fiscal year ended June 30, 2016. In order to provide additional meaningful information to investors, we have included unaudited consolidated information for the 12 month period ended January 31, 2017, and for the seven month period ended January 31, 2016. This unaudited information is presented for comparative purposes to the corresponding fiscal year ended January 31, 2018 and for the seven month period ended January 31, 2017, and is derived from accounting records.

The following discussion contains forward-looking statements that reflect our future plans, estimates, belief, and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those discussed elsewhere in this Form 20-F, particularly in Part I, Item 3.D, "Risk Factors" and in "Cautionary Note Regarding Forward-Looking Statements." In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur.

Basis of Presentation

The Audited Annual Consolidated Financial Statements of the Company have been prepared in accordance with IFRS as issued by the IASB, and are presented in thousands of New Zealand dollars, except where otherwise indicated. However, certain financial measures contained in this MD&A are non-IFRS measures and are discussed further under "Non-IFRS Measures" below. All references to "$" and "dollars" refer to New Zealand dollars, unless otherwise indicated. Certain totals, subtotals and percentages throughout this MD&A may not reconcile due to rounding.

Introduction

We are a designer, distributor, wholesaler and retailer of women's and men's intimates apparel and swimwear. Our merchandise is sold through retail and outlet stores located in New Zealand and Australia, wholesale operations in New Zealand, Australia, the United States of America and Europe, and through online channels. We operate licensed brands including Heidi Klum and Frederick's of Hollywood, and owned brands including Pleasure State, Davenport, Lovable, Bendon, Fayreform, VaVoom, Evollove, and Hickory. We also operated the Stella McCartney brand until June 30, 2018, at which time Bendon Limited's license to use the brand terminated. Key customers include Farmers, Myer, David Jones and Woolworths.

All dollar values discussed below are presented in New Zealand dollars.

In keeping with customary practice in New Zealand, our fiscal years end on June 30. Subsequent to registration, Bendon Limited changed its fiscal year end to January 31 and align with Naked's fiscal year end.

Overview

Year ended January 31, 2019 and year ended January 31, 2018

During the 12- month period ended January 31, 2019 and 12-month period ended January 31, 2018 we incurred a net comprehensive loss of ($49.2m) and ($37.4m) respectively.

Net sales in the 12-month period ended January 31, 2019 decreased by $19.5m, or 14.8%, to $111.9m when compared with $131.4m in the 12-month period ended January 31, 2018. The sales in the 12-month period ending January 31, 2019 were negatively impacted by a stock supply issue because of liquidity issues. In addition, we also ended our wholesale relationship with key major accounts in the U.S. market. Our strategic decision to exit the E.U./U.K. market as well as the loss of the Stella McCartney license also contributed to the reduction in sales for the Company.

Brand management expenses decreased by $4.4m, or 8.2% from $53.7m to $49.3m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018. This was largely due to cost savings in our store overheads and reduced marketing spend.

Corporate expenses increased by $1.3m, or 10.1%, from $12.8m to $14.1m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018, primarily driven by increased salary allocation and rental costs.

Finance expenses decreased by $4.8m, or 54.5% from $8.8m to $4.0m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018, due to a reduction in interest on both external borrowings and shareholder loans.

Brand transition, restructure and transaction expenses increased by $6.8m, or 212.5%, from $3.2m to $10.0m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018, which was driven by costs incurred in respect of the U.S. listing process.

Impairment expense increased by $6.3m, or 331.6%, from $1.9m to $8.2m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018, which was driven by stock supply issue because of liquidity issues.

Other foreign currency gains increased by $1.2m or 159.2% from $0.7m to $1.9m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018, due to positive movements in exchange rates on foreign exchange contracts.

Year ended January 31, 2018 and 12-month period ended January 31, 2017 (unaudited)

During the 12- month period ended January 31, 2018 and 12-month period ended January 31, 2017, we incurred a net comprehensive loss of ($37.4m) and ($39.9m) respectively.

Net sales in the 12-month period ended January 31, 2018 decreased by $20.75m, or 13.6%, to $131.4m when compared with $152.1m in the 12-month period ended January 31, 2017. The sales in the 12-month period ending January 31, 2018 were negatively impacted by a stock supply issue because of liquidity issues.

During the 12-month period ended January 31, 2018 and the 12-month period ended January 31, 2017, the gross margin was 33.4% and 44.6% respectively. The reduction in gross margin was caused by increased discounts provided to customers and sub-optimal stock mix because of the stock supply issue.

Finance expenses decreased by $2.4m, or 21.6% from $11.2m to $8.8m in the 12-month period ended January 31, 2018 as compared with the 12-month period ended January 31, 2017, due to a reduction in interest on the shareholder loan due to the principal amount of such loans being reduced, the majority of which was converted to equity in September 2016.

Brand transition, restructure and transaction expenses increased by $0.8m, or 34.7%, from $2.4m to $3.2m in the 12-month period ended January 31, 2018 as compared with the 12-month period ended January 31, 2017, which was driven by costs incurred in respect of the U.S. listing process.

Other foreign currency gains/(losses) reduced from a loss of $14.3m in 12-month period ended January 31, 2017 to a gain of $0.7m in the 12-month period ended Jan 31, 2018, due to positive movements in exchange rates on foreign exchange contracts.

7-month period ended January 31, 2017, 7-month period ended January 31, 2016 (unaudited), the 12 month period ended June 30, 2016 and the 12 month period ended June 30, 2015

During the 7-months ended January 31, 2017 and 12-month period ended June 30, 2016 and 12-month period ended June 30, 2015, we incurred a net comprehensive loss of ($16.0m), ($20.7m) and ($13.2m) respectively.

Net sales in the 12 month period ended June 30, 2016 increased by $12.2m, or 8.8%, to $151.0m when compared with $138.8m in the 12 month period ended June 30, 2015. This was driven by extension of the business into providing advisory and management services to other intimates apparel businesses, favorable foreign exchange rate fluctuations between the New Zealand dollar and United States Dollar, growth in U.S. wholesale distribution through a new contract with Macy's, growth in the online business and introduction of 8 new stores across Australia.

Net sales in the 7-month period ended January 31, 2017 increased by $1.6m, or 1.7%, to $96.2m when compared with $94.7m in the 7-month period ended January 31, 2016. Sales were negatively impacted by a stock supply issue, and less favorable foreign exchange rate fluctuations between the New Zealand dollar and U.S. Dollar, which was offset by the beneficial impact of a new licensing agreement with Frederick's of Hollywood.

During the 7-month period ended January 31, 2017, the 7-month period ended January 31, 2016, the 12 month period ended June 30, 2016 and the 12 month period ended June 30, 2015, the gross margin was 40.7%, 45.1%, 44.7%, and 43.1%, respectively. The movement in gross margin has remained fairly consistent, but has improved due to changes in the sales mix including additional online revenue, as well as positive foreign exchange rate fluctuations.

Brand management expenses increased by $6.2m, or 14.6%, from $42.2m to $48.4m between the 12 month period ended June 30, 2015 and the 12 month period ended June 30, 2016. This was largely driven by growth in business and associated employee costs, as well as additional marketing expenditures to support the introduction of new swimwear ranges. The increase of $4.4m, or 15.9%, from $27.6m to $32.0m in the 7-month period to January 31, 2017 as compared with the 7-month period to January 31, 2016, was also driven by additional marketing expenditures.

Finance expenses increased by $4.5m, or 77.3%, between the 12 month period ended June 30, 2015 and the 12 month period ended June 30, 2016 from $5.9m to $10.4m, due to additional interest expense associated with an increase in debt. The finance expense in the 7-month period to January 31, 2016 and January 31, 2017 increased slightly due to additional interest on convertible loan notes being partially offset by a reduction in interest on the shareholder loan due to the principal amount of such loans being reduced, the majority of which was converted to equity in September 2016.

Brand transition, restructure and transaction expenses of $1.3m, $2.2m and $12.2m were incurred in the 7-month period ended January 31, 2017, the 12 month period ended June 30, 2016 and the 12 month period ended June 30, 2015, respectively. The biggest driver for this decrease was a reduction in brand transition expenses incurred in relation to the transition from the Elle MacPherson to Heidi Klum brand which decreased over time given the Elle MacPherson license was terminated in the fiscal year 2015.

An impairment expense of $2.2m was recognized in the 12 month period ended June 30, 2016 and 7-month period to January 31, 2016 in relation to a goodwill write-off. An impairment expense of $0.3m was recognised in 7-month period to January 31, 2017.

Other foreign currency gains/(losses) reduced from a gain of $4.7m the 12 month period ended June 30, 2015 to a loss of $2.4m in the 12 month period ended June 30, 2016 due to weakening of the New Zealand dollar and the impact of unfavorable hedge contracts entered into. Other foreign currency gains/(losses) reduced from a gain of $5.7m in the 7-month period to January 31, 2016 to a loss of $3.3m in the 7-month period to January 31, 2017 as a result of the same foreign exchange drivers.

Application of Critical Accounting Policies, Estimates, and Judgements

Our accounting policies form the basis for preparation of our financial statements and our financial statements in tum are an essential factor in understanding our operations. Our accounting policies are in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are fully described in the notes to our audited financial statements as of and for the year ended January 31, 2019, year ended January 31, 2018, 7-month period ended January 31, 2017 and the two years ended June 30, 2016 and June 30, 2015. The preparation of our financial statements required management to make judgments, estimates, assumptions and judgments that affect the reported amounts of revenue, assets, liabilities and expenses. Our management re-evaluates estimates on an on-going basis and such estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. Unless otherwise stated, all dollar amounts stated in our financial statements are expressed in the currency of the Commonwealth of Australia.

Critical accounting policies

Critical accounting policies that reflect our industry and activity specific accounting treatments used in preparing our financial statements as of the 12 month period ended January 31, 2019, 12 month period ended January 31, 2018, the 7- month period ended January 31, 2017, the 12 month period ended June 30, 2016 and the 12 month period ended June 30, 2015 or that have significant potential to result in a material adjustment to the carrying amounts of assets and liabilities during each of the years.

(a) Going concern

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the financial year ended 31 January 2019 the Group experienced a loss after income tax from continuing operations of NZ$49.220million and operating cash outflows of NZ$9.434 million. It also is in a net current liability position of $NZ29.426 million and a positive net asset position of NZ$10.519 million.

The losses in the year ended 31 January 2019 were a result of reduced revenue from wholesale customers, increased rebates and discounts, and the plateauing of sales in retail outlets believed to be due to the stores and stockists not having new high margin inventory. The business is experiencing challenging trading conditions which have been impacted by the cancellation of the Stella McCartney licence held by the Group which expired on 30 June 2018, the lack of working capital to purchase sufficient levels of inventory required for trading, reduced customer foot traffic in retail stores and outlets, and a reduction of revenue from wholesale customers. The business also incurred NZ$10.075 million of non-trading costs in relation to brand transition, restructure, and transaction costs associated with listing the Group on the Nasdaq stock exchange. The Group also has trade creditors that are trading beyond their original credit terms.

The Group has also breached its Bank debt loan covenants during financial year, and the Bank has extended the facility from being due on 30 June 2019 to being due or subject to renewal on 31 August 2019. The extension of time in the term of the facility is to provide the Group and the Bank time to consider a refinance of the facility to a longer term to assist the group continue as a going concern.

In consequent to the challenging trading conditions and the negative working capital the business raised NZ$23.248 million of funds in the form of issued capital and convertible notes over the course of the financial year and generated further working capital by reducing inventory by NZ$9.993 million. The Group used the funds to reduce the bank debt from NZ$38.489 million to NZ$20.000 million, reduce long overdue trade creditors (both pre and post year end), fund operating losses, reduce costs, rebuild higher margin inventory, recruit new staff, and pay the costs of listing on the Nasdaq stock exchange.

The funds raised and cash flow generated during the financial year ended 31 January 2019 have not been sufficient to provide the Group with adequate working capital, so subsequent to the end of the financial year management has taken steps to raise further capital to complete a program that will fund new inventory that will restock stores and supply wholesale customers, fund further losses, reduce out of term creditors, reduce costs, and provide funds to amortise the Bank debt. It is expected the group will need to continue to fund losses through to the start of the year beginning 1 February 2021. This capital raising/recapitalisation is continuing at the time of this report with management having set a target to raise a further NZ$31.587 million between March 2019 and 31 January 2020. At the date of this report management had raised NZ$12.179 million and was still planning on raising NZ$19.409 million, of which NZ$4.347 million is in the forecast for collection in June 2019, NZ$7.31 million in July 2019; and NZ$7.531 million in October 2019. The Group may need to raise further funds beyond these amounts to fund the period to 31 January 2022.

Management has also engaged in further restructuring of the businesses operations including reducing costs across distribution channels, renegotiating supplier contracts, resetting customer supply commitments, updating leadership roles including appointing a new CEO (which occurred in October 2018) at the Bendon Limited level and the Naked Brand Group Limited level in April 2019, for the operating business, and managing the opening of new stores. The impact from the proposed capital raising and the restructure will take time to generate positive cash flows from operations. The Group expects the business will trend to be cash flow positive by through the year ending 31 January 2021, but will not be fully cash flow positive until the beginning of the year ending 31 January 2022.

As part of the discussions to renegotiate the Bank facilities the Bank appointed an independent review accountant (Review Accountant) to review the cash flow and working capital history and forecasts. The Review Accountant issued a report which is consistent with the information in this note and the Bank has advised they will continue to monitor the Group's performance during the Bank debt renegotiation process through a formal appointment of a Review Accountant. The Directors expect the Bank to offer a new one year facility with amortisation over the next twelve months by 31 August 2019. The offer of a new Bank facility is dependent on the Group achieving inventory covenants set by the Bank through to 31 August 2019 and the Bank being satisfied that the Group has progressed with securing the remaining capital planned of NZD19.409 million.

The directors have also considered the Loan Agreement from its previous major shareholder Cullen Investments Limited ("Cullen") and has been advised by Cullen that due to some changes with Cullen's financial circumstances Cullen is not likely to be a reliable source of funding and as a result the directors have decided to pursue new capital raising activities and not rely on Cullen.

Despite the ongoing losses, reduced cash flow and cash facilities, and the other negative financial conditions, the Directors are confident that the Group will continue as a going concern. However, while the Directors are confident of continuing as a going concern and meeting its debt obligation to its Bank and creditor commitments as they fall due, the going concern is dependent upon the Directors and Group being successful in:

- Raising further capital in line with the Group's cashflow forecast of at least NZ$19.409 million and collecting it between June 2019 and October 2019 (NZ$4.347 million in June 2019; NZ$7.531 million in July 2019; and NZ$7.531 million in October 2019) then raising follow on capital (the amount is yet to be determined) to fund the business through until it expects to become cash flow positive;
- Generating sufficient sales and increasing gross margins and reducing overheads from trading in line with forecast;
- Having sufficient funds from the capital raised to reduce costs, recruit new staff, rebuild higher margin inventory, increasing revenue across the wholesale and retail channels, increase gross margin percentages and contribution that leads to a reduction in the current cash outflow being incurred each month to reach a cash flow positive position, and to reduce bank debt;
- Continue to receive support from creditors to delay payment of overdue amounts until the Group has adequate cash flow to commence a repayment arrangement or repay the debt in full;and
- Renegotiating the current bank facilities of $20 million to a facility that is at least a 12 month facility, reviewed annually that commences before the current facilities mature on 31 August 2019; and

(b) Revenue recognition

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates. The Company assess the expected customer returns and rebates according to the specific information in its possession and its past experience in similar cases.

Sale of goods

Sales of goods through retail stores, e commerce and wholesale channels are recognised when control of the products have been transferred to the customer which is a point in time. For wholesale and e commerce sales, risks and rewards are transferred when goods are delivered to customers, and therefore reflects an estimate of shipments that have not been received at year end based on shipping terms and historical delivery times. The Company also provides a reserve for projected merchandise returns based on prior experience.

The Company sells gift cards to customers. The Company recognises revenue from gift cards when they are redeemed by the customers. In addition, the Company recognises revenue on all of its unredeemed gift cards when the gift cards have expired.

Significant Accounting Judgments, Estimates, and Assumptions

Significant accounting judgments, estimates, and assumptions that have been used in the preparation of our financial statements are set out below. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

We make estimates and assumptions concerning the future in determining accounting treatments and quantifying amounts for transactions and balances in certain circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key estimates — inventory

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realizable value. During the period, management have written down inventory based on best estimate of the net realizable value, although until the time that inventory is sold this is an estimate.

Key estimates — impairment of goodwill

In accordance with IAS 36 Impairment of Assets, the Company is required to estimate the recoverable amount of goodwill at each reporting period.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate and using a terminal value to incorporate expectations of growth thereafter.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA future cash flows;
- timing and quantum of future capital expenditure;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results.

The Company's review includes the key assumptions related to sensitivity in the cash flow projections. Further details are provided in note15(c) to the consolidated financial statements.

Key estimates — fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates — impairment of brands

In accordance with IFRS 36 Impairment of Assets, the Company is required to estimate the recoverable amount of indefinite-lived brand assets at each reporting period.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by their value in use or fair value less cost to sell.

In calculating the fair value less costs to sell, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in brand revenues
- market royalty rate
- the selection of discount rates to reflect the risks involved, and
- long-term growth rates

Changing the assumptions selected by management, in particular the growth rate, discount rate and market royalty rate assumption used, could significantly affect the Company's impairment evaluation and hence results.

The Company's review includes the key assumptions related to sensitivity in the model. Further details are provided in note 15 to the consolidated financial statements.

Key estimates — taxes

Determining income tax provisions and the recognition of deferred tax assets including carried forward income tax involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable income being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

Recent Accounting Pronouncements

New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for January 31, 2019 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

Title of Standard	Nature of change	Impact	Mandatory application date/Date of adoption by Company
IFRS 16 Leases	In February 2016 the IASB issued a new standard for leases. This AASB 16 replaces IAS 17. The main impact on lessees is that almost all leases go on balance sheet. This is because the balance sheet distinction between operating and finance leases is removed for lessees. Instead, under the new standard an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exemptions are short-term and low-value leases.	Management is currently assessing the impact of the new rules and believes the adoption of the provisions of this update will have a material impact on the Company's consolidated financial statements. The new standard will require that we record a liability and a related asset on the balance sheet for our leased facilities.	Management is currently assessing the impact of the new rules and believes the adoption of the provisions of this update will have a material impact on the Company's consolidated financial statements. Mandatory for financial years commencing on or after January 1, 2019. Expected date of adoption by the Company: February 1, 2019.
IFRC 23 Uncertainty over Income Tax Treatments (IFRIC 23)	On June 7, 2017, the IASB issued IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23"). IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12, Income Taxes, when there is uncertainty over income tax treatments. The IFRIC 23 interpretation specifically addresses whether an entity considers uncertain tax treatments separately; the assumptions an entity makes about the examination of tax treatments by taxation authorities; how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and how an entity considers changes in facts and circumstances.	The Company is currently evaluating the impact of adopting this standard on the consolidated financial statements.	IFRIC 23 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Recent Developments

On February 14, 2019, Carole Hochman resigned from the board of directors and as our Executive Chairman, and from all other positions she held with our subsidiaries. Ms. Hochman's resignation was for personal reasons, and was not due to any disagreement with us or our management on any matter relating to our operations, policies or practices (financial or otherwise).

In March 2019, we issued 1,400,000 Naked Ordinary Shares and 1,400,000 warrants to purchase Naked Ordinary Shares to a service provider in exchange for services. The warrants have an exercise price of US$0.50 and expire two years from the date of issuance. The exercise price and the number of shares covered by the warrants are subject to adjustment for stock splits, stock combinations and certain other transactions affecting the share capital as a whole.

On the March 27, 2019, the Company closed on the following share issuances.

(1) NZ$6.60 million/US$4.50 million related to the issue of 11,248,415 Naked Ordinary Shares to trade creditors in satisfaction of trade payables due to them, at an effective per share price of US$0.40.

(2) NZ$1.25 million/US$0.85 million related to the issue of 2,119,178 Naked Ordinary Shares to the holder of one of our outstanding promissory notes in the amount of US$847,671, at an effective per share price of US$0.40 per share.

(3) NZ$1.69 million/US$1.15 million related to the issue of 4,510,588 Naked Ordinary Shares to investors in a private placement at a share price of US$0.255. The investors also received warrants to purchase 100% of the number of Naked Ordinary Shares for which they had subscribed. The warrants have an exercise price of US$0.306 and expire two years from the date of issuance. The exercise price and the number of shares covered by the warrants are subject to adjustment for stock splits, stock combinations and certain other transactions affecting the share capital as a whole.

(4) NZ$4.05 million/US$2.75 million relating to the issue of 10,784,313 Naked Ordinary Shares to certain accredited investors at an agreed per share price of US$0.255, except that, to the extent an investor would beneficially own more than 9.9% of our outstanding Naked Ordinary Shares after the closing, we agreed to issue the investor a March Pre-Funded Warrant in lieu of such shares. Each investor also received a March Investment Warrant to purchase 100% of the number of Naked Ordinary Shares for which it had agreed to subscribe. As a result, we issued 3,914,846 Naked Ordinary Shares, March Pre-Funded Warrants to purchase 6,869,467 Naked Ordinary Shares and March Investment Warrants to purchase 10,784,313 Naked Ordinary Shares to the investor at the closing. The March Investment Warrants have an exercise price of US$0.306 per share and expire five years from the date of issuance. The March Pre-Funded Warrants have an exercise price of US$0.01 per share and expire five years from the date of issuance. The exercise price and number of shares covered by the March Warrants are subject to adjustment for stock splits, stock combinations and certain other transactions affecting the share capital as a whole, as well as for subsequent equity issuances occurring prior to July 16, 2019, subject to certain exceptions. If the exercise price of the March Warrants is higher than the last closing bid price of the Naked Ordinary Shares, at any time starting on June 16, 2019, the March Warrants may be exercised on a cashless basis for a number of shares equal to the Black-Scholes value of the portion of the warrant being exercised (as calculated in accordance with the March Warrants), divided by the closing bid price as of two business days prior to the exercise date (but not less than US$0.10). The March Warrants may not be exercised to the extent the holder and its affiliates would beneficially own more than 9.9% of our outstanding Ordinary Shares after such exercise.

On April 2, 2019, the board of directors appointed Anna Johnson as our Chief Executive Officer. Ms Johnson was previously Chief Executive Officer of Bendon Limited, the Company's main operating entity. In connection with Ms. Johnson's appointment, Justin Davis-Rice was appointed as Executive Chairman and resigned as our Chief Executive Officer.

Effective on May 13, 2019, we completed a private placement of a Secured Convertible Promissory Note (the "Note") to St. George Investments LLC (the "Noteholder") for a purchase price of US$3,000,000, pursuant to a Securities Purchase Agreement (the "NSPA") of even date. Pursuant to the NSPA, the Note was sold with an original issue discount of the US$300,000 and we paid US$20,000 of the Noteholder's expenses, which amount was added to the principal balance of the Note. Accordingly, the Note had an initial principal balance of US$3,320,000. The NSPA includes certain customary representations and warranties and covenants. In addition, we agreed that, so long as the Note is outstanding, we will not issue any debt instrument or incur any debt, subject to certain exceptions, including an exception for any debt incurred from a bank. The Note accrues interest at a rate of 10% per annum, compounded daily, and matures on November 13, 2020. We have the right to prepay the Note, subject to a 15% premium. The Note is secured by a second priority security interest in all our assets and is subordinated to the Company's existing senior secured credit facility with BNZ. The Noteholder has the right to convert the Note into Naked Ordinary Shares at a conversion price of US$0.90 per share, subject to adjustment for subdivisions or combinations of the ordinary shares. The Noteholder also has the right, beginning on December 13, 2019, to cause us to redeem any portion of the Note, up to a maximum of US$400,000 per month.

On the May 14, 2019, we closed on NZ$2.17 million/US$1.5million share issuance of 6,000,000 shares to an investor in a private placement at a share price of US$0.25. The investor also received warrants to purchase 1,000,000 Naked Ordinary Shares. The warrants have an exercise price of US$0.25, subject to adjustment, and expire two years from the date of issuance.

On May 16, 2019, we issued 653,595 ordinary shares in exchange for the cancellation of US$200,000 in debt held by a shareholder, or an effective purchase price of US$0.306 per share.

On June 11, 2019, we announced that we had appointed David Anderson to become our new Chief Financial Officer. Previously, Mr. Anderson served as Head of Finance for Goodman Fielder, one of the largest consumer goods companies in New Zealand, where he oversaw all financial aspects of the business and led numerous acquisitions. Mr. Anderson will succeed Howard Herman, our current Chief Financial Officer, after the filing with the SEC of certain amendments to our existing registration statements, but no later than June 20, 2019. In connection with the appointment of Mr. Anderson, Mr. Herman is resigning from all positions held by him with our company.

Our senior secured credit facility with the Bank matures on August 31, 2019 and discussions are continuing to extend the facility beyond that point. As at October 31, 2018, there was a breach in minimum gross EBITDA ratio. As at January 31, 2019, there was a breach of the minimum Gross EBITDA ratio and a breach of the inventory and receivables ratio. The Bank has advised that they are currently taking these breaches under review.

A. Operating Results

Year ended January 31, 2019 compared to year ended January 31, 2018

The following table sets forth certain selected operating results and other financial information for each of the years ended January 31, 2019, 2018 and 2017:

	Jan. 31, 2019 NZ$000 12 months	**Jan. 31, 2018 NZ$000 12 months**	**% movement FY19 v FY18**	***Unaudited Jan. 31, 2017 NZ$000 12 months***	**% movement FY18 v FY17**
Revenue	111,920	131,388	-14.8%	152,144	-13.6%
Cost of goods sold	(74,480)	(87,459)	-14.8%	(84,358)	3.7%
Gross profit	37,440	43,929	-14.8%	67,786	-35.2%
Brand management	(49,256)	(53,653)	-8.2%	(53,957)	-0.6%
Administrative expenses	(3,432)	(4,131)	-16.9%	(3,712)	11.3%
Corporate expenses	(14,145)	(12,851)	10.1%	(12,920)	-0.5%
Finance expense	(4,041)	(8,791)	-54.0%	(11,214)	-21.6%
Brand transition, restructure and transaction expenses	(10,075)	(3,272)	207.9%	(2,430)	34.7%
Impairment expense	(8,173)	(1,914)	326.9%	(2,865)	-33.2%
Other foreign currency gains/(losses)	1,963	757	159.3%	(14,327)	-105.3%
Fair value gain/(loss) on convertible notes derivative	(775)	2,393	-132.4%	(592)	-504.5%
Loss before income tax	(50,494)	(37,533)	34.5%	(34,230)	9.7%
Income tax benefit/(expense)	1,274	(60)	-2223.3%	(6,123)	-99.0%
Loss for the period	(49,220)	(37,593)	30.9%	(40,352)	-6.8%
Other comprehensive loss					
Exchange differences on translation of foreign operations	(7)	148	-104.7%	384	-61.5%
Total comprehensive loss for the period	(49,227)	(37,445)	31.5%	(39,968)	-6.3%

Year ended January 31, 2018 compared to 12-month period ended January 31, 2017 (unaudited)

The following table sets forth certain selected operating results and other financial information for each of the years ended January 31, 2018 and 2017:

	Jan. 31, 2018 NZ$000 12 months	***Unaudited Jan. 31, 2017 NZ$000 12 months***	**% movement**
Revenue	131,388	152,144	-13.6%
Cost of goods sold	(87,459)	(84,358)	3.7%
Gross profit	43,929	67,786	-35.2%
Brand management	(53,653)	(53,957)	-0.6%
Administrative expenses	(4,131)	(3,712)	11.3%
Corporate expenses	(12,851)	(12,920)	-0.5%
Finance expense	(8,791)	(11,214)	-21.6%
Brand transition, restructure and transaction expenses	(3,272)	(2,430)	34.7%
Impairment expense	(1,914)	(2,865)	-33.2%
Other foreign currency gains/(losses)	757	(14,327)	-105.3%
Fair value gain/(loss) on convertible notes derivative	2,393	(592)	-504.5%
Loss before income tax	(37,533)	(34,230)	9.7%
Income tax benefit/(expense)	(60)	(6,123)	-99.0%
Loss for the period	(37,593)	(40,352)	-6.8%
Other comprehensive loss			
Exchange differences on translation of foreign operations	148	384	-61.5%
Total comprehensive loss for the period	(37,445)	(39,968)	-6.3%

* Note that January 31, 2017 is not an annual period, rather it has been derived from accounting records, to provide a 12 month comparative to the January 31, 2018 annual period.

7-month period ended January 31, 2017 compared to 7-month period ended January 31, 2016 and 12-month period ended June 30, 2016 compared to 12-month period ended June 30, 2015

The following table sets forth certain selected operating results and other financial information for each of the 7-month periods ended January 31, 2017 and 2016, and each of the years ended June 30, 2016 and 2015:

	Jan. 31, 2017 NZ$000 seven months	***Unaudited Jan. 31, 2016 NZ$000 seven months***	**% movement**	**Jun. 30, 2016 NZ$000 12 months**	**Jun. 30, 2015 NZ000$ 12 months**	**% movement**
Revenue	96,284	94,667	1.7%	151,000	138,838	8.8%
Cost of goods Sold	(57,144)	(51,998)	9.9%	(83,525)	(79,031)	5.7%
Gross Profit	39,140	42,669	-8.3%	67,475	59,807	12.8%
Brand Management	(32,040)	(27,647)	15.9%	(48,362)	(42,203)	14.6%
Administrative expenses	(2,383)	(2,109)	13.0%	(4,090)	(4,691)	-12.8%
Corporate expenses	(8,082)	(8,236)	-1.9%	(13,002)	(13,940)	-6.7%
Finance expense	(6,238)	(5,436)	14.8%	(10,409)	(5,870)	77.3%
Brand transition, restructure and transaction expense	(1,321)	(1,122)	17.7%	(2,232)	(12,182)	-81.7%
Impairment expense	(292)	(2,157)	-86.5%	(2,157)	-	100.0%
Other foreign currency gains/(losses)	(3,306)	5,685	-158.2%	(2,423)	4,700	-151.6%
Fair value gain/(loss) on convertible notes derivative	(592)	-	100.0%	-	-	0%
Profit/(Loss) before income tax	(15,114)	1,647	-1017.7%	(15,200)	(14,379)	5.7%
Income tax benefit/(expense)	(865)	(289)	199.3%	(5,546)	1,274	-535.3%
Profit/(Loss) for the period	(15,979)	1,358	-1276.7%	(20,746)	(13,105)	58.3%
Other comprehensive income						
Exchange differences on translation of foreign operations	(29)	(379)	-92.3%	31	(93)	-133.3%
Total comprehensive income/(loss) for the period	(16,008)	979	-1735.2%	(20,715)	(13,198)	57.0%

Revenue

Year ended January 31, 2019 compared to 12-month period ended January 31, 2018

During the 12-month period ended January 31, 2019 the net sales decreased by $19.5m or 14.8% when compared with $131.4m in the 12-month period ended January 31, 2018. The sales in the 12-month period ended January 31, 2019 continued to be negatively impacted by a stock supply issue because of liquidity issues. In addition, we also ended our wholesale relationship with key major accounts in the US market. Our strategic decision to exit the EU/UK market as well as the loss of the Stella McCartney license also contributed to the reduction in sales for the Company.

One new store was opened in Australia, as well as three new stores in New Zealand to continue to expand our brand presence across the Australasian market during the year ended January 31, 2019. During the current financial year, we also successfully acquired both the Naked and Fredricks of Hollywood entities.

Year ended January 31, 2018 compared to 12-month period ended January 31, 2017 (unaudited)

During the 12-month period ended January 31, 2018 the net sales decreased by $20.75m or 13.6% when compared with $152.1m in the 12-month period ended January 31, 2017. The sales in the 12-month period ended January 31, 2018 were negatively impacted by a stock supply issue because of liquidity issues. Three new stores were opened in Australia, as well as two new stores in New Zealand to continue to expand our brand presence across the Australasian market.

7-month period ended January 31, 2017 compared to the 7-month period ended January 31, 2016 (unaudited) and 12-month period ended June 30, 2016 compared to the 12-month period ended June 30, 2015

Net sales in the 7-month period ended January 31, 2017 increased by $1.6m, or 1.7%, to $96.2m when compared with $94.7m in the 7-month period ended January 31, 2016. Sales were negatively impacted by a stock supply issue, and less favorable foreign exchange rate fluctuations between the New Zealand dollar and U.S. Dollar, which was offset by the beneficial impact of a new licensing agreement with Frederick's of Hollywood.

Net sales in the 12-month period ended June 30 2016 increased by $12.2m, or 8.8%, to $151.0m when compared with $138.8m in the 12-month period ended June 30 2015. This was driven by the extension of the business into providing advisory and management services to other intimate apparel businesses, favorable foreign exchange rate fluctuations between the New Zealand dollar and U.S. Dollar, growth in U.S. wholesale distribution through a new contract with Macy's, growth in the online business and introduction of 8 new stores across Australia.

Gross margins

Year ended January 31, 2019 compared to 12-month period ended January 31, 2018

During the 12-month period ended January 31, 2019 and the 12-month period ended January 31, 2018, the gross margin was 33.5% and 33.4% respectively. The movement year on year is consistent, however the margin continues to be impacted by the sales mix, discounts provided to customers and a lack of current season stock because of the supply issue.

Year ended January 31, 2018 compared to 12-month period ended January 31, 2017 (unaudited)

During the 12-month period ended January 31, 2018 and the 12-month period ended January 31, 2017, the gross margin was 33.4% and 44.6% respectively. The reduction in gross margin was caused by increased discounts provided to customers and sub-optimal stock mix because of the stock supply issue.

7-month period ended January 31, 2017 compared to 7-month period ended January 31, 2016 and 12-month period ended June 30, 2016 compared to 12-month period ended June 30, 2015

During the 7-month period ended January 31, 2017, the 7-month period ended January 31, 2016, 12-month period ended June 30 2016 and 12-month period ended June 2015, the gross margin was 40.7%, 45.1%, 44.7%, and 43.1%, respectively. The movement in gross margin has remained fairly consistent, but has improved due to changes in the sales mix including additional online revenue, as well as positive foreign exchange rate fluctuations.

Operating expenses

Year ended January 31, 2019 compared to 12-month period ended January 31, 2018

	Jan. 31, 2019 NZ$000 12 months	**Jan. 31, 2018 NZ$000 12 months**	**% movement FY19 v FY18**	***Unaudited Jan. 31, 2017 NZ$000 12 months***	**% movement FY18 v FY17**
Brand management	(49,256)	(53,653)	-8.2%	(53,957)	-0.6%
Administrative expenses	(3,432)	(4,131)	-16.9%	(3,712)	11.3%
Corporate expenses	(14,145)	(12,851)	10.1%	(12,920)	-0.5%
Finance expense	(4,041)	(8,791)	-54.0%	(11,214)	-21.6%
Brand transition, restructure and transaction expenses	(10,075)	(3,272)	207.9%	(2,430)	34.7%
Impairment expense	(8,173)	(1,914)	326.9%	(2,865)	-33.2%
Other foreign currency gains/(losses)	1,963	757	159.3%	(14,327)	-105.3%
Fair value gain/(loss) on convertible notes derivative	(775)	2,393	-132.4%	(592)	-504.5%

Brand management decreased by $4.4m, or 8.2% from $53.6m to $49.2m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018. This was largely due to cost savings in our store overheads and reduced marketing spend.

Administrative expenses decreased by $0.7m, or 17% from $4.1m to $3.4m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018. This was due to cost saving initiatives implemented by our new CEO who joined us during the financial year ended January 31, 2019.

Corporate expenses increased by $1.3m, or 10.1%, from $12.8m to $14.1m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018, which was primarily driven by an increase in salary and rental costs.

Finance expenses decreased by $4.8m, or 54.5% from $8.8m to $4.0m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018, due to a reduction in interest on both external borrowings and shareholder loans.

Brand transition, restructure and transaction expenses increased by $6.4m, or 195.9%, from $3.2m to $9.6m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018, which was driven by costs incurred in respect of the US listing process.

Impairment expense increased by $6.3m, or 331.6%, from $1.9m to $8.2m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018, which was driven by stock supply issue due to liquidity issues.

Other foreign currency gains increased by $1.2m or 159.2% from $0.7m to $1.9m in the 12-month period ended January 31, 2019 as compared with the 12-month period ended January 31, 2018 due to gains on foreign exchange contracts.

Year ended January 31, 2018 compared to 12-month period ended January 31, 2017 (unaudited)

	Jan. 31, 2018 NZ$000 12 months	***Unaudited Jan. 31, 2017 NZ$000 12 months***	**% movement**
Brand management	(53,653)	(53,957)	-0.6%
Administrative expenses	(4,131)	(3,712)	11.3%
Corporate expenses	(12,851)	(12,920)	-0.5%
Finance expense	(8,791)	(11,214)	-21.6%
Brand transition, restructure and transaction expenses	(3,272)	(2,430)	34.7%
Impairment expense	(1,914)	(2,865)	-33.2%
Other foreign currency gains/(losses)	757	(14,327)	-105.3%
Fair value gain/(loss) on convertible notes derivative	2,393	(592)	-504.5%

Brand management expenses decreased by $0.3m, or 0.6%, from $53.9m to $53.6m in the 12-month period to January 31, 2018 as compared with the 12-month period to January 31, 2017. This reduction was due to the increased focus on cost control in this area.

Administrative expenses increased by $0.4m or 11.3% from $3.7m to $4.1m in the 12-month period to January 21, 2018 as compared with the 12-month period to January 31, 2017. This increase was due to a higher spend on accounting and tax fees associated with the US listing process.

Corporate expenses are consistent with the prior 12-month period. The slight decrease of $69k, or 0.5% between the 12-month period ended to January 31, 2018 and 12- month period to January 31, 2017, from $12.92m to $12.85m is considered immaterial.

Finance expenses decreased by $2.4m, or 21.6% from $11.2m to $8.8m in the 12-month period ended January 31, 2018 as compared with the 12-month period ended January 31, 2017, due to a reduction in interest on the shareholder loan due to the principal amount of such loans being reduced, the majority of which was converted to equity in September 2016.

Brand transition, restructure and transaction expenses increased by $0.8m, or 34.7%, from $2.4m to $3.2m in the 12-month period ended January 31, 2018 as compared with the 12-month period ended January 31, 2017, which was driven by costs incurred in respect of the US listing process.

Impairment expense decreased by $0.95m or 33.2% from $2.8m to $1.9m in the 12-month period ended January 31, 2018 as compared with the 12-month period ended January 31, 2017. During the current financial year an impairment expense of $1.6m was incurred as management impaired the costs incurred on the ERP upgrade, as this software will need to be replaced and updated with a more advanced system. In the 12-month period ended January 31, 2017 an impairment expense of $2.2m was recognized in relation to a goodwill write-off.

Other foreign currency gains/(losses) reduced from a loss of $14.3m in 12-month period ended January 31, 2017 to a gain of $0.7m in the 12-month period ended Jan 31, 2018, due to gains on foreign exchange contracts.

Fair value gain/(loss) on convertible notes derivative was a gain of $2.4m in 12-month period ended January 31, 2018 compared to a loss of $0.6m the period ended January 31, 2017. This is because the derivative ended at conversion date.

7-month period ended January 31, 2017 compared to 7-month period ended January 31, 2016 and 12-month period ended June 30, 2016 compared to 12-month period ended June 30, 2015

	Jan. 31, 2017 NZ$000 seven months	***Unaudited Jan. 31, 2016 NZ$000 seven months***	**% movement**	**Jun. 30, 2016 NZ$000 12 months**	**Jun. 30, 2015 NZ000$ 12 months**	**% movement**
Brand management	(32,040)	(27,647)	15.9%	(48,362)	(42,203)	14.6%
Administrative expenses	(2,383)	(2,109)	13.0%	(4,090)	(4,691)	-12.8%
Corporate expenses	(8,082)	(8,236)	-1.9%	(13,002)	(13,940)	-6.7%
Finance expense	(6,238)	(5,436)	14.8%	(10,409)	(5,870)	77.3%
Brand transition, restructure, and transaction expenses	(1,321)	(1,122)	17.7%	(2,232)	(12,182)	-81.7%
Impairment expense	(292)	(2,157)	-86.5%	(2,157)	—	100.0%
Other foreign currency gains/(losses)	(3,306)	5,685	-158.2%	(2,423)	4,700	-151.6%
Fair value gain/(loss) on convertible notes derivative	(592)	-	100.0%	-	-	0%

Brand management expenses increased by $6.2m, or 14.6%, from $42.2m to $48.4m between the 12-month period ended June 30 2015 and 12-month period ended June 30 2016. This was largely driven by growth in business and associated employee costs, as well as additional marketing expenditures to support the introduction of new swimwear ranges. The increase of $4.4m, or 15.9%, from $27.6m to $32.0m in the 7-month period to January 31, 2017 as compared with the 7- month period to January 31, 2016, was also driven by additional marketing expenditures.

Finance expenses increased by $4.5m, or 77.3%, between the 12-month period ended June 30 2015 and 12-month period ended June 30 2016, from $5.9m to $10.4m, due to additional interest expense associated with an increase in debt. The finance expense in the 7- month period to January 31, 2016 and January 31, 2017 remained consistent due to additional interest on convertible loan notes being partially offset by a reduction in interest on the shareholder loan due to the principal amount of such loans being reduced, the majority of which was converted to equity in September 2016.

Brand transition, restructure and transaction expenses decreased by $10.0m from $12.2m in fiscal year 2015 to $2.2m in fiscal year 2016. This was largely driven by a reduction in brand transition expenses incurred in relation the transition from the Elle MacPherson to Heidi Klum brand of $9.2m, given the licence arrangement terminated in fiscal year 2015 and therefore majority of the associated costs were recognized in the same period.

Brand transition, restructure and transaction expenses decreased by $0.9m from $2.2m in the 12-month period ended June 30 2016 to $1.3m in the 7-month period ended January 31, 2017, largely due to a $0.9m decrease in Heidi Klum brand transition costs due to any non-recurring costs associated with the transition having been incurred prior to the 7-months ended January 31, 2017.

An impairment expense of $2.2m was recognized in the 12-month period ended June 30 2016 and 7-month period to January 31, 2016 in relation to a goodwill write-off. An impairment expense of $0.3m was recognised in the 7- month period to January 31, 2017.

Other foreign currency gains/(losses) reduced a gain of $4.7m in the 12-month period ended June 30 2015 to a loss of $2.4m in the 12-month period ended June 30 2016, due to weakening of the New Zealand dollar and the impact of unfavorable hedge contracts.

Other foreign currency gains/(losses) reduced a gain of $5.7m in the 7-month period to January 31, 2016 to a loss of $3.3m in the 7-month period to January 31, 2017 as a result of the same foreign exchange drivers.

Taxation

Year ended January 31, 2019 compared to 12-month period ended January 31, 2018

The tax benefit of $1,274k in the 12 month period ended January 31, 2019 was an increase of $1,334k when compared to the tax expense of $60k for the 12 month period ended January 31, 2018. This year on year movement is due to increased tax benefits resulting from the increased losses and adjustments for current tax for prior periods.

Year ended January 31, 2018 compared to 12-month period ended January 31, 2017 (unaudited)

The tax expense of $60k in the 12month period ended January 31, 2018 decreased by $6.06m when compared to the 12-month period ended January 31, 2017. The variance was due to the write off of the carrying value of prior year tax losses and deferred tax in the due to the uncertainty over whether the deferred tax asset could be utilized.

7-month period ended January 31, 2017 compared to the 7-month period ended January 31, 2016 (unaudited) and 12-month period ended June 30, 2016 and the 12-month period ended June 30, 2015

The tax benefit of $1.3m in the 12-month period ended June 30 2015, increased by $6.8m, which resulted in a tax expense of $5.5m in the 12-month period ended June 30 2016. A tax expense of $0.9m was recognised in the 7- month period to January 31, 2017. The variances were caused by a write off of the carrying value of prior year tax losses and deferred tax temporary differences in the 12-month period ended June 30 2016 due to uncertainty over future profitability to ensure utilization of the deferred tax assets.

The effective tax rate for the 7-month period ended January 31, 2017, the 12-month period ended June 30 2016 and the 12-month period ended June 30 2015 was 5.7%, 36.5% and 8.9%, respectively. These effective tax rates can be explained by deferred tax credits not brought to accounts due to uncertainty over their availability for utilization.

Net loss and comprehensive loss

Year ended January 31, 2019 compared to 12-month period ended January 31, 2018

The net loss in the 12-month period ended January 31, 2019 increased by $11.2m, or 29.9%, to ($48.9m) when compared with ($37.4m) in the 12-month period ended January 31, 2018. This was due to both the decrease in gross profit of $6.5m and the increase in expenses of $6.4m in the 12-month period ended January 31, 2019 when compared with the 12-month period ended January 31, 2018.

Year ended January 31, 2018 compared to 12-month period ended January 31, 2017 (unaudited)

The net loss in the 12-month period ended January 31, 2018 decreased by $2.5m, or 6.3%, to ($37.4m) when compared with ($39.9m) in the 12-month period ended January 31, 2017. The decrease in gross profit of $23.9m in the 12-month period ended January 31, 2018 when compared with the 12-month period ended January 31, 2017 was significantly offset by the reduction in expenses of $20.5m when comparing the same 12 month periods. Tax expense also decreased by $6.06m when compared to the 12-month period ended January 31, 2017 to $60k in the 12month period ended January 31, 2018. The variance was due to the write off of the carrying value of prior year tax losses and deferred tax in the due to the uncertainty over whether the deferred tax asset could be utilized.

7-month period ended January 31, 2017 compared to the 7-month period ended January 31, 2016 (unaudited) and 12-month period ended June 30, 2016 and the 12-month period ended June 30, 2015

For the seven months ended January 31, 2017 and fiscal years ended June 30, 2016 (fiscal year 2016) and June 30, 2015 (fiscal year 2015), we incurred a net comprehensive loss of ($16.0m), ($20.7m) and ($13.2m) respectively. Gross profit for the seven month period ended January 31, 2017, the seven month period ended January 31, 2016, fiscal year 2016 and fiscal year 2015 was 40.7%, 45.1%, 44.7%, and 43.1%, respectively. The movement in gross margin has remained fairly consistent, but improved due to changes in the sales mix including additional online revenue, as well as positive foreign exchange rate fluctuations. The tax benefit of $1.3m in fiscal year 2015, increased by $6.8m, which resulted in a tax expense of $5.5m in fiscal year 2016. A tax expense of $0.9m was recognised in the seven month period to January 31, 2017. The variances were caused by a write off of the carrying value of prior year tax losses and deferred tax temporary differences in fiscal year 2016 due to uncertainty over future profitability to ensure utilization of the deferred tax assets.

The net loss in the 6-month period ended July 31, 2017 increased by $4.8m, or 34.8%, to ($18.5m) when compared with ($13.7m) in the 12-month period ended July 31, 2016. This net loss was due to a reduction in gross profit, which decreased $13.6m in the 6-month period ended July 31, 2017 when compared with the 6-month period ended July 31, 2016, however this was partially offset by a reduction in expenses of $2.2m and a reduction in income tax expense of $5.9m for the 6-month period ended July 31, 2017 when compared with the 6-month period ended July 31, 2016.

Segmented Reporting

Bendon Limited has seven reportable segments: Australia retail, New Zealand retail, Australia wholesale, New Zealand wholesale, US wholesale, Europe wholesale and E-commerce.

- *Australia retail.* This segment covers retail and outlet stores located in Australia.
- *New Zealand retail.* This segment covers retail and outlet stores located in New Zealand.
- *Australia wholesale.* This segment covers the wholesale of intimates apparel to customers based in Australia.
- *New Zealand wholesale.* This segment covers the wholesale of intimates apparel to customers based in New Zealand.
- *US wholesale.* This segment covers the wholesale of intimates apparel to customers based in the United States of America.
- *Europe wholesale.* This segment covers the wholesale of intimates apparel to customers based in Europe.
- *E-commerce.* This segment covers the Company's online retail activities.

The following table provides our segment net sales, gross margin and EBITDA for the 12-month period to January 31, 2019, 2018 and 2017.

Year ending January 31, 2019

	NZ Retail NZ$000's	AU Retail NZ$000's	NZ Wholesale NZ$000's	AU Wholesale NZ$000's	US Wholesale NZ$000's	EU Wholesale NZ$000's	e-commerce NZ$000's	Unallocated NZ$000's	Total
Revenue	31,801	18,547	7,154	11,491	5,798	4,996	32,133	-	111,920
Gross margin	16,377	9,355	782	2,993	576	506	10,885	(4,034)	37,440
EBITDA	3,373	(1,337)	(10)	(1,309)	(2.120)	(1,006)	(210)	(22,983)	(25,602)

Year ending January 31, 2018

	NZ Retail NZ$000's	AU Retail NZ$000's	NZ Wholesale NZ$000's	AU Wholesale NZ$000's	US Wholesale NZ$000's	EU Wholesale NZ$000's	e-commerce NZ$000's	Unallocated NZ$000's	Total
Revenue	34,269	18,236	10,453	15,512	6,390	14,192	32,234	102	131,388
Gross margin	17,781	8,779	2,240	2,967	(48)	3,971	11,260	(3,021)	43,929
EBITDA	4,330	(2,550)	1,172	(814)	(3,349)	1,067	(260)	(23,649)	(24,053)

Year ending January 31, 2017 (Unaudited)

	NZ Retail NZ$000's	AU Retail NZ$000's	NZ Wholesale NZ$000's	AU Wholesale NZ$000's	US Wholesale NZ$000's	EU Wholesale NZ$000's	e-commerce NZ$000's	Unallocated NZ$000's	Total
Revenue	35,968	19,395	13,636	27,174	15,695	15,148	23,424	1,702	152,143
Gross margin	20,761	10,958	4,072	9,764	4,979	5,013	10,879	1,358	67,785
EBITDA	7,683	310	1,157	5,623	907	925	4,551	(19,060)	2,098

For the 7-months ended January 31, 2017

	NZ Retail NZ$000's	AU Retail NZ$000's	NZ Wholesale NZ$000's	AU Wholesale NZ$000's	US Wholesale NZ$000's	EU Wholesale NZ$000's	e-commerce NZ$000's	Unallocated NZ$000's	Total
Revenue	21,953	12,053	7,484	18,091	9,015	9,548	18,140	-	96,284
Gross margin	12,246	6,461	2,523	6,660	2,081	3,271	6,238	(340)	39,140
EBITDA	4,766	265	2,048	4,571	16	1,258	2,584	(17,634)	(2,126)

Year to June 30, 2016

	NZ Retail NZ$000's	AU Retail NZ$000's	NZ Wholesale NZ$ 000's	AU Wholesale NZ$000's	US Wholesale NZ$000's	EU Wholesale NZ$000's	e-commerce NZ$ 000's	Unallocated NZ$000's	Total
Revenue	37,389	20,680	15,071	28,021	18,876	16,531	6,722	7,710	151,000
Gross margin	21,336	11,750	4,350	9,965	4,336	4,873	3,140	7,725	67,475
EBITDA	9,073	1,915	3,641	6,445	1,519	1,669	1,101	(14,893)	10,470

Year to June 30, 2015

	NZ Retail NZ$000's	AU Retail NZ$000's	NZ Wholesale NZ$ 000's	AU Wholesale NZ$000's	US Wholesale NZ$000's	EU Wholesale NZ$000's	e-commerce NZ$ 000's	Unallocated NZ$000's	Total
Revenue	37,089	18,491	16,333	29,817	13,853	17,548	5,683	24	138,838
Gross margin	20,819	10,425	5,355	11,356	2,924	6,290	2,611	27	59,807
EBITDA	8,934	2,801	3,568	8,907	388	3,024	620	(24,822)	3,420

(1) Unallocated revenue, gross margin and EBITDA relates to revenue, gross margin and EBITDA that cannot be attributed directly to the other reportable segments above including various brand management and head office costs.

New Zealand and Australia Retail

In the 12-month period ended January 31, 2019 New Zealand retail EBITDA was $3.4m compared with $4.3m in the 12-month period to January 31, 2018. Australian Retail EBITDA for the 12-month period ended January 31, 2019 was a loss of $1.3m compared with a loss of $2.5m in the 12-month period to January 31, 2018. The retail environment continued to be challenging for our Bendon stores, and this along with a lack of current season stock supply were the key reasons for both the reduction in the New Zealand market EBITDA year on year as well as the continued operating loss in the Australian market.

In the 12-month period ended January 31, 2018 New Zealand retail EBITDA was $4.3m compared with $7.7m in the 12-month period to January 31, 2017. Australian Retail EBITDA for the 12-month period ended January 31, 2018 was a loss of $2.5m compared with a profit of $0.3m in the 12-month period to January 31, 2017. A challenging retail environment, seasonal product mix and vendor supply issues were the key reasons for this reduced EBITDA across both the New Zealand and Australian retail markets.

New Zealand Retail Gross margin reduced 5.8% between the 12-month period to January 31, 2018 and 12- month period to January 31, 2017 from 57.7% to 51.9%. Australia Retail Gross margin reduced 8.4% between the 12-month period to January 31, 2018 and 12- month period to January 31, 2017 from 56.5% to 48.1%. The reduction in the gross margin in both markets was caused by increased discounts provided to customers and sub-optimal stock mix because of the stock supply issue.

In the 7-month period ended January 31, 2017, the 12-month period ended June 30 2016, the 12-month period ended June 30 2015, New Zealand retail EBITDA was $4.8m, $9.1m, an d $8.9m respectively, as a result of similar trading conditions and consistent store numbers.

In the 12-month period ended June 30 2016, Australia retail recognized increased revenue and reduced EBITDA of $20.7m and $1.9m, respectively, as compared with $18.5m and $2.8m, respectively, in the 12-month period ended June 30 2015. The increase in revenue was due to the introduction of 8 new outlet stores, which due to early trading losses experienced reduced EBITDA. The revenue and EBITDA in the 7-month period to January 31, 2017 showed a consistent trend as compared with the 12-month period ended June 30 2016.

NZ Wholesale, AU Wholesale, US Wholesale and EU wholesale

In the 12-month period ended January 31, 2019 the EBITDA loss decreased in the US market and increased in the NZ, AU and EU markets when compared with the 12-month period ended January 31, 2018. New Zealand wholesale EBITDA was a loss of $0.01m in the 12-months ended January 31, 2019 compared with an EBITDA profit of $1.1m in the 12-months ended January 31, 2018. AU wholesale EBITDA was a loss of $1.3m in the 12-months ended January 31, 2019 compared with an EBITDA loss of $0.8m in the 12-months ended January 31, 2018. US wholesale EBITDA was a loss of $2.1m in the 12-months ended January 31, 2019 compared with an EBITDA loss of $3.3m in the 12-months ended January 31, 2018. EU Wholesale EBITDA was a loss of $1.0m in the 12-months ended January 31, 2019 compared with a profit of $1.1m in the 12-months ended January 31, 2018.

In the 12-month period January 31, 2019, and 12-month period ended January 312, 2018 New Zealand wholesale revenue was $7.1m and $10.4m respectively. In the 12-month period ended January 31, 2019 New Zealand Wholesale EBITDA was a loss of $0.01m compared with a profit of $1.1m in the 12-month period to January 31, 2018. Both the reduction in sales, and EBITDA loss in the New Zealand market is attributed to a lack of order fulfillment due to the reduced stock supply, additional costs were also incurred as a result of unfulfilled orders.

In the 12-month period ended January 31, 2019 and 12-month period ended January 31, 2018, Australia wholesale revenue was $11.5m and $15.5m, respectively. In the 12-month period ended January 31, 2019 Australia Wholesale EBITDA was a loss of $1.3m compared with a loss of $0.8m in the 12-month period to January 31, 2018. The EBITDA loss for the Australian market was also due to a lack of fulfillment of orders because of the reduced stock supply.

US wholesale revenue dropped from $6.4m for the 12-month period ended January 31, 2018 to $5.8m for the 12-month period ended January 31, 2019. The EBITDA Loss for the period ended January 31, 2019 was $2.1m compared to the EBITDA loss of $3.3m for the year ended January 31,2018. The EBITDA loss incurred for the US Wholesale market was primarily due to our relationship ending with key major wholesale accounts.

In the 12-month period ended January 31, 2019, and the 12-month period ended January 31, 2018, EU wholesale revenue was $5.0m, and $14.2m respectively. The EBITDA Loss for the period ended January 31, 2019 was $1.0m compared to the EBITDA profit of $1.1m for the year ended January 31, 2018. A strategic decision was made by the business to exit the EU market and this is the key driver for reduction in sales and the loss for the current period.

In the 12-month period ended January 31, 2018 EBITDA increased in the NZ Wholesale and EU Wholesale markets and decreased in the AU Wholesale and US Wholesale markets when compared with the 12-month period ended January 31, 2017. New Zealand wholesale EBITDA was $1.17m in the 12-months ended January 31, 2018, compared with $1.15m in the 12-months ended January 31, 2017. AU wholesale EBITDA was a loss of $0.8m in the 12-months ended January 31, 2018, compared with an EBITDA profit of $5.6m in the 12-months ended January 31, 2017. US wholesale EBITDA was a loss of $3.3m in the 12-months ended January 31, 2018 compared with an EBITDA profit of $0.9m in the 12-months ended January 31, 2017. EU wholesale EBITDA was a profit of $1.1m in the 12-months ended January 31, 2018, compared with a profit of $0.9m in the 12-months ended January 31, 2017.

In the 12-month period ended January 31, 2018 and 12-month period ended January 31, 2017 New Zealand wholesale revenue was $10.4m and $13.6m, respectively. Cancellation of orders from our key account holders due to vendor supply issues were the key reasons for these reduced sales.

In the 12-month period ended January 31, 2018 and 12-month period ended January 31, 2017, Australia wholesale revenue was $15.5m and $27.1m, respectively. In the 12-month period ended January 31, 2018 Australia Wholesale EBITDA was a loss of $0.8m compared with a profit of $5.6m in the 12-month period to January 31, 2017. The EBITDA loss for the Australian market was due to the cancellation of multiple orders as a result of delayed supply, due to vendor delays and discounts offered to customers for delayed ranges.

US wholesale revenue dropped from $15.7m for the 12-month period ended January 31, 2017 to $6.4m for the 12-month period ended January 31, 2018. The EBITDA Loss for the period ended January 31, 2018 was $3.3m compared to the EBITDA profit of $0.9m for the year ended January 31,2017. The EBITDA loss incurred for the US Wholesale market was primarily due to our relationship ending with Macy’s

In the 12-month period ended January 31, 2018, and the 12-month period ended January 31, 2017, EU wholesale revenue was $14.2m, and $15.1m respectively. EU Wholesale Gross margin decreased 5.1% between the 12-month period to January 31, 2018 and 12- month period to January 31, 2017 from 33.1% to 28%. These fluctuations were driven by changes in customer mix. EBITDA increased year on year, driven by a reduction in expenses.

In the 7-month period ended January 31, 2017, the 12-month period ended June 30 2016, and the 12-month period ended June 30 2015, New Zealand wholesale revenue was $7.5m, $15.1m, and $16.3m, respectively. In the 7-month period ended January 31, 2017, the 12-month period ended June 30 2016, and the 12-month period ended June 30 2015, Australia wholesale revenue was $18.1m, $28.0m and $29.8m, respectively. These fluctuations were driven by changes in customer mix and a general trend in the business to focus on its direct to consumer strategy. EBITDA for these respective segments was in line with sales movements.

US wholesale revenue grew from $13.9m in the 12-month period ended June 30 2015 to $18.9m in the 12-month period ended June 30 2016 as a result of a new Macy's contract and favorable foreign exchange rate variances. U.S. wholesale revenue was $9.0m and EBITDA was $0.0m in the 7-month period to January 31, 2017 which was due to reduced business from Macy's and less favorable foreign exchange movements than in the 12-month period ended June 30 2016. EBITDA for this segment was in line with sales movements.

In the 7-month period ended January 31, 2017, the 12-month period ended June 30 2016, and the 12-month period ended June 30 2015, EU wholesale revenue was $9.6m, $16.5m, and $17.5m respectively. These fluctuations were driven by changes in customer mix and general trend in the business to focus on its direct to consumer strategy. EBITDA for segments was in line with sales movements.

E-commerce

For the 12-months ended January 31, 2019 the e-commerce EBITDA was a loss of $0.2m compared with a loss of $0.3m for the 12-months ended January 31, 2018. The loss for this period was impacted by the reduction in gross margin between the 12-month period to January 31, 2019 and 12-month period to January 31, 2018 from 34.9% to 33.9%, sales are comparable year on year.

For the 12-months ended January 31, 2018 our e-commerce EBITDA was a loss of $0.3m compared with a profit of $4.5m for the 12-months ended January 31, 2017. The loss for this period is due to decrease in margin as a result of the new license fee under the license agreement with FOH and discounts offered to customers. E-commerce Gross margin reduced 11.5% between the 12-month period to January 31, 2018 and 12-month period to January 31, 2017 from 46.4% to 34.9%.

In the 12-month period ended June 30 2016, e-commerce Revenue grew to $6.7m from $5.7m in the 12-month period ended June 30 2015. This was as a result of changing consumer trends and a conscious shift in the business to focus on this revenue stream. EBIDA for this segment was in line with sales movements.

The e-commerce revenue and EBITDA increased significantly in the 7-month period to January 31, 2017, to $18.4m and $2.6m respectively. This was as a result of entering into a license agreement with Frederick's of Hollywood. The previous management service arrangement with Frederick's of Hollywood that existed in the 12-month period ended June 30 2016 was not allocated to this segment.

Non-IFRS Financial Measures

EBITDA is defined as earnings before interest, taxes, depreciation, depletion, amortization and impairment. Our management uses EBITDA as a measure of our operating results and considers it to be a meaningful supplement to net income as a performance measurement, primarily because we incur significant depreciation and depletion and impairment charges, and the exclusion of such amounts in EBITDA eliminates the non-cash impact.

Reconciliations

Reconciliation of segment EBITDA to the consolidated statements of profit or loss and other comprehensive income follows:

Year ended January 31, 2019 compared to 12-month period ended January 31, 2018

	12 months ended January 2019 NZ$000	12 months ended January 2018 NZ$000
Segment EBITDA	(25,602)	(24,053)
Income tax (expense)/benefit	1,274	(60)
Any other reconciling items	(24,892)	(13,480)
Total net loss after tax	(49,220)	(37,593)

Year ended January 31, 2018 compared to 12-month period ended January 31, 2017 (unaudited)

	12 months ended January 2018 NZ$000	*Unaudited 12 months ended January 2017 NZ$000*
Segment EBITDA	(24,053)	2,098
Income tax (expense)/benefit	(60)	(6,123)
Any other reconciling items	(13,480)	(36,327)
Total net loss after tax	(37,593)	(40,352)

7-month period ended January 31, 2017 compared to the 12-month period ended June 30, 2016 and the 12-month period ended June 30, 2015

	7 months ended January 2017 NZ$000's	12 months ended June 2016 NZ$000's	12 months ended June 2015 NZ$000's
Segment EBITDA	(2,126)	10,470	3,420
Income tax (expense)/ benefit	(865)	(5,546)	1,274
Other Revenue		7,710	24
Any other reconciling items	(12,988)	(33,380)	(17,823)
Total net loss after tax	**(15,979)**	(20,746)	(13,105)

In each of the tables above, "other reconciling items" consist of brand transition, restructure and transaction expenses, finance expense, impairment expense, depreciation and amortization, fair value (gain)/loss on foreign exchange contracts, and unrealized foreign exchange (gain)/loss.

B. Liquidity, and Capital Resources

Liquidity

We finance our business through cash from operations and equity and debt financing. Our cash requirements have been principally to fund working capital needs, to support the growth of the business and to partially repay our bank loan.

Management intends to continue to raise funds from equity financing to fund our operations and objectives. There is no assurance the additional funding will be achieved. If we are unable to achieve the additional funding, we may not be able to conduct our operations and pursue our objectives as presently contemplated, which may adversely affect our results of operations and financial condition.

12-month period ended January 31, 2019 compared to 12-month period ended January 31, 2018

As at January 31, 2019 and January 31, 2018 the Company had cash totaling $1.9m and $10.7m respectively. During the 12-months ended January 31, 2019 and the 12-months ended January 31, 2018 insufficient cash availability directly contributed to a lack of stock.

During the year ended January 31, 2019, the Company has undertaken a number of financing activities and raised $23.6m. Of this amount, $18.5m was utilized to repay Bank debt and the balance was utilized as working capital in the operating business.

12-month period ended January 31, 2018 compared to 12-month period ended January 31, 2017

As of January 31, 2018, and January 31, 2017, the Company had cash totaling $10.7m and $2.6m respectively. During the 12-months ended January 31, 2018 and the 12-months ended January 31, 2017, insufficient cash liquidity contributed to a stock supply issue as described above.

During the year ended January 31, 2018, the Company issued an aggregate amount of USD $2,600,000 (NZ$3,544,649) of convertible notes.

Working capital

We have managed and continue to manage our working capital constraints through the deferral of creditor settlement. Our relationships with our suppliers are managed carefully and we do not have any significant concerns about the deferred payment arrangements. We are continuing to raise capital and believe that this will assist greatly in reducing the overdue creditor position in the coming financial year.

As of January 31, 2019 and January 31, 2018

	January 31, 2019 NZ$000	January 31, 2018 NZ$000
Current Assets	33,369	70,343
Current Liabilities	(62,795)	(91,095)
Working Capital	(29,426)	(20,752)

As of January 31, 2019, current assets decreased due to the reduction in related party receivables, the reduction in inventory because of the reduced stock supply, and the reduced trade and other receivables because of cancelled orders from our wholesale accounts due to ongoing stock supply issues. Our cash balance also reduced by $8.8m from $10.7m as at the year ended January 31, 2018 to $1.9m as at the year ended January 31, 2019.

As of January 31, 2018 and January 31, 2017

	January 31, 2018 NZ$000	January 31, 2017 NZ$000
Current Assets	70,343	81,588
Current Liabilities	(91,095)	(101,232)
Working Capital	(20,752)	(19,644)

The negative working capital is primarily driven by the classification of bank debt and shareholder loan as current liabilities. As of January 31, 2018, current assets decreased due to both the reduction in inventory because of vendor supply issues and the reduced trade and other receivables as a result of cancelled orders from our wholesale accounts due to vendor supply issues

As of January 31, 2017, June 30, 2016 and June 30, 2015

	January 31, 2017 NZ$000's	June 30, 2016 NZ$000's	June 30, 2015 NZ000's
Current Assets	81,588	74,807	70,026
Current Liabilities	(108,027)	(94,794)	(94,093)
Working Capital	(26,439)	(19,987)	(24,067)

The negative working capital is primarily driven by the classification of bank debt and shareholders loan as current liabilities.

Cash flows

Year ended January 31, 2019 compared to 12-month period ended January 31, 2018

	12 months ended January 31, 2019 NZ$000	12 months ended January 31, 2018 NZ$000
Net cash outflow from operating activities	(9,434)	(4,116)
Net cash outflow from investing activities	(1,867)	(2,312)
Net cash inflow from financing activities	2,168	14,496
Net increase/(decrease) in cash and cash equivalents held	(9,133)	8,068
Cash and cash equivalents at end of the year	1,962	10,739

Operating Activities

Net cash outflow from operating activities for the 12-month period to January 31, 2019 and, 12-month period to January 31, 2018 was $9.4m, and $4.1m, respectively. This was largely because of the increased net loss for the current period. The company is committed to a strategic plan lead by our new CEO to create cost savings and manage the overhead structure moving forward, we anticipate that this plan will have a positive impact on our operating cashflow moving forward.

Investing Activities

Net cash outflow from investing activities for the 12-month period to January 31, 2019 and for the 12-month period to January 31, 2018 was $1.9m and $2.3m respectively. This was driven by the proceeds from the businesses acquired during the period.

Financing Activities

Net cash inflow from financing activities for the 12-month period to January 31, 2019 and, 12-month period to January 31, 2018 was $2.2m, and $14.5m, respectively. During the 12-month period to January 31, 2019 the company raised $23.2m through the issue of shares. These funds were partially used to fund interest charges of $2.3m during the period, and to also repay the bank $18.5m.

Year ended January 31, 2018 compared to 12-month period ended January 31, 2017 (unaudited)

	12 months ended January 31, 2018 NZ$000	12 months ended January 31, 2017 NZ$000
Net cash outflow from operating activities	(4,116)	(15,160)
Net cash outflow from investing activities	(2,312)	(2,933)
Net cash inflow from financing activities	14,496	17,039
Net increase/(decrease) in cash and cash equivalents held	8,068	(1,053)
Cash and cash equivalents at end of the year	10,739	2,645

Operating Activities

Net cash outflow from operating activities for the 12-month period to January 31, 2018 and, 12-month period to January 31, 2017 was $4.1m, and $15.1m, respectively. This was largely as a result of the net loss for the periods. Bendon Limited will continue to implement a restructure plan to create cost savings and manage the overhead structure, which will show as favorable impact in the cash flow going forward.

Investing Activities

Net cash outflow from investing activities for the 12-month period to January 31, 2018 and, 12-month period to January 31, 2017 was $2.3m, and $2.9m, respectively. This was largely driven by capital expenditure on property, plant and equipment in stores including enhancement of existing stores and introduction of new stores.

Financing Activities

Net cash inflow from financing activities for the 12-month period to January 31, 2018 and, 12-month period to January 31, 2017 was $14.5m, and $17m, respectively. During the 12-month period to January 31, 2018 the company raised $22m through the issue of shares and an additional $4.5m through convertible note issuance. These funds were used partly to fund interest charges of $3.4m during the period, and to also repay the bank $9.7m.

7-month period ended January 31, 2017 compared to 12-month period ended June 30, 2016 and 12-month period ended June 30 2015

	7 months ended January 31, 2017 NZ$000's	12 months ended June 30, 2016 NZ$000's	12 months ended June 30, 2015 NZ000's
Net cash (outflow) from operating activities	(13,518)	(5,040)	(17,199)
Net cash (outflow) from investing activities	(1,074)	(3,178)	(5,794)
Net cash inflow from financing activities	13,082	11,251	20,524
Net increase/decrease in cash and cash equivalents held	(1,510)	3,033	(2,469)
Cash and cash equivalents	2,644	4,193	1,246

Operating Activities

Net cash (outflow) from operating activities for the 7-month period to January 31, 2017, 12 month period ended June 30 2016 and the 12 month period ended June 30, 2015 was $13.5m, $5.0m, and $17.2m, respectively, which was largely as a result of the net loss for the periods.

Investing Activities

Net cash (outflow) from investing activities for the 7-month period to January 31, 2017, the 12 month period ended June 30, 2016 and the 12 month period ended June 30, 2015 was $1.1m, $3.2m, and $5.8m respectively. This was largely driven by capital expenditure on property, plant and equipment in stores including enhancement of existing stores and introduction of new stores.

Financing Activities

Net cash inflow from financing activities for the 7- month period to January 31, 2017, the 12 month period ended June 30, 2016, and the 12 month period ended June 30, 2015 was $13.1m, $11.3m, and $20.5m respectively. Bank debt and shareholder loan finance increased in the 12 month period ended June 30 2015 and the 12 month period ended June 30 2016 to fund operating cash outflows. During the 7- month period ended January 31, 2017, in addition to additional bank and shareholder debt, cash was also raised through issuance of $16.5m in convertible note debt.

Indebtedness

Bank loan

On June 27, 2016, all banking facilities were repaid and a new banking arrangement with BNZ commenced. This debt arrangement with BNZ was entered into on June 27, 2016 and included a term loan facility and revolving (working capital) loan facility. The facility limits of the term loan and revolving loan were $54,000,000 in aggregate.

On June 13, 2018, we entered into a Deed of Amendment with BNZ to reduce the facility limits from $54,000,000 in the aggregate to a single revolving facility limit of $20,000,000. In addition, the new facility takes over guarantees and financial instruments totalling $1,345,000. In connection with the Deed of Amendment, we repaid approximately $18 million of the outstanding loans.

The new facility of $20,000,000 has been extended to August 31, 2019 and discussions are continuing to extend the facility beyond that point. The current amount outstanding under the facilities (including the instruments referenced above) is $20,000,000 (January 31, 2018: $38,489,428, 2017: $41,710,000). The current interest rate on this loan is 5.57% (January 31, 2019: 5.57%, 2018: 5.55%, 2017: 4.84%) per annum.

BNZ has the first ranking charge over all assets of the Company and its subsidiaries. Under the terms of the major borrowing facility, the new facility is subject to four undertakings being: Interest cover ratio of three times that is first tested as at April 30, 2019; gross EBITDA ratio measured to 3 months to September 2018 had to be greater than $0, six months to December 30, 2018 is greater than $3 million; inventory and receivables ratio must be greater than 2 times being first measured as at September 30, 2018; and the actual sales and gross margin must not vary by more than 10% from the budget submitted to the Bank.

As at October 31, 2018, there was a breach in minimum gross EBITDA ratio. As at January 31, 2019, there was a breach of the minimum Gross EBITDA ratio and a breach of the inventory and receivables ratio. The Bank has advised that they are currently taking these breaches under review.

Shareholder loan

On September 29, 2016, Bendon Limited issued 24,839 Bendon Ordinary Shares to the shareholders as part of an agreement to convert debt to equity. The amount of debt converted on this date amounted to $24,839,783.

On June 19, 2018, Bendon Limited issued additional 24,221 Bendon Ordinary Shares to the shareholders as part of an agreement to convert the remainder of the shareholder debt to equity. The amount of debt converted on this date amounted to a fair value of $12,244,208.

After this conversion, the shareholder loan is fully converted to equity and the outstanding balance as at January 31, 2019 was zero (January 31, 2018: $10,951,295, 2017: $8,200,000). The interest rate on the shareholder loans up to the date of conversion was 30%, and was capitalised quarterly. Total interest capitalised during the twelve months to January 31, 2019 was $641,000 (January 31, 2018: $553,000, 2017: $275,000).

Convertible notes

On September 29, 2017, the holders of US$11.75m (NZ$16.79m) of convertible notes converted to 23,961 Bendon Ordinary Shares. On June 19, 2018, in connection with the closing of the Reorganization, the holders of US$2.8m (NZ$4.2m) of convertible notes converted to 16,408 Bendon Ordinary Shares.

The holder of US$1.0m (NZ$1.42m) of convertible notes elected for their convertible note to be repaid which is due at a future date to be agreed between us and the holder. The amount owing has been classified as a current borrowing and amounted to NZ$1.247m as at January 31, 2019.

All the convertible notes have now converted to equity due to the closing of the Reorganization, or been reclassified as other loans. Accordingly, the outstanding balance of the convertible notes was zero as at January 31, 2019 (January 31, 2018: US$2,600,000 (NZ$3,624,198), 2017: US$12,000,000 (NZ$16,474,465)). The convertible notes had been issued pursuant to an Investment Agreement dated on August 9, 2017. The convertible notes accrued interest at 10% interest, were subject to a conversion at a fixed value on the business day immediately prior to the Reorganization and had a maturity date of August 10, 2019. Conversion was at the noteholders option. If conversion had not occurred the convertible notes would have been redeemable at maturity. The issuer could have elected to redeem the convertible notes at any time prior to maturity.

The carrying value of the convertible notes at initial recognition was determined as the difference between the consideration received and the fair value of the embedded derivative recognised. The convertible notes are subsequently measured at amortised cost using the effective interest rate method. The carrying value of the convertible notes at January 31, 2019 was zero (2018: $1,740,000, 2017: $13,744,000).

C. Research and Development, Patents and Licenses

We do not have any set research and development policies and have not spent a significant amount on research and development in the last three fiscal years

D. Trend Information

For a discussion of trends relating to revenues, please see Item 5.A, “Results of Operations,” contained in this Annual Report and incorporated herein by reference.

E. Off-balance Sheet Arrangements

Except for amounts due under operating lease commitments disclosed below under Item E, “Contractual Obligations,” of this Annual Report, we do not have any material off-balance sheet commitments or arrangements.

F. Contractual Obligations

As of January 31, 2019, our contractual, obligations, excluding trade creditors, were as set forth below:

	Total January 31, 2019 NZ$000	Not later than one year NZ$000	Between one year and five years NZ$000	Later than five years NZ$000
Bank loan	20,000	20,000		
Shareholder loans	1,049	1,049		
Other Loans	967	967		
Working capital financing bank facility	-	-		
Convertible notes	0	0		
Minimum lease payments under non-cancellable operating leases	28,057	8,974	18,532	1,485
Contracted commitements	12,982	4,286	8,696	
Total	64,066	35,354	27,228	1,485

G. Safe Harbor

The safe harbor provided in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act applies to forward-looking information provided under "Off-Balance Sheet Arrangements" and "Contractual Obligations."

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

Effective as of the consummation of the Transactions, our officers and directors are as follows:

Name	Age	Position
Justin Davis-Rice	48	Executive Chairman and Director
Anna Johnson	47	Chief Executive Officer
Howard Herman	54	Chief Financial Officer
Paul Hayes	53	Independent Non Executive Director
Andrew Shape	46	Independent Non Executive Director

Justin Davis-Rice has been a member of our board of directors since our formation and became our Chief Executive Officer upon consummation of the Transactions. Mr. Davis-Rice is currently Executive Chairman of Bendon Limited. Prior to becoming Executive Chairman, Mr. Davis-Rice served as Chief Executive Officer of Bendon Limited for six years during which he transformed the company through an operational restructuring and a re-engineering of key functional and operational aspects of the business including, supply chain, human resources, design and development, sourcing, wholesale and retail sales. Prior to joining the Company, Mr. Davis-Rice co-founded Pleasure State, an intimate apparel company which he merged with Bendon Limited in May 2010. Mr. Davis-Rice helped turn Pleasure State into a business with multimillion dollar earnings. Mr. Davis-Rice has served as a member of Naked (NV)'s board of directors since January 2017. The Company believes Mr. Davis-Rice's experience in the fashion industry makes him well suited to serve as a member of the board of directors.

Anna Johnson became our Chief Executive Officer in April 2019. She brings to Naked a track record of over 25 years' experience driving growth across a number of industries, including consumer electronics, outdoor adventure and intimate apparel. From September 2018 until her appointment as Chief Executive Officer of the Company, Ms. Johnson was the Chief Executive Officer of Bendon, our wholly owned subsidiary. In addition, from 2012 to June 2017, she was Executive General Manager of Bendon, spearheading Bendon's retail channel and delivering sequential 30% plus returns from multiple women's categories. From June 2017 to September 2018, Ms. Johnson was Executive General Manager of operations with The Warehouse Group (NZE: WHS), one of New Zealand's largest publicly listed companies, where she oversaw $1 billion of revenue and a 93-store footprint. Prior to 2012, Ms. Johnson was the General Manager for the New Zealand territory and franchisee with Harvey Norman (ASX: HVN), one of Australia's largest list retailers.

Howard Herman became our Chief Financial Officer upon consummation of the Transactions. Mr. Herman joined Bendon Limited in March 2015 and is a Chartered Accountant with 25 years' experience in the retail, finance and property sectors. Prior to joining Bendon Limited, Mr. Herman was a Director for 4.5 years at Universal Retail Brands which completed a management buyout of the Queenspark fashion retail chain from Specialty Fashion Group, and subsequently bought Events Fashion. The business were subsequently sold to Noni B, a retailer listed on the Australia Stock Exchange, ASX. Previously Mr. Herman was CFO at Speciality Fashion Group for 9 years. Speciality Fashion Group is a leading Apparel ASX listed retailer with over 900 doors across Australia and New Zealand and revenues of approximately AUD$800m.

Paul Hayes became a member of our board of directors upon consummation of the Transactions. Mr. Hayes has served as a member of Naked (NV)'s board of directors since February 2015. Mr. Hayes, a certified public accountant, has been the Vice President Finance for Parfums de Coeur Ltd, a beauty and wellness products concern, since September 2014. From October 2013 to August 2014 he was an independent consultant providing advice to a range of companies in the areas of financial reporting, systems implementation, risk management, and compliance. Through September 2013 and for more than five years previous he was with The Warnaco Group, Inc. in several roles of financial leadership. He has extensive global experience managing and driving growth in a wide range of industries, particularly in the intimate apparel and sleepwear categories through his tenure at Calvin Klein. Mr. Hayes is a Certified Public Accountant and led the commercial finance and accounting team for the $500 million Calvin Klein brand business in Europe in his capacity as Chief Financial Officer for the Europe region of The Warnaco Group. Previously, he held senior positions at Nokia Corporation and Deloitte & Touche LLP. Mr. Hayes received a BBA from Iona College and an MBA from New York University Leonard N. Stern School of Business. The Company believes Mr. Hayes' extensive business experiences in the apparel merchandising industries makes him well suited to serve as a member of the board of directors.

Andrew Shape became a member of our board of directors upon consummation of the Transactions. Mr. Shape has over 25 years of merchandising, marketing, branding, licensing, and management experience. He also has provided consulting and management services to early stage brands on launching of the brand, creating a marketing plan, establishing distribution models, earning market share, and formulating an exit strategy. Mr. Shape is a co-founder of Stran & Company, Inc., a promotional merchandise and marketing agency that provides leading consumer brands with promotional merchandise and marketing support, and has served as its President since September 1996. He is also the founder of Harbor Scientific Consulting, and has served as its President since November 2017. Prior to forming Stran & Company, Inc., he worked at Copithorne & Bellows Public Relations (a Porter Novelli company) as an Account Executive covering the technology industry. Mr. Shape received a BA from the University of New Hampshire. The Company believes Mr. Shape's extensive experience in branding and licensing makes him well suited to serve as a member of the board of directors.

B. Compensation

Compensation of Senior Management/Executive Officers

Justin Davis-Rice, Howard Herman and Carole Hochman served as executive officers of our company for the twelve months ended January 31, 2019. Ms. Hochman resigned as Executive Chairman and as a director in February 2019. Anna Johnson was appointed as our Chief Executive Officer in April 2019, with Mr. Davis-Rice becoming our Executive Chairman upon such appointment.

During the twelve months ended January 31, 2019, the aggregate amount of compensation paid to our executive officers was approximately US$1.15m. The following table sets forth the compensation of each of our executive officers for the twelve months ended January 31, 2019:

Name and Principal Position	Salary	Bonus	Equity Compensation	All Other Compensation	Total
Justin Davis-Rice					
Executive Chairman (former Chief Executive Officer)	$ 576,003	0	0	0	$ 576,003
Howard Herman					
Chief Financial Officer	$ 324,000	0	0	0	$ 324,000
Carole Hochman					
Former Executive Chairman	$ 349,998	0	0	0	$ 349,998

Compensation of Non-Executive Independent Directors

Our non-employee directors receive an annual cash fee of $25,000 and an annual grant of $35,000 of ordinary shares for service on our board of directors. In addition, the chair of our audit committee receives an additional annual cash fee of $10,000, the chair of our compensation committee receives an additional annual cash fee of $5,000 and the chair of our nominating committee receives an additional annual cash fee of $5,000.

During the twelve months ended January 31, 2019, the aggregate amount of compensation paid to our non-employee directors (former and current) was $67,500. The following table sets forth the compensation of each of our non-employee directors for the twelve months ended January 31, 2019:

Name and Principal Position	Cash Fees USD	Equity USD	All Other Compensation	Total USD
Paul Hayes	$ 17,500	$ 17,500	$ -	$ 35,000
Andy Shape	$ 15,000	$ 17,500	$ -	$ 32,500

C. Board Practices

Director Term of Office

Each director will serve until our next annual general meeting, if one is called for, and until his successor is elected and qualified. Each of our directors has served since the consummation of the Transactions in June 2018. We have not entered into service or similar contracts with our directors.

Independence of Directors

The Naked Ordinary Shares are listed on Nasdaq. As a result, we adhere to the rules of Nasdaq in determining whether a director is independent. The rules of Nasdaq general define an "independent director" as a person, other than an executive officer of a company or any other individual having a relationship which, in the opinion of the issuer's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our board of directors has consulted, and will consult, with its counsel to ensure that the board's determinations are consistent with these rules and all relevant securities and other laws and regulations regarding the independence of directors. Based on the foregoing, we have determined that Messrs. Hayes and Shape are independent directors. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

Board Committees

We have separately standing audit, corporate governance and nominating and compensation committees.

Audit Committee Information

We have an audit committee of the board of directors, comprised of Messrs. Hayes, Shape and Davis-Rice. Each of the members of the audit committee, other than Mr. Davis-Rice, is independent under the applicable listing standards and the rules and regulations of the SEC. Pursuant to Nasdaq's "phase-in" rules for newly listed companies, we have one year from the date on which we were first listed on Nasdaq, or until June 19, 2019, to have our audit committee be comprised solely of independent directors. We intend to identify one additional independent director to serve on the audit committee within the applicable time periods, at which time Mr. Davis-Rice will resign from the committee. The audit committee has a written charter. The purpose of the audit committee is, among other things, to appoint, retain, set compensation of, and supervise our independent accountants, review the results and scope of the audit and other accounting related services and review our accounting practices and systems of internal accounting and disclosure controls.

Financial Experts on Audit Committee

The audit committee will at all times be composed exclusively of directors who are "financially literate," as defined under the applicable listing standards. Such listing standards generally define "financially literate" as being able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. In addition, we will be required to certify to the exchange that the committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication. Our board of directors has determined that Mr. Hayes satisfies the exchange's definition of financial sophistication and also qualifies as an "audit committee financial expert" as defined under rules and regulations of the SEC.

Nominating Committee Information

We have a nominating committee of the board of directors, comprised of Messrs. Hayes and Shape. Each member of the nominating committee is independent under the applicable listing standards. The nominating committee has a written charter. The nominating committee is responsible for overseeing the selection of persons to be nominated to serve on our board of directors.

Compensation Committee Information

We have a compensation committee of the board of directors, comprised of Messrs. Hayes and Shape. Each member of the compensation committee is independent under the applicable listing standards. In addition, each member is a "non-employee" director as defined in Rule 16b-3 under the Exchange Act and the rules and regulations thereunder. The compensation committee has a written charter. The purpose of the compensation committee is to review and approve compensation paid to our officers and directors and to administer our incentive compensation plans, including authority to make and modify awards under such plans.

D. Employees

For information about the Company's employees, see Item 5.B of this Annual Report, "*Employee Relations*," contained in this Annual Report and incorporated herein by reference.

E. Share Ownership

The disclosure relating to the share ownership of the persons listed in Item 6.B that is set forth in Item 7.A of this Form 20-F is incorporated herein by reference.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information regarding the beneficial ownership of Naked Ordinary Shares as of May 31, 2019:

- each person expected by us to be the beneficial owner of more than 5% of the outstanding Naked Ordinary Shares;
- each of our executive officers and directors;
- all of our executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security. The beneficial ownership of Naked Ordinary Shares is based on 59,487,636 Naked Ordinary Shares issued and outstanding. Unless otherwise indicated, we believe that all persons named in the table below have sole voting and investment power with respect to all ordinary shares beneficially owned by them.

Name and Address of Beneficial Owner[1]	Amount and Nature of Beneficial Ownership	Percentage of Beneficial Ownership
Current Directors and Officers:		
Justin Ashley Davis-Rice[2]	1,685,233	2.8%
Anna Johnson	0	0%
Howard Herman	102,387	*
Paul Hayes	15,671	*
Andrew Shape	10,071	0%
All directors and executive officers (5 persons)	1,813,362	3.0%
Five Percent Holders:		
TokenPay AG[3]	7,840,216	13.2%
Whitespace Atelier Limited[4]	6,200,000	10.4%
Acuitas Capital LLC[5]	5,482,862	9.9%
Armistice Capital Master Fund Ltd.[6]	4,000,000	6.7%
United Garments Limited[7]	3,800,000	6.4%

(1) Unless otherwise indicated, the business address of each of the individuals is c/o Bendon Limited, Building 7B, Huntley Street, Alexandria, NSW 2015.

(2) Includes (i) 997,299 Naked Ordinary Shares held by PS Holdings No. 2 Pty Ltd., which is controlled by Mr. Davis-Rice, and (iii) 29,110 Naked Ordinary Shares held by Nesriver Pty Ltd., which is controlled by Mr. Davis-Rice.

(3) Prof Dr. Jorg Wilhelm is the President of the Supervisory Board of TokenPay Swiss AG. The business address of TokenPay Swiss AG and the Reporting Person is Azaleenweg 5, Weggis, Switzerland.

(4) Samantha Sin Man Chong may be deemed to have votiong and dispositive power over the shares held by Whitespace Atelier Limited. The business address of Whitespace Atelier Limited is 209 Shek O Village Road, Suite A, Shek O, Hong Kong.

(5) Includes (i) 2,934,455 Naked Ordinary Shares held by Acuitas Capital LLC, and (ii) 2,548,407 Naked Ordinary Shares underlying warrants held by Acuitas Capital LLC. Excludes 14,124,982 Naked Ordinary Shares underlying the warrants, as to which the warrants are not currently exercisable due to limitations on beneficial ownership contained in the warrants that prevent them from being exercised to the extent the holder and its affiliates would beneficially own more than 9.99% of the outstanding Naked Ordinary Shares. Terren S. Peizer owns all of the membership interests of Acuitas Capital LLC. The business address of Acuitas Capital LLC and Mr. Peizer is 11601 Wilshire Blvd., Suite 1100, Los Angeles, CA 90025.

(6) Includes (i) 2,000,000 Naked Ordinary Shares held by Armistice Capital Master Fund Ltd., and (ii) 2,800,000 Naked Ordinary Shares underlying warrants held by Armistice Capital Master Fund Ltd. Armistice Capital LLC and Steven Boyd may be deemed to have voting and dispostive control over the Naked Ordinary Shares held by Armistice Capital Master Fund Ltd. The business address of Armistice Capital Master Fund Ltd. is c/o dms Corporate Services Ltd., 20 Genesis Close, P.O. Box 314, Grand Cayman KY1-1104, Cayman Islands, and the business address of Armistice Capital LLC and Mr. Boyd is 510 Madison Avenue, 7th Floor, New York, New York 10022.

(7) Ching To Yau may be deemed to have voting and dispostive power over the shares held by United Garments Limited. The business address of United Garments Limited is Unit D, 5th Floor, Charmhill Centre, 50 Hillwood Road, Tsim Sha Tsui, Hong Kong.

B. Related Party Transactions

Our Related Party Policy

Upon consummation of the Transactions, we adopted a related party policy that will require us and our subsidiaries to avoid, wherever possible, all related party transactions that could result in actual or potential conflicts of interests, except under guidelines approved by the board of directors (or audit committee). Related-party transactions are defined as transactions in which (1) the aggregate amount involved will or may be expected to exceed the lesser of $120,000 or one percent of the average of the company's total assets at year end for the last two completed fiscal years, (2) our company or any of our subsidiaries is a participant, and (3) any (a) executive officer, director or nominee for election as a director, (b) greater than 5% beneficial owner of our shares of common stock, or (c) immediate family member, of the persons referred to in clauses (a) and (b), has or will have a direct or indirect material interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity). A conflict of interest situation can arise when a person takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise if a person, or a member of his or her family, receives improper personal benefits as a result of his or her position.

Our audit committee, pursuant to its written charter, will be responsible for reviewing and approving related party transactions to the extent we enter into such transactions. The audit committee will consider all relevant factors when determining whether to approve a related party transaction, including whether the related party transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related party's interest in the transaction. We will require each of our directors and executive officers to complete an annual directors' and officers' questionnaire that elicits information about related party transactions.

These procedures are intended to determine whether any such related party transaction impairs the independence of a director or presents a conflict of interest on the part of a director, employee or officer.

Our Related Party Transactions

Summary of Related Party Loans

	Opening balance NZ$	Closing balance NZ$
Loans to related parties		
Cullen Investments Limited - January 31, 2019	11,535,622	0
Cullen Investments Limited - January 31, 2018	13,051,321	11,535,677
Cullen Investments Limited - January 31, 2017	9,613,014	13,051,321
Whitespace Atelier Limited - January 31, 2019	272,665	281,714
Whitespace Atelier Limited - January 31, 2018	-	272,665
FOH Online Corp. - January 31, 2019	3,518,009	0
FOH Online Corp. - January 31, 2018	-	3,518,009
Loans from related parties		
SBL Holdings, Limited - January 31, 2019	-	(1,448,646)
Naked Brand Group, Inc. - January 31, 2019	(1,368,577)	0
Naked Brand Group, Inc. - January 31, 2018	-	(1,368,577)
Naked Brand Group, Inc. - January 31, 2017	-	-
EJ Watson – January 31, 2019	-	(2,289,212)

Description of Related Party Transactions

On October 25, 2018, we closed a private placement of ordinary shares and warrants for aggregate gross proceeds of approximately $3.4 million with two accredited investors, including an affiliate of Mr. Davis-Rice, our Chief Executive Officer, and our then largest institutional shareholder, Armistice Capital. The ordinary shares were sold at a per share price of $1.55 pursuant to a subscription agreement with each investor. Each investor also received a warrant to purchase 100% of the number of ordinary shares for which it subscribed. The warrants have an exercise price of $1.55 per share and expire three years from the date of issuance. The exercise price and number of shares covered by the warrants are subject to adjustment for stock splits, stock combinations and certain other transactions affecting the share capital as a whole.

On November 15, 2018, we and our wholly-owned subsidiary, Bendon Limited, entered into a Stock Purchase Agreement with the shareholders of FOH, including Cullen, at the time a significant shareholder of the Company. Pursuant to the agreement, on December 6, 2018, we purchased all of the issued and outstanding shares of FOH. Under the terms of the agreement, we paid a purchase price of approximately US$18.2 million, as follows (i) Bendon Limited forgave all of debt owed to it by FOH and Cullen, in the aggregate amount of approximately US$9.9 million, and (ii) we issued 3,765,087 of our Ordinary Shares to FOH's shareholders, valued at a price per share of US$2.20. We also agreed to satisfy certain obligations with respect to certain claims involving the parties. A portion of the Ordinary Shares issued to FOH's shareholders are held in trust and may be released to Cullen to the extent not applied in satisfaction of such claims.

Whitespace Atelier Limited ("Whitespace") is owned by one of our shareholders. Beginning February 1, 2017, Whitespace was engaged by the Company to procure stock from various suppliers at competitive prices. During the year ended January 31, 2019, purchases amounting to $12,720,499 (January 31, 2018: $13,281,727) have been made from Whitespace. As at January 31, 2019, the Company has made prepayments to Whitespace amounting to $281,714 (January 31, 2018: $272,665).

Subsequent to the Merger with Naked Brand Group Inc. (sometimes referred to herein as "Naked (NV)") on June 19, 2018, Naked (NV) became part of the Company. As at January 31, 2019, the balances between the subsidiaries are eliminated in the Company Balance Sheet (January 31, 2018: $1,368,557).

During the period, a shareholder, SBL Holdings, Limited, loaned the business funds to be utilised as working capital in the business.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Financial Statements and Other Financial Information

Consolidated Financial Statements

See Item 18 of this Annual Report.

Legal Proceedings

From time to time, the Company is subject to certain legal proceedings and claims in the ordinary course of business. Bendon Limited is not presently party to any legal proceedings the resolution of which it believes would have a material adverse effect on the Company's business, financial condition, operating results or cash flows. Bendon Limited establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable.

Dividend Policy

Shareholders are entitled to receive such dividends as may be declared by the directors. If the directors determine that a final or interim dividend is payable, it is (subject to the terms of issue on any shares or class of shares) paid on all shares proportionate to the amount for the time being paid on each share. Dividends may be paid by cash, electronic transfer or any other method as the board determines.

The directors have the power to capitalize and distribute the whole or part of the amount from time to time standing to the credit of any reserve account or otherwise available for distribution to shareholders. The capitalization and distribution must be in the same proportions which the shareholders would be entitled to receive if distributed by way of a dividend.

Subject to the rules of Nasdaq, the directors may pay a dividend out of any fund or reserve or out of profits derived from any source.

B. Significant Changes

Except for the events described in "Recent Developments" in Item 5 of this Annual Report, we have not experienced any significant changes since the date of our audited annual consolidated financial statements included in this Annual Report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

The Naked Ordinary Shares are listed on the Nasdaq Capital Market under the symbol "NAKD." The Naked Ordinary Shares are not listed on any exchange or traded in any market outside of the United States.

B. Plan of Distribution

Not applicable.

C. Markets

See Item 9.A of this Annual Report.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Constitution

The summary below relates to our constitution as currently in effect. The summary below is of the key provisions of our constitution and does not purport to be a summary of all of the provisions thereof or of all relevant provisions of Australian law governing the management and regulation of Australian companies.

Incorporation

We were incorporated in Australia on May 11, 2017 under the Corporations Act with company registration number ACN 619 054 938. We are an Australian public limited company.

Objects and Purposes

Our constitution grants us full power and authority to exercise any power, take any action or engage in any conduct which the Corporations Act permits a company limited by shares to exercise, take or engage in.

Directors

There must be a minimum of three directors and a maximum of ten directors unless our shareholders in general meeting resolves otherwise. Where required by the Corporations Act or Stock Market Rules, we must hold an election of directors each year. No director, other than the managing director, may hold office without re-election beyond the third annual general meeting following the meeting at which the director was last elected or re-elected. A director appointed to fill a casual vacancy, who is not a managing director, holds office until the conclusion of the next annual general meeting following his or her appointment. If there would otherwise not be a vacancy, and no director is required to retire, then the director who has been longest in office since last being elected must retire. If a number of directors were elected on the same day, the directors to retire are (in default of agreement between them) determined by ballot.

Our constitution provides that no person shall be disqualified from the office of director or prevented by such office from contracting with us, nor shall any such contract or any contract or transaction entered into by or on our behalf in which any director shall be in any way interested be or be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to us for any profit realised by or arising in connection with any such contract or transaction by reason of such director holding office or of the fiduciary relationship thereby established. A director shall be at liberty to vote in respect of any contract or transaction in which he is interested provided that the nature of the interest of any director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote thereon. However, a director who has a material personal interest in a matter that is being considered by the directors must not be present at a meeting while the matter is being considered nor vote on the matter, except where permitted by the Corporations Act.

Each director is entitled to remuneration from our company for his or her services as decided by the directors but the total amount provided to all directors for their services as directors must not exceed in aggregate in any financial year the amount fixed by us in general meeting. The remuneration of an executive director must not include a commission on, or a percentage of, profits or operating revenue. Remuneration may be provided in the manner that the directors decide, including by way of non-cash benefits. There is also provision for directors to be paid extra remuneration (as determined by the directors) if they devote special attention to our business or otherwise perform services which are regarded as being outside of their ordinary duties as directors or, at the request of the directors, engage in any journey on our business. Directors are also entitled to be paid all travelling and other expenses they incur in attending to our affairs, including attending and returning from general meetings or board meetings, or meetings of any committee engaged in our business.

Directors also may exercise all the powers of the company to borrow or raise money, to charge any of the company's property or business or any of its uncalled capital, and to issue debentures or give any security for a debt, liability or obligation of the company or of any other person.

As at the date of this report, the Company is in non compliance of the Australian Corporations Act requiring a second Director resident in Australia. The Company is in the process of making this appointment.

Rights and Obligations of Shareholders

Dividends

Ordinary shareholders are entitled to receive such dividends as may be declared by the directors. If the directors determine that a final or interim dividend is payable, it is (subject to the terms of issue on any shares or class of shares) paid on all shares proportionate to the amount for the time being paid on each share. Dividends may be paid by cash, electronic transfer or any other method as the board determines.

The directors have the power to capitalize and distribute the whole or part of the amount from time to time standing to the credit of any reserve account or otherwise available for distribution to shareholders. The capitalization and distribution must be in the same proportions which the shareholders would be entitled to receive if distributed by way of a dividend.

Subject to the Stock Market Rules, the directors may pay a dividend out of any fund or reserve or out of profits derived from any source.

Voting Rights

Each of our ordinary shareholders is entitled to receive notice of and to be present, to vote and to speak at general meetings. Subject to any rights or restrictions attached to any shares, on a show of hands each ordinary shareholder present has one vote and, on a poll, one vote for each fully paid share held, and for each partly paid share, a fraction of a vote equivalent to the proportion to which the share has been paid up. Voting may be in person or by proxy, attorney or representative.

Two shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a chair and the adjournment of the meeting, unless a quorum is present when the meeting proceeds to business.

Variation of Class Rights

The Corporations Act provides that if a company has a constitution that sets out the procedure for varying or cancelling rights attached to shares in a class of shares, those rights may be varied or cancelled only in accordance with the procedure.

The rights attached to Naked Ordinary Shares may only be varied with the consent in writing of members holding at least three-quarters of the shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

General Meetings

A general meeting of shareholders may be called by a directors' resolution or as otherwise provided in the Corporations Act. The Corporations Act requires the directors to call a general meeting on the request of shareholders with at least 5% of the vote that may be cast at the general meeting. Shareholders with at least 5% of the votes that may be cast at a general meeting may also call, and arrange to hold, a general meeting themselves. In addition, where it is impracticable to call the meeting in any other way, the Court may order a meeting of our members to be called.

The Corporations Act requires at least 21 clear days of notice to be given for a general meeting. Notice of a general meeting must be given to each person who, at the time of giving the notice, is a member, director or auditor of ours, or is entitled to a share because of the death of a shareholder (and who has satisfied the directors of his or her right to be registered as the holder of, or to transfer, the shares).

The notice of meeting must include the date and time of the meeting, the location, an electronic address, planned business for the meeting, information about any proposed special resolutions and information about proxy votes.

Changes in Capital

Australia does not have a limit on the authorized share capital that may be issued and do not recognize the concept of par value under Australian law.

Indemnity

We must indemnify our current and past directors and other executive officers on a full indemnity basis and to the fullest extent permitted by law against all liabilities incurred by the director or officer as a result of their holding office or a related body corporate.

We may also, to the extent permitted by law, purchase and maintain insurance, or pay or agree to pay a premium for insurance, for each director and officer against any liability incurred by the director or officer as a result of their holding office or a related body corporate.

Disposal of assets

The Corporations Act does not specifically preclude a company from disposing of its assets, or a significant portion of its assets. Subject to any other provision which may apply (such as those provisions relating to related party transactions summarized above), a company may generally deal with its assets as it sees fit without seeking shareholder approval.

Rights of non-resident or foreign shareholders

There are no specific limitations in the Corporations Act which restrict the acquisition, ownership or disposal of shares in an Australian company by non-resident or foreign shareholder. The *Foreign Acquisitions and Takeovers Act 1975* (Cth) regulates investment in Australian companies and may restrict the acquisition, ownership and disposal of our shares by non-resident or foreign shareholders.

C. Material Contracts

The following summarizes each material contract, other than contracts entered into in the ordinary course of business, to which we or any subsidiary of ours is a party, for the preceding two years.

Deed of Lease. Bendon Pty Limited's lease for the property located in Alexandria, Australia has an expiry of April 2019, the current rental is circa NZ$850k per annum pre-subleasing agreements. Terms have been agreed for the lease of alternate premises within the same business complex . The new lease has yet to be signed. Bendon Limited has renegotiated a new lease for the property located in Airpark Drive. The term is for six years commencing May 1, 2018 and annual rental of circa NZD$1.4m per annum.

Heidi Klum License Agreement. In September 2014, Bendon Limited signed a 5 year license agreement with Heidi Klum for the design, manufacture and sale of Heidi Klum branded intimate apparel and swimwear. The initial term expires in December 2021 and is renewable for additional periods of 5 years at our discretion.

Frederick's of Hollywood License Agreement. In June 2015, FOH signed a license agreement with ABG, the owner of the Frederick of Hollywood brand. The license is for the design, manufacture and sale of Frederick's of Hollywood branded intimate apparel through our E-commerce channel. The initial term expires in December 2020 and is renewable for additional 10 consecutive periods of 5 years each at the Licensee discretion.

Agreement and Plan of Reorganization. On June 19, 2018, we consummated the transactions contemplated by that certain Merger Agreement, dated as of May 25, 2017 and amended on July 26, 2017, February 21, 2018, March 19, 2018 and April 23, 2018, by and among our us, Naked (NV), Bendon Limited, Merger Sub and the Principal Shareholder, at the time the owner of a majority of the outstanding shares of Bendon Limited. The Merger Agreement is more fully described Item 4.A, "*History and Development of the Company*," and in the sections titled "*The Merger Proposal*" and "*The Merger Agreement*" of the final prospectus dated April 27, 2018, filed as part of our registration statement on Form F-4 (File No. 333-223786), as modified by the supplement dated June 1, 2018, and such descriptions are incorporated herein by reference.

Stock Purchase Agreement. On November 15, 2018, we and our wholly-owned subsidiary, Bendon Limited , entered into a stock purchase agreement with the shareholders of FOH, including Cullen, at the time a significant shareholder of the Company. Pursuant to the agreement, on December 6, 2018, we purchased all of the issued and outstanding shares of FOH, in order to gain direct ownership of the Frederick's of Hollywood license arrangement FOH had with Authentic Brands Group ("ABG"). The stock purchase agreement is more fully described in Item 4.A, "*History and Development of the Company*," and in the Report of Foreign Private Issuer on Form 6-K filed by us on November 21, 2018, and such descriptions are incorporated herein by reference.

Loan Agreements. As at January 31 2018, the Company had loans from shareholders of $10,951,295 (January 31, 2017: $8,200,000, June 30, 2016: $29,280,991, June 30, 2015: $16,917,902), which were secured by a debenture over the assets of the Company, subordinated to the bank loan. On September 29, 2016, Bendon Limited issued 24,839 Bendon Ordinary Shares to the shareholders as part of an agreement to convert debt to equity. The amount of debt converted on this date amounted to $24,839,783. The remainder of the shareholder loan remained outstanding until the Reorganization and converted to equity on June 19, 2018. Bendon issued 33,269 Bendon Ordinary Shares to the shareholders in connection with such conversion. As at January 31, 2018, the interest rate on shareholder loans was 30% (January 31, 2017: 30%, June 30, 2016: 30%, June 30, 2015: 30%) and was capitalised quarterly. Total interest capitalised and accrued during the year ending January 31, 2019 was $$1,061,588 (2018: $2,806,945; 2017: $6,436,987, year ended June 30, 2016: $7,042,000, year ended June 30, 2015: $3,192,000). None of the loans from shareholders currently remain outstanding. The shareholder loans are more fully described in Item 5 of this Annual Report, "*Liquidity and Capital Resources*," and such description is incorporated herein by reference.

Bank of New Zealand Credit Facility. On the June 14, 2018, Bendon Limited and BNZ signed an amendment to an existing bank debt facility which was entered into in 2016. The amendment is a one year NZ $20m revolving loan facility. At the time of this report, the facility has been extended to August 31, 2019. The debt facility is more fully described in Item 5 of this Annual Report, "*Liquidity and Capital Resources*," and such description is incorporated herein by reference.

Securities Purchase Agreement, Warrants and Registration Rights Agreement. On March 27, 2019, we entered into a securities purchase agreement relating to the issue of 10,784,313 Naked Ordinary Shares to certain accredited investors at an agreed per share price of US$0.255, except that, to the extent an investor would beneficially own more than 9.9% of our outstanding Naked Ordinary Shares after the closing, we agreed to issue the investor a March Pre-Funded Warrant in lieu of such shares. Each investor also received a March Investment Warrant to purchase 100% of the number of Naked Ordinary Shares for which it had agreed to subscribe. In connection with the transaction, we also entered into a registred rights agreement relating to the registration for resale of the Naked Ordinary Shares sold pursuant ot the securities purchase agreement and issuable upon exercise of the March Warrants. The securities purchase agreement, the March Warrants and the registration rights agreement are more fully described in Item 4.B, "*Business Overview—Recent Developments*," and in the Report of Foreign Private Issuer on Form 6-K filed by us on March 28, 2019, and such descriptions are incorporated herein by reference.

Note Purchase Agreement, Note, Security Agreement and Subordination Agreement. Effective on May 13, 2019, we completed a private placement of the Note for a purchase price of US$3,000,000, pursuant to the NSPA of even date. The Note is secured by all of our assets pursuant to a security agreement with the holder of the Note. The rights of the holder of the Note are subordinated to the rights of BNZ under our bank debt facility. The NSPA, the Note, the security agreement and the subordination agreement are more fully described in Item 4.B, "*Business Overview—Recent Developments*," and in the Report of Foreign Private Issuer on Form 6-K filed by us on May 17, 2019, and such descriptions are incorporated herein by reference.

D. Exchange Controls

Under Australian law, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to nonresident holders of our shares.

E. Taxation

The following is a summary of material U.S. federal and Australian income tax considerations to U.S. holders, as defined below, of the acquisition, ownership and disposition of Naked Ordinary Shares. This discussion is based on the laws in force as at the date of this annual report, and is subject to changes in the relevant income tax law, including changes that could have retroactive effect. The following summary does not take into account or discuss the tax laws of any country or other taxing jurisdiction other than the United States and Australia. Holders are advised to consult their tax advisors concerning the overall tax consequences of the acquisition, ownership and disposition of Naked Ordinary Shares in their particular circumstances. This discussion is not intended, and should not be construed, as legal or professional tax advice.

This summary does not describe U.S. federal estate and gift tax considerations, or any state and local tax considerations within the United States, and is not a comprehensive description of all U.S. federal or Australian income tax considerations that may be relevant to a decision to acquire or dispose of Naked Ordinary Shares. Furthermore, this summary does not address U.S. federal or Australian income tax considerations relevant to holders subject to taxing jurisdictions other than or in addition to the United States and Australia, and does not address all possible categories of holders, some of which may be subject to special tax rules.

U.S. Federal Income Tax Considerations

In this section, we discuss certain material U.S. federal income tax considerations applicable to the acquisition, ownership and disposition of Naked Ordinary Shares by a U.S. holder, as defined below, that will hold the Naked Ordinary Shares as capital assets within the meaning of Section 1221 of Internal Revenue Code of 1986, as amended (the "Code"). This discussion is based on the Code, U.S. Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect. There can be no assurances that the U.S. Internal Revenue Service (the "IRS") will not take a different position concerning the tax consequences of the acquisition, ownership and disposition of Naked Ordinary Shares or that such a position would not be sustained. We do not discuss the tax consequences to any particular U.S. holder nor any tax considerations that may apply to U.S. holders subject to special tax rules, such as banks, insurance companies, individual retirement and other tax-deferred accounts, regulated investment companies, individuals who are former U.S. citizens or former long-term U.S. residents, dealers in securities or currencies, tax-exempt entities, persons subject to the alternative minimum tax, persons that hold Naked Ordinary Shares as a position in a straddle or as part of a hedging, constructive sale or conversion transaction for U.S. federal income tax purposes, persons that have a functional currency other than the U.S. dollar, persons that own (directly, indirectly or constructively) 10% or more of our equity or persons that are not U.S. holders.

In this section, a "U.S. holder" means a beneficial owner of Naked Ordinary Shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (i) the administration of which is subject to the primary supervision of a court in the United States and for which one or more U.S. persons have the authority to control all substantial decisions or (ii) that has an election in effect under applicable income tax regulations to be treated as a U.S. person.

As used in this section, a "non-U.S. holder" is a beneficial owner of Naked Ordinary Shares that is not a U.S. holder or an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Naked Ordinary Shares, the U.S. federal income tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. Partners of partnerships that will hold Naked Ordinary Shares should consult their tax advisors.

You are urged to consult your own tax advisor with respect to the U.S. federal, as well as state, local and non-U.S., tax consequences to you of acquiring, owning and disposing of Naked Ordinary Shares in light of your particular circumstances, including the possible effects of changes in U.S. federal and other tax laws.

Dividends

Subject to the passive foreign investment company ("PFIC") rules, discussed below, U.S. holders will include as dividend income the U.S. dollar value of the gross amount of any distributions of cash or property (without deduction for any withholding tax), other than certain pro rata distributions of Naked Ordinary Shares, with respect to Naked Ordinary Shares to the extent the distributions are made from our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend income at the time of actual or constructive receipt. To the extent, if any, that the amount of any distribution by us is not a dividend because it exceeds the U.S. holder's pro rata share of our current and accumulated earnings and profits, as so determined, the excess will be treated first as a tax-free return of capital and reduce (but not below zero) the U.S. holder's tax basis in the Naked Ordinary Shares. Thereafter, to the extent, if any, that the amount of any distribution by us exceeds the adjusted tax basis of the U.S. holder's Ordinary Shares, the remainder will be taxed as capital gain. Notwithstanding the foregoing, there can be no assurance that we will maintain calculations of earnings and profits, as determined for U.S. federal income tax purposes. Consequently, U.S. holders should therefore assume that any distribution with respect to our ordinary shares will constitute ordinary dividend income and that any distributions generally will be reported as dividend income for U.S. information reporting purposes. See "Backup Withholding Tax and Information Reporting Requirements" below. Dividends paid by us will not be eligible for the dividends-received deduction generally allowed to U.S. corporate shareholders.

Subject to the PFIC rules, discussed below, certain distributions treated as dividends received by an individual U.S. holder (as well as certain trusts and estates) from a "qualified foreign corporation" are eligible for a preferential U.S. federal income tax rate (currently a maximum tax rate of 20%), subject to certain minimum holding period requirements and other limitations. A foreign corporation (other than a corporation that is treated as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) may be a "qualified foreign corporation" if (i) it is eligible for the benefits of a comprehensive income tax treaty with the United States which the U.S. Secretary of Treasury determines is satisfactory for this purpose and which includes an exchange of information program or (ii) with respect to any dividend it pays on stock which is readily tradable on an established securities market in the U.S. We expect to be considered a qualified foreign corporation with respect to the Naked Ordinary Shares because we believe we are eligible for the benefits under the Double Taxation Convention between Australia and the United States and because we expect the Naked Ordinary Shares will continue to be listed on the Nasdaq Capital Market (although there can be no assurance that the Naked Ordinary Shares will remain so listed). Accordingly, dividends we pay generally should be eligible for the reduced income tax rate. However, the determination of whether a dividend qualifies for the preferential tax rates must be made at the time the dividend is paid. U.S. holders should consult their own tax advisers. The additional 3.8% "net investment income tax" (described below) may apply to dividends received by certain U.S. holders who meet certain modified adjusted gross income thresholds.

Non-corporate U.S. holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a passive foreign investment company in the taxable year in which such dividends are paid or in the preceding taxable year.

Includible distributions paid in Australian dollars, including any Australian withholding taxes, will be included in the gross income of a U.S. holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date of actual or constructive receipt of such distribution, regardless of whether the Australian dollars are converted into U.S. dollars at that time. If Australian dollars are converted into U.S. dollars on the date of actual or constructive receipt of the distribution, the tax basis of the U.S. holder in those Australian dollars will be equal to their U.S dollar value on that date and, as a result, a U.S. holder generally should not be required to recognize any foreign exchange gain or loss.

If Australian dollars so received are not converted into U.S. dollars on the date of actual or constructive receipt, the U.S. holder will have a basis in the Australian dollars equal to their U.S. dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other disposition of the Australian dollars generally will be treated as ordinary income or loss to such U.S. holder and generally such gain or loss will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Dividends received by a U.S. holder with respect to Naked Ordinary Shares generally will be treated as foreign source income, which may be relevant in calculating the holder's foreign tax credit limitation. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For these purposes, dividends will be categorized as "passive" or "general" income depending on a U.S. holder's circumstance.

Subject to certain complex limitations, a U.S. holder generally will be entitled, at its option, to claim either a credit against its U.S. federal income tax liability or a deduction in computing its U.S. federal taxable income in respect of any Australian taxes withheld by us. If a U.S. holder elects to claim a deduction, rather than a foreign tax credit, for Australian taxes withheld by us for a particular taxable year, the election will apply to all foreign taxes paid or accrued by or on behalf of the U.S. holder in the particular taxable year.

The availability of the foreign tax credit and the application of the limitations on its availability are fact specific. You are urged to consult your own tax advisor as to the consequences of Australian withholding taxes and the availability of a foreign tax credit or deduction. See "Australian Tax Considerations — Taxation of Dividends."

Sale or Exchange of Ordinary Shares

Subject to the passive foreign investment company rules, discussed below, a U.S. holder generally will, for U.S. federal income tax purposes, recognize capital gain or loss on a sale, exchange or other disposition of Naked Ordinary Shares equal to the difference between the amount realized on the disposition and the U.S. holder's tax basis in the Naked Ordinary Shares. This gain or loss recognized on a sale, exchange or other disposition of Naked Ordinary Shares will generally be long-term capital gain or loss if the U.S. holder has held the Naked Ordinary Shares for more than one year. Generally, for U.S. holders who are individuals (as well as certain trusts and estates), long-term capital gains are subject to U.S. federal income tax at preferential rates. For foreign tax credit limitation purposes, gain or loss recognized upon a disposition generally will be treated as from sources within the United States. The deductibility of capital losses is subject to limitations for U.S. federal income tax purposes.

You should consult your own tax advisor regarding the availability of a foreign tax credit or deduction in respect of any Australian tax imposed on a sale or other disposition of Naked Ordinary Shares. See "Australian Tax Considerations — Tax on Sales or other Dispositions of Shares."

Passive Foreign Investment Company Considerations

The Code provides special, generally adverse, rules regarding certain distributions received by U.S. holders with respect to, and sales, exchanges and other dispositions, including pledges, of shares of stock of, a passive foreign investment company, or PFIC. A foreign corporation will be treated as a PFIC for any taxable year if at least 75% of its gross income for the taxable year is passive income or at least 50% of its gross assets during the taxable year, based on a quarterly average and generally by value, produce or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions and gains from assets that produce passive income. In determining whether a foreign corporation is a PFIC, a pro-rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

The determination of whether or not we are or will become a PFIC is a factual determination that must be determined annually at the close of each taxable year. We do not believe that we are currently a PFIC for U.S. federal income tax purposes for the taxable year ended January 31, 2019. Similarly, we do not anticipate becoming a PFIC for the taxable year ended January 31, 2020 or in the foreseeable future. Notwithstanding the foregoing, because PFIC status is a fact-intensive determination made on an annual basis, and also may be affected by the application of the PFIC rules, which are subject to differing interpretations, no assurance can be given that we are not, or will not become in any future taxable year, a PFIC. Our U.S. counsel expresses no opinion with respect to our PFIC status in any prior taxable year or the current taxable year and also expresses no opinion with respect to our predictions regarding our PFIC status in the future. Prospective investors should consult their own tax advisors regarding our potential PFIC status.

If we are a PFIC for any taxable year during which a U.S. holder holds Naked Ordinary Shares, any "excess distribution" that the holder receives and any gain realized from a sale or other disposition (including a pledge) of such Naked Ordinary Shares will be subject to special tax rules, unless the holder makes a mark-to-market election or qualified electing fund election as discussed below. Any distribution in a taxable year that is greater than 125% of the average annual distribution received by a U.S. holder during the shorter of the three preceding taxable years or such holder's holding period for the Naked Ordinary Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over the U.S. holder's holding period for the Naked Ordinary Shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to income tax at the highest rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or excess distribution cannot be offset by any net operating loss, and gains (but not losses) realized on the transfer of the Naked Ordinary Shares cannot be treated as capital gains, even if the Naked Ordinary Shares are held as capital assets. In addition, non-corporate U.S. holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year.

If we are a PFIC for any taxable year during which any of our non-United States subsidiaries is also a PFIC, a U.S. holder of Naked Ordinary Shares during such year would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules to such subsidiary. You should consult your tax advisors regarding the tax consequences if the PFIC rules apply to any of our subsidiaries.

Unless otherwise provided by the U.S. Treasury, each U.S. shareholder of a PFIC is required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) and such other form as the U.S. Treasury may require. If you are a U.S. holder, you should consult your tax advisors regarding whether we are a PFIC and the potential application of the PFIC rules, including any reporting requirements that may apply to you as a result of our status as a PFIC.

A U.S. holder may avoid some of the adverse tax consequences of owning shares in a PFIC by making a "qualified electing fund" election. The availability of this election with respect to the Naked Ordinary Shares requires that we provide information to shareholders making the election. We do not intend to provide you with the information you would need to make or maintain a qualified electing fund election and you will, therefore, not be able to make such an election with respect to your Naked Ordinary Shares.

Alternatively, a U.S. holder owning marketable stock in a PFIC may make a mark-to-market election to elect out of the tax treatment discussed above. If a valid mark-to-market election for the Naked Ordinary Shares is made, the electing U.S. holder will include in income each year an amount equal to the excess, if any, of the fair market value of the Naked Ordinary Shares as of the close of the holder's taxable year over the adjusted basis in such Naked Ordinary Shares. The U.S. holder is allowed a deduction for the excess, if any, of the adjusted basis of the Naked Ordinary Shares over their fair market value as of the close of the holder's taxable year. Deductions are allowable, however, only to the extent of any net mark-to-market gains on the Naked Ordinary Shares included in the U.S. holder's income for prior taxable years. Amounts included in the U.S. holder's income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Naked Ordinary Shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the Naked Ordinary Shares, as well as to any loss realized on the actual sale or disposition of the Naked Ordinary Shares, to the extent the amount of such loss does not exceed the net mark-to-market gains previously included for such Naked Ordinary Shares. The tax basis in the Naked Ordinary Shares will be adjusted to reflect any such income or loss amounts. A mark-to-market election will be effective for the taxable year for which the election is made and all subsequent taxable years unless the Naked Ordinary Shares are no longer regularly traded on an applicable exchange or the IRS consents to the revocation of the election.

The mark-to-market election is available only for stock which is regularly traded on (i) a national securities exchange that is registered with the U.S. Securities and Exchange Commission, (ii) NASDAQ, or (iii) an exchange or market that the U.S. Secretary of the Treasury determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. The Naked Ordinary Shares are listed on the Nasdaq Capital Market and, consequently, we expect that, assuming the Naked Ordinary Shares are so listed and are regularly traded, the mark-to-market election would be available to you were we to be or become a PFIC.

U.S. holders are urged to contact their own tax advisors regarding the determination of whether we are a PFIC and the tax consequences of such status.

Net Investment Income Tax

Certain U.S. holders who are individuals, estates, or trusts must pay a 3.8% tax on, among other things, dividends and capital gains from the sale or other disposition of shares of common stock.

Backup Withholding Tax and Information Reporting Requirements

U.S. holders that are "exempt recipients" (such as corporations) generally will not be subject to U.S. backup withholding tax and related information reporting requirements on payments of dividends on, and the proceeds from the disposition of, Naked Ordinary Shares unless, when required, they fail to demonstrate their exempt status. Other U.S. holders (including individuals) generally will be subject to U.S. backup withholding tax at the applicable statutory rate, currently 24%, in respect of any payments of dividends on, and the proceeds from the disposition of, Naked Ordinary Shares if they fail to furnish their correct taxpayer identification number or otherwise fail to comply with applicable backup withholding requirements. Information reporting requirements generally will apply to payments of dividends on, and the proceeds from the disposition of, Naked Ordinary Shares to a U.S. holder that is not an exempt recipient. U.S. holders who are required to establish their exempt status generally must provide IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. holder's U.S. federal income tax liability. A U.S. holder may obtain a refund of any amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service in a timely manner and furnishing any required information.

U.S. holders are urged to contact their own tax advisors as to their qualification for an exemption from backup withholding tax and the procedure for obtaining this exemption.

Certain U.S. holders who are individuals may be required to report information relating to an interest in the Naked Ordinary Shares, subject to certain exceptions by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their U.S. federal income tax return. U.S. holders are urged to consult their tax advisers regarding their reporting obligation in connection with their ownership and disposition of the Naked Ordinary Shares.

The discussion above is not intended to constitute a complete analysis of all tax considerations applicable to an investment in Naked Ordinary Shares. You should consult with your own tax advisor concerning the tax consequences to you in your particular situation.

Australian Tax Considerations

In this section, we discuss the material Australian income tax considerations related to the acquisition, ownership and disposal by the absolute beneficial owners of the Naked Ordinary Shares. This discussion does not address all aspects of Australian income tax law which may be important to particular investors in light of their individual investment circumstances, such as shares held by investors subject to special tax rules (for example, financial institutions, insurance companies or tax exempt organizations). In addition, this summary does not discuss any foreign or state tax considerations, other than transfer duty. Prospective investors are urged to consult their tax advisors regarding the Australian and foreign income and other tax considerations of the purchase, ownership and disposition of the shares. This summary is based upon the premise that the holder is not an Australian tax resident.

Taxation of Dividends

Australia operates a dividend imputation system under which dividends may be declared to be 'franked' to the extent of tax paid on company profits. Fully franked dividends are not subject to dividend withholding tax. Dividends payable to non-Australian resident shareholders that are not operating from an Australian permanent establishment (Foreign Shareholders) will be subject to dividend withholding tax, to the extent the dividends are not foreign sourced and declared to be conduit foreign income (CFI) and are unfranked. Dividend withholding tax will be imposed at 30%, unless a shareholder is a resident of a country with which Australia has a double taxation agreement and qualifies for the benefits of the treaty. Under the provisions of the current Double Taxation Convention between Australia and the United States, the Australian tax withheld on unfranked dividends that are not CFI paid by us to which a resident of the United States is beneficially entitled is limited to 15%.

If a company that is a non-Australian resident shareholder owns a 10% or more interest, the Australian tax withheld on dividends paid by us to which a resident of the United States is beneficially entitled is limited to 5%. In limited circumstances the rate of withholding can be reduced to nil.

Tax on Sales or other Dispositions of Shares — Capital gains tax

Foreign Shareholders will not be subject to Australian capital gains tax on the gain made on a sale or other disposal of our shares, unless they, together with associates, hold 10% or more of our issued capital, at the time of disposal or for 12 months of the last 2 years.

Foreign Shareholder who, together with associates, owns a 10% or more interest would be subject to Australian capital gains tax if more than 50% of our direct or indirect assets determined by reference to market value, consists of Australian land, leasehold interests or Australian mining, quarrying or prospecting rights. Double Taxation Convention between the United States and Australia is unlikely to limit the amount of this taxable gain. Australian capital gains tax applies to net capital gains at a taxpayer's marginal tax rate but for certain shareholders a discount of the capital gain may apply if the shares have been held for 12 months or more. For individuals, this discount is 50%, which may not be available for non-resident shareholders. Net capital gains are calculated after reduction for capital losses, which may only be offset against capital gains. Non-resident shareholders are urged to obtain tax advise as required.

Tax on Sales or other Dispositions of Shares — Shareholders Holding Shares on Revenue Account

Some Foreign shareholders may hold shares on revenue rather than on capital account, for example, share traders. These shareholders may have the gains made on the sale or other disposal of the shares included in their assessable income under the ordinary income provisions of the income tax law, if the gains are sourced in Australia.

Non-Australian resident shareholders assessable under these ordinary income provisions in respect of gains made on shares held on revenue account would be assessed for such gains at the Australian tax rates for non-Australian residents, which start at a marginal rate of 32.5%. Some relief from Australian income tax may be available to such non-Australian resident shareholders under the Double Taxation Convention between the United States and Australia.

To the extent an amount would be included in a non-Australian resident shareholder's assessable income under both the capital gains tax provisions and the ordinary income provisions, the capital gain amount would generally be reduced, so that the shareholder would not be subject to double tax on any part of the income gain or capital gain.

Dual Residency

If a shareholder were a resident of both Australia and the United States under those countries' domestic taxation laws, that shareholder may be subject to tax as an Australian resident. If, however, the shareholder is determined to be a U.S. resident for the purposes of the Double Taxation Convention between the United States and Australia, the Australian tax would be subject to limitation by the Double Taxation Convention. Shareholders should obtain specialist taxation advice in these circumstances.

Transfer Duty

No transfer duty is payable by Australian residents or foreign residents on the trading of shares that are quoted on Nasdaq.

Australian Death Duty

Australia does not have estate or death duties. As a general rate, no capital gains tax liability is realized upon the inheritance of a deceased person's shares. The disposal of inherited shares by beneficiaries, may, however, give rise to a capital gains tax liability if the gain falls within the scope of Australia's jurisdiction to tax (as discussed above).

Goods and Services Tax

The issue or transfer of shares will not incur Australian goods and services tax.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We file annual or transition reports on Form 20-F and furnish certain reports and other information with the SEC as required by the Exchange Act in accordance with our status as a foreign private issuer. You may read and copy any report or other document filed or furnished by us, including the exhibits, at the SEC's public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Such materials can also be obtained on the SEC's site on the internet at http://www.sec.gov.

We will also provide without charge to each person, including any beneficial owner, upon written or oral request of that person, a copy of any and all of the information that has been incorporated by reference in this Form 20-F. Please direct such requests to us, Attention Justin Davis-Rice, Naked Brand Group Limited, c/o Bendon Limited, Building 7B, Huntley Street, Alexandria, NSW 2015, Australia.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosures About Market Risk

Market risk is a broad term for the risk of economic loss due to adverse market changes affecting financial instruments. These changes may be the result of various factors, including interest rates, foreign exchange rates, commodity prices and/or equity prices. Our business is exposed to a variety of market risks, including credit risk, currency risk, interest rate risk and price risk. These risks arise in part through use of the following financial instruments: trade receivables, cash bank accounts, bank overdrafts, trade and other payables, floating rate bank loans, forward currency contracts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to our company. Credit risk arises from cash and cash equivalents, derivative financial instruments, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

We have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Currency Risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which financial instruments are held in currencies other than the functional currency. Exposures to currency exchange rates arise from overseas sales and purchases, which are primarily denominated in currencies other than the functional currency, in particular U.S. dollars.

We have open forward exchange contracts at January 31, 2019 relating to highly probable forecast transactions and recognised financial assets and financial liabilities. These contracts commit us to buy specified amounts of foreign currencies in the future at specified exchange rates. We have a policy of requiring that forward exchange contracts be entered into where future commitments are entered into requiring settlement at a time in excess of 1 month but less than 1 year, to a value of approximately 75% total foreign exchange exposure. Contracts are taken out with terms that reflect the underlying settlement terms of the commitment to the maximum extent possible so that hedge ineffectiveness is minimised.

Interest Rate

We are exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose us to fair value interest rate risk.

Our policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At January 31, 2019, we are exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

Price Risk

We do not believe that inflation has had a material impact on our revenues or income over the past two fiscal years. However, increases in inflation could result in increases in our expenses, which may not be readily recoverable in the price of goods or services provided to our clients. To the extent that inflation results in rising interest rates and has other adverse effects on capital markets, it could adversely affect our financial position and profitability.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

We have breached certain of the financial covenants contained in the loan documents governing our loan from BNZ. As of the date of this Annual Report, the bank has not declared an event of default. The bank has advised that they are currently taking these breaches under review. See Item 5.B, "*Liquidity, and Capital Resources*," of this Annual Report.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A. – D. Material Modifications to the Rights of Security Holders

None.

E. Use of Proceeds

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining our disclosure controls and procedures. These controls and procedures were designed to ensure that information that we are required to disclose in the reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms of the Securities and Exchange Commission, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective controls and procedures can only provide reasonable assurance of achieving their control objectives.

We performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of January 31, 2019 under the supervision of our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation and as a result of the material weaknesses discussed below, our Company Chief Executive Officer and Company Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of January 31, 2019.

Notwithstanding the assessment that there were material weaknesses, we believe that our consolidated financial statements contained in this annual report fairly present our financial position, results of operations and cash flows for the years covered thereby in all material respects.

In designing and evaluating our disclosure controls and procedures, our management, including the Company Chief Executive Officer and the Company Chief Financial Officer, recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Because of the inherent limitations in all control systems, no evaluations of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

Material Weakness

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally acceptable accounting principles. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual financial statements will not be prevented or detected on a timely basis.

In connection with the preparation of our fiscal 2019 consolidated financial statements, the matters involving internal controls and procedures that our management considered the following to be material weaknesses:

(1) The audit committee has been established, however is still operating under the first year exemptions as outlined in section 16 D in respect of independent members.

(2) Lack of skilled resources and lack of expertise with complex IFRS and SEC reporting matters.

(3) No formally implemented system of internal control over financial reporting and no associated written documentation of our internal control policies and procedures.

(4) We did not maintain an effective process for reviewing financial information and did not have a sufficient number of personnel with an appropriate level of accounting knowledge, experience and training in the application of International Financial Reporting Standards commensurate with management's financial reporting requirements.

These control deficiencies could result in a material misstatement of the annual consolidated financial statements that would not be prevented or detected. Accordingly, management has determined that these control deficiencies constitute material weaknesses.

Management's Plan for Remediation of Material Weakness

We plan to implement the following actions to address the material weaknesses:

- adding experienced accounting and financial personnel to support our CFO and consider retaining third party consultants to review our internal controls and recommend improvements; and

- appointing an additional independent board member who is resident of Australia, so that the appointment will remedy a breach of the requirement in the Corporations Act that two of the directors be Australian, and will allow us to satisfy the Nasdaq corporate governance requirement to have an audit committee comprised of three independent directors.

Our efforts to remediate these material weaknesses may not be effective. If our efforts to remediate these material weaknesses are not successful, the remediated material weaknesses may reoccur, or other material weaknesses could occur in the future.

We cannot guarantee that we will be able to complete these actions successfully. Even if we are able to complete these planned remediation activities successfully, there is no assurance that these measures will address our material weaknesses effectively. In addition, it is possible that we will discover additional material weaknesses in the future.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process used to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with IFRS. Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with IFRS, and that our receipts and expenditures are being made only in accordance with the authorization of our board of directors and management; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Under the supervision and with the participation of our management, including our Executive Chairman (our principal executive), the Chief Executive Officer and Chief Financial Officer (principal financial officer), we performed a complete documentation of the Company's significant processes and key controls, and conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013*. Based on this evaluation, management concluded that our internal control over financial reporting was not effective as of January 31, 2019 due to the material weaknesses described above.

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting as such report is not required for emerging growth companies.

During the year ended January 31, 2019, we completed the Transactions. In connection with the Transactions, among other things, we established an audit committee and gained access to Bendon Limited's finance personnel. There were no other changes in our internal control over financial reporting during the year ended January 31, 2019 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

For information about our audit committee financial expert, see Item 6.C of this Annual Report, "*Board Practices—Financial Experts on Audit Committee*," which is incorporated herein by reference.

ITEM 16B. CODE OF ETHICS

Effective upon consummation of the Transactions, we adopted a Code of Ethics that applies to all of our employees, officers, and directors. This includes our principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions. The full text of our Code of Ethics will be posted on our website at *www.nakedbrands.com*. We intend to disclose on our website any future amendments of the Code of Ethics or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions, or our directors from provisions in the Code of Ethics.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our audit committee of the board of directors pre-approves all audit, audit-related and non-audit services not prohibited by law to be performed by our independent auditors and associated fees prior to the engagement of the independent auditor with respect to such services.

	31 Jan 2019 NZ$	31 Jan 2018 NZ$	7 months to 31 Jan 2017 NZ$
Pricewaterhouse Coopers Australia			
Audit Fees	477,000	485,000	1,406,721
Taxation Fees	32,706	-	224,226
Other	402,800	-	42,647
Total Remuneration of PricewaterhouseCoopers Australia	912,506	485,000	1,673,594
Network firms of PricewaterhouseCoopers Australia			
Taxation fees	137,263	27,858	181,630
Total remuneration of network firms of PricewaterhouseCoopers Australia	137,263	27,858	181,630

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

One member of our audit committee of the board of directors, Mr. Justin Davis-Rice, our Executive Chairman, is not considered independent under the applicable listing standards and the rules and regulations of the SEC. Pursuant to Nasdaq's "phase-in" rules for newly listed companies and the rules and regulations of the SEC, we have one year from the date on which we were first listed on Nasdaq, or until June 19, 2019, to have our audit committee be comprised solely of independent directors. We intend to identify one additional independent director to serve on the audit committee within the applicable time periods, at which time Mr. Davis-Rice will resign from the committee.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

The Nasdaq Listing Rules allow foreign private issuers, such as the Company, to follow home country corporate governance practices (in our case Australian) in lieu of the otherwise applicable Nasdaq corporate governance requirements. In order to rely on this exception, we are required to disclose each Nasdaq Listing Rule that we do not follow and describe the home country practice we do follow in lieu thereof. In accordance with this exception, we intend to follow Australian corporate governance practices in lieu of the following Nasdaq corporate governance standards:

- We will follow Australian law and corporate governance practices in lieu of the requirement under the Nasdaq Listing Rules to have a majority of board of directors be comprised of independent directors. Australian law and generally accepted business practices in Australia do not require that a majority of our board of directors be independent and, accordingly, we will claim the exemption for foreign private issuers with respect to the Nasdaq majority of independent directors requirement.

- We will follow Australian law and corporate governance practices in lieu of the requirement under Nasdaq Listing Rules that a quorum for a meeting of shareholders may not be less than 33 1/3% of the outstanding shares of an issuer's voting ordinary shares. In compliance with Australian law, our constitution provides that a quorum is two or more shareholders present at the meeting of shareholders and entitled to vote on a resolution at the meeting and, accordingly, we will claim the exemption for foreign private issuers with respect to the Nasdaq quorum requirement.

- We will follow Australian law and corporate governance practices in lieu of the requirements under the Nasdaq Listing Rules that issuers obtain shareholder approval prior to the issuance of securities in connection with a change of control, certain acquisitions, private placements of securities, or the establishment or amendment of certain stock option, purchase or other equity compensation plans or arrangements. Applicable Australian law prohibits the acquisition of a relevant interest in voting shares of a public company such as Naked, if, because of that transaction, a person's voting power in the company increases from under 20% to over 20% or increases from a starting point that is above 20% and below 90%. This prohibition is subject to a number of exceptions including where the acquisition is approved by a resolution of shareholders of the company in which the acquisition is made. Due to differences between Australian law and corporate governance practices and the Nasdaq Listing Rules, we will claim the exemption for foreign private issuers with respect to the Nasdaq shareholder approval requirements.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

See Item 18, "Financial Statements," of this Annual Report.

ITEM 18. FINANCIAL STATEMENTS

Our Audited Annual Consolidated Financial Statements are included at the end of this Annual Report.

ITEM 19. EXHIBITS

Exhibit No.	Description
1.1	Form of Constitution (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form F-4 (File No. 333-223786) filed Bendon Group Holdings Limited).
2.1	Specimen Ordinary Share Certificate (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form F-4 (File No. 333-223786) filed Bendon Group Holdings Limited).
2.2*	Bendon Group Holdings Limited 2017 Equity Incentive Plan (incorporated by reference to Annex C of the proxy statement/prospectus included in the Registration Statement on Form F-4 (File No. 333-223786) filed Bendon Group Holdings Limited).
4.1	Merger Agreement (incorporated by reference to Annex A, A-1, A-2, A-3, A-4 and A-5 of the proxy statement/prospectus included in the Registration Statement on Form F-4 (File No. 333-223786) filed Bendon Group Holdings Limited).
4.2	Deed of Lease, dated as of November 6, 2002, as amended, by and between Bendon Properties Limited and Bendon Limited, for the property located in Auckland, New Zealand (incorporated by reference to Exhibit 10.2 to the Registration Statement on Form F-4 (File No. 333-223786) filed Bendon Group Holdings Limited).
4.3	Stock Purchase Agreement dated November 15, 2018, by and among the stockholders of FOH Online Corp., Naked Brand Group Limited, Bendon Limited and FOH Online Corp. (incorporated by reference to Exhibit 2.1 to the Report of Foreign Issuer on Form 6-K filed by Naked Brand Group Limited on November 21, 2018).
4.4	Deed of Amendment and Restatement and Accession, dated as of June 14, 2018, by and among Bendon Limited, the parties listed in Schedule 1 thereto, Naked Brand Group Limited (formerly known as Bendon Group Holdings Limited) and Bank of New Zealand.
4.5**	Agreement, effective as of September 26, 2014, by and between Heidi Klum and Heidi Klum Company LLC and Bendon Limited.
4.6**	License Agreement, dated June 18, 2015, by and between ABG-Frederick's of Hollywood, LLC and FOH Online Corp.
4.7.1	Securities Purchase Agreement, dated as of March 27, 2019, between Naked Brand Group Limited and the investors listed on the Buyer Schedules attached hereto.
4.7.2	Form of Pre-Funded Warrant issued as of March 27, 2019.
4.7.3	Form of Warrant issued as of March 27, 2019.
4.7.4	Registration Rights Agreement, dated as of March 27, 2019, between Naked Brand Group Limited and the buyers on the signature page thereto.

4.8.1	Securities Purchase Agreement, dated as of May 13, 2019, by and between Naked Brand Group Limited and St. George Investments LLC.
4.8.2	Note issued as of May 13, 2019.
4.8.3	Security Agreement, dated as of May 13, 2019, by and between Naked Brand Group Limited and St. George Investments LLC
4.8.4	Deed of Priority and Subordination, dated as of May 13, 2019, by and among Naked Brand Group Limited, Bank of New Zealand and St. George Investments LLC.
8.1	List of subsidiaries.
11.1	Code of ethics.
12.1	Certification of Principal Executive Officer required by Rule 13a-14(a).
12.2	Certification of Principal Financial Officer required by Rule 13a-14(a).
13.1	Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Management compensation contract, plan or arrangement.
** Certain portions of these exhibits have been omitted as confidential.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Naked Brand Group Limited

By: */s/ Justin Davis-Rice*
Name: Justin Davis-Rice
Title: *Executive Chairman*

By: */s/ Howard Herman*
Name: Howard Herman
Title: *Chief Financial Officer*

Date: June 14, 2019

Naked Brand Group Limited

Consolidated Financial Statements
(Expressed in New Zealand Dollars)

For the Periods Ended 31 January 2019, 31 January 2018, 31 January 2017 and 30 June 2016

Naked Brand Group Limited

Contents
For the Periods Ended 31 January 2019, 31 January 2018, 31 January 2017 and 30 June 2016

Report of the Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Naked Brand Group Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Naked Brand Group Limited and its subsidiaries (the "Company") as of January 31, 2019, 2018 and 2017, and the related consolidated statements of profit or loss and other comprehensive income, of changes in equity, and of cash flows for the years ended January 31, 2019 and January 31, 2018, the seven months ended January 31, 2017, and the year ended June 30, 2016, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2019, 2018 and 2017, and the results of its operations and its cash flows for the years ended January 31, 2019 and January 31, 2018, the seven months ended January 31, 2017, and the year ended June 30, 2016, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses and cash outflows from operations, has a net working capital deficiency, has breached debt covenants and other matters that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers

PricewaterhouseCoopers
Sydney, Australia
June 14, 2019

We have served as the Company's auditor since 2016.

Naked Brand Group Limited

Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the Periods Ended 31 January 2019, 31 January 2018, 31 January 2017 and 30 June 2016

	Note	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Revenue	5	**111,920**	131,388	96,284	151,000
Cost of goods sold		**(74,480)**	(87,459)	(57,144)	(83,525)
Gross profit		**37,440**	43,929	39,140	67,475
Brand management		**(49,256)**	(53,653)	(32,040)	(48,362)
Administrative expenses		**(3,432)**	(4,131)	(2,383)	(4,090)
Corporate expenses		**(14,145)**	(12,851)	(8,082)	(13,002)
Finance expense	6	**(4,041)**	(8,791)	(6,238)	(10,409)
Brand transition, restructure and transaction expenses	6	**(10,075)**	(3,272)	(1,321)	(2,232)
Impairment expense	6	**(8,173)**	(1,914)	(292)	(2,157)
Other foreign currency gains/(losses)	6	**1,963**	757	(3,306)	(2,423)
Fair value gain/(loss) on Convertible Notes derivative		**(775)**	2,393	(592)	-
Loss before income tax		**(50,494)**	(37,533)	(15,114)	(15,200)
Income tax (expense)/benefit	7	**1,274**	(60)	(865)	(5,546)
Loss for the period		**(49,220)**	(37,593)	(15,979)	(20,746)
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	22	**(7)**	148	(29)	31
Other comprehensive income/(loss) for the period, net of tax		**(7)**	148	(29)	31
Total comprehensive income/(loss) for the period		**(49,227)**	(37,445)	(16,008)	(20,715)
Total comprehensive income/(loss) attributable to:					
Owners of Naked Brand Group Limited		**(49,227)**	(37,445)	(16,008)	(20,715)

Naked Brand Group Limited

Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the Periods Ended 31 January 2019, 31 January 2018, 31 January 2017 and 30 June 2016

	Note	For the Year Ended 31 January 2019	For the Year Ended 31 January 2018	For the 7 Months Ended 31 January 2017	For the Year Ended 30 June 2016
Loss per share for profit from continuing operations attributable to the ordinary equity holders of the Group:					
Basic loss per share (NZ$)	23	(2.01)	(1.79)	(0.82)	(1.13)
Diluted loss per share (NZ$)	23	(2.01)	(1.79)	(0.82)	(1.13)

A stock reorganization occurred on the 19th June 2018 upon completion of the merger between Naked Brands Inc. and Bendon Limited. As a result, the calculation of basic and diluted earnings per share for 2018, 2017 and 2016 has been adjusted retrospectively. The number of ordinary shares outstanding has been adjusted to reflect the proportionate change in the number of shares. See note 23 for further information.

The above consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Naked Brand Group Limited

Consolidated Balance Sheets
As at 31 January 2019, 31 January 2018 and 31 January 2017

	Note	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	11	**1,962**	10,739	2,644
Trade and other receivables	12	**9,650**	13,165	28,090
Inventories	13	**21,120**	31,113	37,751
Current tax receivable		**355**	-	52
Related party receivables	34	**282**	15,326	13,051
TOTAL CURRENT ASSETS		**33,369**	70,343	81,588
NON-CURRENT ASSETS				
Property, plant and equipment	14	**3,763**	4,741	4,964
Deferred tax assets	28	**692**	-	-
Intangible assets	15	**37,864**	13,012	14,680
TOTAL NON-CURRENT ASSETS		**42,319**	17,753	19,644
TOTAL ASSETS		**75,687**	88,096	101,232
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	18	**35,545**	32,516	28,566
Borrowings	19	**20,967**	52,121	68,998
Derivative financial instruments	16	**1,484**	2,087	4,188
Derivative on Convertible Notes	17	**-**	1,110	4,112
Current tax liabilities		**140**	786	-
Related party payables	34	**3,738**	1,369	635
Provisions	20	**921**	1,106	1,528
TOTAL CURRENT LIABILITIES		**62,795**	91,095	108,027
NON-CURRENT LIABILITIES				
Provisions	20	**2,372**	2,711	2,249
TOTAL NON-CURRENT LIABILITIES		**2,372**	2,711	2,249
TOTAL LIABILITIES		**65,167**	93,806	110,276
NET ASSETS/(LIABILITIES)		**10,519**	(5,710)	(9,044)
EQUITY				
Share capital	21	**134,183**	68,727	27,948
Other reserves	22	**(2,013)**	(2,006)	(2,154)
Accumulated losses	24	**(121,651)**	(72,431)	(34,838)
TOTAL EQUITY		**10,519**	(5,710)	(9,044)

The above consolidated balance sheets should be read in conjunction with the accompanying notes.

Naked Brand Group Limited

Consolidated Statements of Changes in Equity
For the Periods Ended 31 January 2019, 31 January 2018, 31 January 2017 and 30 June 2016

	Ordinary Shares NZ$000's	Retained Earnings/ (Accumulated Losses) NZ$000's	Foreign Currency Translation Reserve NZ$000's	Total NZ$000's
Balance at 1 July 2015	3,108	1,887	(2,156)	2,839
Loss for the year	-	(20,746)	-	(20,746)
Other comprehensive income for the year	-	-	31	31
Balance at 30 June 2016	3,108	18,859	(2,125)	(17,876)
Balance at 1 July 2016	3,108	(18,859)	(2,125)	(17,876)
Loss for the 7 month period	-	(15,979)	-	(15,979)
Other comprehensive income for the period	-	-	(29)	(29)
Transactions with owners in their capacity as owners				
Issue of shares	24,840	-	-	24,840
Balance 31 January 2017	27,948	(34,838)	(2,154)	(9,044)
Balance at 1 February 2017	27,948	(34,838)	(2,154)	(9,044)
Loss for the year	-	(37,593)	-	(37,593)
Other comprehensive income for the year	-	-	148	148
Transactions with owners in their capacity as owners				
Issue of shares	22,990	-	-	22,990
Convertible notes converted to equity	17,789	-	-	17,789
Balance 31 January 2018	68,727	(72,431)	(2,006)	(5,710)
Balance at 1 February 2018	**68,727**	**(72,431)**	**(2,006)**	**(5,710)**
Loss for the year	-	**(49,220)**	-	**(49,220)**
Other comprehensive income for the year	-	-	**(7)**	**(7)**
Transactions with owners in their capacity as owners				
Issuance new shares	**40,228**	-	-	**40,228**
Issuance new shares from business combination Naked	**14,196**	-	-	**14,196**
Issuance new shares for the acquisition of FOH Online Corp	**6,873**	-	-	**6,873**
Convertible notes converted to equity	**4,159**	-	-	**4,159**
Balance 31 January 2019	**134,183**	**(121,651)**	**(2,013)**	**10,519**

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

Naked Brand Group Limited

Consolidated Statements of Cash Flows
For the Periods Ended 31 January 2019, 31 January 2018, 31 January 2017 and 30 June 2016

	Note	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers		**140,736**	159,042	92,066	160,880
Payments to suppliers and employees		**(149,750)**	(163,304)	(105,389)	(165,708)
Income taxes paid		**(420)**	146	(195)	(530)
Net cash (outflow) from operating activities	35	**(9,434)**	(4,116)	(13,518)	(5,040)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payment for intangible asset		**(151)**	(118)	(351)	(475)
Payments for property, plant and equipment		**(2,585)**	(2,194)	(723)	(2,703)
Proceeds from business combination, net of cash acquired		**870**	-	-	-
Net cash (outflow) from investing activities		**(1,867)**	(2,312)	(1,074)	(3,178)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issue of shares		**23,248**	22,721	-	-
Proceeds from borrowings - Bank		**-**	463	1,940	62,127
Proceeds from borrowings - Convertible notes issue		**-**	4,521	16,474	-
Repayment of borrowings - Bank		**(18,489)**	(9,684)	(2,832)	(46,986)
Debt issuance costs		**(322)**	(107)	(367)	(750)
Interest paid		**(2,269)**	(3,418)	(2,133)	(3,140)
Net cash inflow from financing activities		**2,168**	14,496	13,082	11,251
Net increase/(decrease) in cash and cash equivalents held		**(9,133)**	8,068	(1,510)	3,033
Cash and cash equivalents at beginning of year		**10,739**	2,644	4,193	1,246
Effects of exchange rate changes on cash and cash equivalents		**355**	27	(39)	(86)
Cash and cash equivalents at end of the year	11	**1,962**	10,739	2,644	4,193

Certain amounts in the prior year period have been reclassified to conform to the current year period presentation. The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

Description of business

Naked Brand Group Limited ("the Group") is a designer, distributor, wholesaler and retailer of women's and men's intimates apparel globally. The Group sells its merchandise through retail and outlet stores in New Zealand and Australia, wholesale operations in New Zealand, Australia, the United States and Europe, and through online channels. The Group operates both licenced and owned brands, including the following:

Licenced brands:
Heidi Klum, Fredericks of Hollywood

Owned brands:
Pleasure State, Davenport, Lovable, Bendon, Fayreform, Naked, VaVoom, Evollove, Hickory

The financial report covers Naked Brand Group Limited and its controlled entities ('the Group'). Naked Brand Group Limited is a for-profit Group, incorporated and domiciled in Australia.

During the year the following significant changes occurred, of which there is further disclosure contained within this report:

- On 19th June 2018, Bendon Limited (Bendon) and Naked Brand Group Inc. (Naked) completed a business combination pursuant to the Merger Agreement.
- On 30th June 2018, the licence agreement with Stella McCartney was terminated
- On 15th November 2018 the Group entered into a Stock Purchase Agreement with the shareholders of FOH Online Corp Inc (FOH)

The financial report was authorised for issue by the Directors on 14 June 2019.

Comparatives are consistent with prior years, unless otherwise stated.

The amounts in the financial statements have been rounded to the nearest thousand dollars.

1 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Naked Brand Group Limited is a for-profit entity for the purpose of preparing the financial statements.

1 Basis of Preparation

Naked Brand Group Limited (The Group) acquired all the share capital of Bendon Limited as part of a corporate reorganization on 19 June 2018. Following the reorganization, Naked Brand Group Limited completed a merger with Naked Brand Group Inc. which for accounting purposes was treated as an acquisition such that Naked brand group limited is deemed the accounting acquirer of the Naked Brand Group Inc. The reorganization of the ownership of Bendon Limited results in the financial statements of the consolidated Naked Brand Group Limited being a continuation of the Bendon Limited financial statements. The consolidated financial report of Naked Brand Limited represents a full year of Bendon Limited's financial results plus Naked Brand Group Inc. from the date of acquisition being 19 June 2018 to 31 January 2019. The comparative period represents Bendon Limited and its controlled entities only.

(a) Historical cost convention

The financial statements are based on historical costs, except for the measurement at fair value of selected financial assets and financial liabilities.

2 Summary of Significant Accounting Policies

(a) Going concern

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the financial year ended 31 January 2019 the Group experienced a loss after income tax from continuing operations of NZ$49.220million and operating cash outflows of NZ$9.434 million. It also is in a net current liability position of $NZ29.426 million and a positive net asset position of NZ$10.519 million.

The losses in the year ended 31 January 2019 were a result of reduced revenue from wholesale customers, increased rebates and discounts, and the plateauing of sales in retail outlets believed to be due to the stores and stockists not having new high margin inventory. The business is experiencing challenging trading conditions which have been impacted by the cancellation of the Stella McCartney licence held by the Group which expired on 30 June 2018, the lack of working capital to purchase sufficient levels of inventory required for trading, reduced customer foot traffic in retail stores and outlets, and a reduction of revenue from wholesale customers. The business also incurred NZ$10.075 million of non-trading costs in relation to brand transition, restructure, and transaction costs associated with listing the Group on the Nasdaq stock exchange. The Group also has trade creditors that are trading beyond their original credit terms.

The Group has also breached its Bank debt loan covenants during financial year, and the Bank has extended the facility from being due on 30 June 2019 to being due or subject to renewal on 31 August 2019. The extension of time in the term of the facility is to provide the Group and the Bank time to consider a refinance of the facility to a longer term to assist the group continue as a going concern.

In consequent to the challenging trading conditions and the negative working capital the business raised NZ$23.248 million of funds in the form of issued capital and convertible notes over the course of the financial year and generated further working capital by reducing inventory by NZ$9.993 million. The Group used the funds to reduce the bank debt from NZ$38.489 million to NZ$20.000 million, reduce long overdue trade creditors (both pre and post year end), fund operating losses, reduce costs, rebuild higher margin inventory, recruit new staff, and pay the costs of listing on the Nasdaq stock exchange.

2 Summary of Significant Accounting Policies

(a) Going concern

The funds raised and cash flow generated during the financial year ended 31 January 2019 have not been sufficient to provide the Group with adequate working capital, so subsequent to the end of the financial year management has taken steps to raise further capital to complete a program that will fund new inventory that will restock stores and supply wholesale customers, fund further losses, reduce out of term creditors, reduce costs, and provide funds to amortise the Bank debt. It is expected the group will need to continue to fund losses through to the start of the year ending 31 January 2022. This capital raising/recapitalisation is continuing at the time of this report with management having set a target to raise a further NZ$31.587 million between March 2019 and 31 January 2020. At the date of this report management had raised NZ$12.179 million and was still planning on raising NZ$19.409 million, of which NZ$4.347 million is in the forecast for collection in June 2019, NZ$7.31 million in July 2019; and NZ$7.531 million in October 2019. The Group may need to raise further funds beyond these amounts to fund the period to 31 January 2022.

Management has also engaged in further restructuring of the businesses operations including reducing costs across distribution channels, renegotiating supplier contracts, resetting customer supply commitments, updating leadership roles including appointing a new CEO (which occurred in October 2018) at the Bendon Limited level and the Naked Brand Group Limited level in April 2019, for the operating business, and managing the opening of new stores. The impact from the proposed capital raising and the restructure will take time to generate positive cash flows from operations. The Group expects the business will trend to be cash flow positive by through the year ending 31 January 2021, but will not be fully cash flow positive until the beginning of the year ending 31 January 2022.

As part of the discussions to renegotiate the Bank facilities the Bank appointed an independent review accountant (Review Accountant) to review the cash flow and working capital history and forecasts. The Review Accountant issued a report which is consistent with the information in this note and the Bank has advised they will continue to monitor the Group's performance during the Bank debt renegotiation process through a formal appointment of a Review Accountant. The Directors expect the Bank to offer a new one year facility with amortisation over the next twelve months by 31 August 2019. The offer of a new Bank facility is dependent on the Group achieving inventory covenants set by the Bank through to 31 August 2019 and the Bank being satisfied that the Group has progressed with securing the remaining capital planned of NZD19.409 million.

The directors have also considered the Loan Agreement from its previous major shareholder Cullen Investments Limited ("Cullen") and has been advised by Cullen that due to some changes with Cullen's financial circumstances Cullen is not likely to be a reliable source of funding and as a result the directors have decided to pursue new capital raising activities and not rely on Cullen.

Despite the ongoing losses, reduced cash flow and cash facilities, and the other negative financial conditions, the Directors are confident that the Group will continue as a going concern. However, while the Directors are confident of continuing as a going concern and meeting its debt obligation to its Bank and creditor commitments as they fall due, the going concern is dependent upon the Directors and Group being successful in:

- Raising further capital in line with the Group's cashflow forecast of at least NZ$19.409 million and collecting it between June 2019 and October 2019 (NZ$4.347 million in June 2019; NZ$7.531 million in July 2019; and NZ$7.531 million in October 2019) then raising follow on capital (the amount is yet to be determined) to fund the business through until it expects to become cash flow positive;
- Generating sufficient sales and increasing gross margins and reducing overheads from trading in line with forecast;
- Having sufficient funds from the capital raised to reduce costs, recruit new staff, rebuild higher margin inventory, increasing revenue across the wholesale and retail channels, increase gross margin percentages and contribution that leads to a reduction in the current cash outflow being incurred each month to reach a cash flow positive position, and to reduce bank debt;
- Continue to receive support from creditors to delay payment of overdue amounts until the Group has adequate cash flow to commence a repayment arrangement or repay the debt in full;and
- Renegotiating the current bank facilities of $20 million to a facility that is at least a 12 month facility, reviewed annually that commences before the current facilities mature on 31 August 2019; and

2 Summary of Significant Accounting Policies

(a) Going concern

As a result the viability of the Group is dependent on the above matters, and there is a substantial doubt about the Group's ability to continue as a going concern. However, the Directors' believe that the Group will be successful in the above matters and, accordingly, have prepared the report on a going concern basis.

(b) Basis for consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

2 Summary of Significant Accounting Policies

(c) Business combinations

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed before a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

(d) Income Tax

The tax expense/(benefit) recognised in the consolidated statements of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense/(benefit).

Current tax is the amount of income taxes payable/(recoverable) in respect of the taxable profit/(loss) for the period and is measured at the amount expected to be paid to/(recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by each jurisdiction by the end of the reporting period. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

2 Summary of Significant Accounting Policies

(d) Income Tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by each jurisdiction by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

In determining the amount of current and deferred income tax, the Group takes into account the impact of uncertain income tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the income tax expense in the period that such a determination is made.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

2 Summary of Significant Accounting Policies

(f) Revenue and other income

Sale of goods

Sales of goods through retail stores, e-commerce and wholesale channels are recognised when control of the products have been transferred to the customerwhich is a point in time. For wholesale and e-commerce sales, risks and rewards are transferred when goods are delivered to customers, and therefore reflects an estimate of shipments that have not been received at year end based on shipping terms and historical delivery times. The Group also provides a reserve for projected merchandise returns based on prior experience.

The Group sells gift cards to customers. The Group recognises revenue from gift cards when they are redeemed by the customers. In addition, the Group recognises revenue on all of it's unredeemed gift cards when the gift cards have expired.

(i) Sale of goods - wholesale

The Group sells a range of lingerie products in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. The estimates of discount is based on the trading terms in the contracts, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume payable to customers in relation to sales made until the end of the reporting period. The Group's obligation to provide a refund for faulty products under the standard trading terms is recognised as a provision.

(ii) Sale of goods - retail/e-commerce

The group operates a chain of retail stores and e-commerce websites selling lingerie products. Revenue from the sale of goods is recognised when a group entity sells a product to the customer.

2 Summary of Significant Accounting Policies

(f) Revenue and other income

Payment of the transaction price is due immediately when the customer purchases the product. It is the group's policy to sell its products to the end customer with a right of return within 30 days. Therefore, a refund liability (included in trade and other payables) and a right to the returned goods (included in inventory if deemed saleable) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Interest revenue

Interest is recognised using the effective interest method.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

(g) Brand management, administrative and corporate expenses

Corporate expenses includes head office costs such as human resources, finance team and rental costs. Administrative expenses includes depreciation and amortisation, as well as professional accounting fees. Brand management expenses includes other costs incurred in selling products, including advertising, design and retail store occupancy and payroll.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

2 Summary of Significant Accounting Policies

(j) Property, plant and equipment

Plant and equipment

Plant and equipment are measured using the cost model.

Under the cost model the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price and other directly attributable costs associated with locating the asset to the installation site, where applicable.

Depreciation

Property, plant and equipment, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	**Useful life**
Leasehold improvements	1 - 10 years
Plant, furniture, fittings and motor vehicles	3 - 7 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in accounting estimate.

2 Summary of Significant Accounting Policies

(k) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

(i) Classification

From 1 February 2018, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

2 Summary of Significant Accounting Policies

(k) Financial instruments

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

2 Summary of Significant Accounting Policies

(k) Financial instruments

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

From 1 February 2018, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Subsequent measurement

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Group uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Group's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

All of the Group's derivative financial instruments that are not designated as hedging instruments are accounted for at fair value through profit or loss.

(l) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

2 Summary of Significant Accounting Policies

(l) Impairment of non-financial assets

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(m) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(n) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2 Summary of Significant Accounting Policies

(p) Intangibles

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i) the consideration transferred;
ii) any non-controlling interest; and
iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

Patents and licences

Separately acquired patents and licences are shown at historical cost. Licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Licence fees have an estimated useful life of 5 – 50 years.

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

Brands

Brand assets relate to brands owned by the Group that have arisen on historical acquisitions. These assets were initially measured at fair value.

Brands are considered as to whether they have a finite or indefinite useful life at their acquisition and are amortized if considered to have a finite life. Brands are considered to have indefinite lives in circumstances when there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the entity they are not amortised. Brands with indefinite useful lives have been in existence for many years, are well established and show no signs of deteriorating. These indefinite life brands are assessed for impairment annually or more frequently if impairment indicators are noted.

2 Summary of Significant Accounting Policies

(p) Intangibles

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and indefinite life brands, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Goodwill and indefinite life brands are not amortised but are tested for impairment annually or more frequently if impairment indicators exist. Goodwill is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

(q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2 Summary of Significant Accounting Policies

(r) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statements of profit or loss and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Lease incentive provision

Lease contributions include payment for improvements initially funded by the landlord. The improvement asset is capitalised and a provision for the amount of landlord contribution is recognised. The provision is released on a monthly basis over the term of the lease of the property.

(ii) Onerous contract provision

The Group provides for future losses on long-term contracts where it is considered probable that the contract costs are likely to exceed revenues in future years. A provision is required for the present value of future losses. Estimating these future losses involves a number of assumptions about the achievement of contract performance targets and the likely levels of future cost escalation over time.

(iii) Make good provision

The Group is required to restore the lease premises of various retail stores to their original condition at the end of the respective lease terms. Provisions for make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. A provision is recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the lease term.

2 Summary of Significant Accounting Policies

(s) Earnings/(loss) per share

(i) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing:

- the profit/(loss) attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

For periods in which the Group has reported net losses, diluted net loss per share attributable to common shareholders is the same as basic net loss per share attributable to common stockholders, since their impact would be anti-dilutive to the calculation of net loss per share.

(t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2 Summary of Significant Accounting Policies

(u) Convertible Notes

On issuance of the convertible notes, an assessment is made to determine whether the convertible notes contain an equity instrument or whether the whole instrument should be classified as a financial liability.

When it is determined that the whole instrument is a financial liability and no equity instrument is identified (for example for foreign-currency-denominated convertibles notes), the conversion option is separated from the host debt and classified as a derivative liability. The carrying value of the host contract (a contract denominated in a foreign currency) at initial recognition is determined as the difference between the consideration received and the fair value of the embedded derivative. The host contract is subsequently measured at amortised cost using the effective interest rate method. The embedded derivative is subsequently measured at fair value at the end of each reporting period through the profit and loss. The convertible note and the derivative are presented as a single number on the balance sheet within interest-bearing loans and borrowings.

When it is determined that the instrument contains an equity component based on the terms of the contract, on issuance of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

(v) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(w) Foreign currency transactions and balances

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in New Zealand dollars which is the parent entity's functional and presentation currency.

2 Summary of Significant Accounting Policies

(w) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing foreign currency rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the consolidated balance sheets. These differences are recognised in the consolidated statements of profit or loss and other comprehensive income in the period in which the operation is disposed.

2 Summary of Significant Accounting Policies

(x) Adoption of new and revised accounting standards

A number of new or amended accounting standards become applicable for the current reporting period and the Group had to change it accounting policies as a result of adopting the following accounting standards.

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from contract with customers

There were no material impacts on adoption of IFRS 9 and IFRS 15. The other accounting standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

(y) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 January 2019 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

2 Summary of Significant Accounting Policies

(y) New Accounting Standards and Interpretations

Title of Standard	Nature of change	Impact	Mandatory application date/Date of adoption by Group
IFRS 16 Leases	The IASB has issued a new standard for leases. This will replace IAS 17. The main impact on lessees is that almost all leases go on balance sheet. This is because the balance sheet distinction between operating and finance leases is removed for lessees. Instead, under the new standard an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exemptions are short-term and low-value leases.	Management is currently assessing the impact of the new rules and believes the adoption of the provisions of this update will have a material impact on the Group's consolidated financial statements. The new standard will require that we record a liability and a related asset on the balance sheet for our leased facilities.	Management is currently assessing the impact of the new rules and believes the adoption of the provisions of this update will have a material impact on the Group's consolidated financial statements. Mandatory for financial years commencing on or after 1 January 2019. Expected date of adoption by the Group: 1 February 2019.
IFRC 23 Uncertainty over Income Tax Treatments (IFRIC 23)	On June 7, 2017, the IASB issued IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23"). IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12, Income Taxes, when there is uncertainty over income tax treatments. The IFRIC 23 interpretation specifically addresses whether an entity considers uncertain tax treatments separately; the assumptions an entity makes about the examination of tax treatments by taxation authorities; how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and how an entity considers changes in facts and circumstances.	The Group is currently evaluating the impact of adopting this standard on the consolidated financial statements.	IFRIC 23 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(z) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The executive directors are the chief operating decision maker, responsible for allocating resources and assessing performance of the operating segments.

3 Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the group's financial statements and also discloses the new accounting policies that have been applied from 1 February 2018, where they are different to those applied in prior periods.

(a) Impact on the financial statements

There were no impacts on the Group's accounting policies on adoption of IFRS 9 and IFRS 15, and no retrospective adjustments required either.

(b) IFRS 9 Financial Instruments – Accounting policies applied from 1 February 2018

Impairment

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) IFRS 15 Revenue from Contracts with Customers – Accounting policies

(i) *Sale of goods - wholesale*

The Group sells a range of lingerie products in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. The estimates of discount is based on the trading terms in the contracts, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume payable to customers in relation to sales made until the end of the reporting period. The Group's obligation to provide a refund for faulty products under the standard trading terms is recognised as a provision.

3 Changes in accounting policies

(c) IFRS 15 Revenue from Contracts with Customers – Accounting policies

(ii) *Sale of goods - retail/e-commerce*

The group operates a chain of retail stores and e-commerce websites selling lingerie products. Revenue from the sale of goods is recognised when a group entity sells a product to the customer.

Payment of the transaction price is due immediately when the customer purchases the product. It is the group's policy to sell its products to the end customer with a right of return within 30 days. Therefore, a refund liability (included in trade and other payables) and a right to the returned goods (included in inventory) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - inventory

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. During the period, management have written down inventory based on best estimate of the net realisable value, although until the time that inventory is sold this is an estimate.

4 Critical Accounting Estimates and Judgments

Key estimates - fair value of financial instruments

The Group has certain financial assets and liabilities which are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - impairment of brands

In accordance with IAS 36 Impairment of Assets, the Group is required to estimate the recoverable amount of indefinite-lived brand assets at each reporting period. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by their value in use or fair value less cost to sell.

In calculating the fair value less costs to sell, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in brand revenues
- market royalty rate
- the selection of discount rates to reflect the risks involved, and
- long-term growth rates

Changing the assumptions selected by management, in particular the growth rate, discount rate and market royalty rate assumption used, could significantly affect the Group's impairment evaluation and hence results.

The Group's review includes the key assumptions related to sensitivity in the model. Further details are provided in note 15 to the consolidated financial statements.

4 Critical Accounting Estimates and Judgments

Key estimates - impairment of goodwill

In accordance with IAS 36 Impairment of Assets, the Group is required to estimate the recoverable amount of goodwill at each reporting period.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate and using a terminal value to incorporate expectations of growth thereafter.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA future cash flows;
- timing and quantum of future capital expenditure;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence results.

The Group's review includes the key assumptions related to sensitivity in the cash flow projections. Further details are provided in note15(c) to the consolidated financial statements.

Key judgments - taxes

Deferred tax assets

Determining income tax provisions and the recognition of deferred tax assets including carried forward income tax involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable income being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

5 Revenue and Other Income

Revenue from continuing operations

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Gross revenue	**120,278**	145,452	104,007	163,481
Rebates	**(8,358)**	(14,064)	(7,723)	(12,481)
	111,920	131,388	96,284	151,000
Sale of goods by channel				
- Retail	**50,443**	53,150	34,460	58,837
- Wholesale	**29,394**	45,901	43,379	77,729
- Online	**32,083**	32,234	18,157	6,724
	111,920	131,285	95,996	143,290
Services	**-**	-	-	7,702
Other income	**-**	103	288	8
	111,920	131,388	96,284	151,000
Sales of goods by geography				
- New Zealand	**40,703**	46,665	30,676	62,109
- Australia	**32,065**	38,208	32,913	53,193
- United States	**34,156**	32,323	23,146	19,167
- Europe	**4,996**	14,192	9,549	16,531
	111,920	131,388	96,284	151,000

Other income relates to non-recurring advisory, management and design services provided to other third party intimates apparel brand owners.

All revenue is recognised at a point in time.

6 Loss for the Period

The loss for the period was derived after charging / (crediting) the following items that are unusual and of significance because of their size, nature and incidence:

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Finance Costs				
- Interest expense on external borrowings	**2,338**	5,431	2,923	3,140
- Interest expense on shareholder loans	**1,062**	2,807	3,040	7,042
- Amortisation on loan set up costs	**641**	553	275	227
	4,041	8,791	6,238	10,409
Other (gains)/losses				
- Fair value (gain)/loss on foreign exchange contracts	**1,065**	(502)	2,135	7,660
- Net foreign exchange(gains)/losses	**(3,027)**	(255)	1,171	(5,237)
	(1,963)	(757)	3,306	2,423

6 Loss for the Period

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Brand transition, restructure and transaction expenses				
- Brand transition expenses	**291**	-	-	884
- Onerous contracts	**(109)**	(265)	1,166	789
- Restructure expenses	**626**	215	103	559
- Transaction expenses	**9,267**	3,322	52	-
	10,075	3,272	1,321	2,232

The onerous contracts expense reversal relates to a reversal of the provision raised in the prior year.

Transaction expenses relate to costs incurred in respect of the US listing process.

6 Loss for the Period

The loss for the period includes the following specific expenses:

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Employee benefits expense:				
- Salaries and wages	**30,872**	33,613	19,917	33,666
- Defined contribution expenses	**508**	545	1,022	1,588
	31,380	34,158	20,939	35.254
Depreciation	**2,151**	2,724	1,664	2,966
Amortisation	**231**	306	178	323
Impairment loss	**8,173**	1,914	292	2,157
	10,555	4,944	2,134	5,446
Rental expense on operating leases:				
- Lease payments	**9,760**	10,807	6,485	11,034
- Sublease payments received	**-**	(483)	(354)	(567)
	9,760	10,324	6,131	10,467

7 Income Tax Expense/(benefit)

(a) The major components of tax expense/(benefit) comprise:

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Current tax				
Current tax on profits for the period	**(667)**	537	807	301
Adjustments for current tax of prior periods	**(607)**	(477)	58	(344)
Total current tax expense/(benefit)	**(1,274)**	60	865	(43)
Deferred tax expense/(benefit)				
Decrease/(increase) in deferred tax assets (note 28)	**-**	-	-	5,589
Income tax expense/(benefit) for continuing operations	**(1,274)**	60	865	5,546

(b) Reconciliation of income tax to accounting profit:

Loss before income tax	**(50,492)**	(37,533)	(15,114)	(15,200)
Tax at New Zealand tax rate of 28%	**(14,138)**	(10,509)	(4,232)	(4,256)
Tax effect of:				
- permanent differences (including impairment expense)	**753**	(105)	(6)	757
- adjustments in respect of current income tax of previous years	**(522)**	(449)	41	(237)
- effects of different tax rates of subsidiaries operating in other jurisdictions	**493**	(30)	(15)	(42)
- deferred tax assets relating to the current year not brought to account	**12,077**	11,150	5,119	3,934
- deferred tax assets relating to prior periods no longer recognised (note 28)	**-**	-	-	5,589
- other	**63**	3	(42)	(199)
Income tax expense/(benefit)	**(1,274)**	60	865	5,546

7 Income Tax Expense/(benefit)

(c) Tax losses not recognised

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Unused tax losses for which no deferred tax asset has been recognised	**130,587**	87,455	43,269	23,765
Potential tax benefit at 28%	**36,564**	24,487	12,115	6,654

The Group has assessed future forecast profits and concluded that not enough criteria have been satisfied to recognise any deferred tax assets at the period ended 31 January 2019. Unused tax losses do not have an expiry date.

(d) Temporary differences not recognised

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Temporary differences for which no deferred tax asset has been recognised	**14,504**	14,661	18,703	19,924
Potential tax benefit at 28%	**4,061**	4,105	5,237	5,579

8 Business Combinations

On 19th June 2018, Bendon Limited (Bendon) and Naked Brand Group Inc. (Naked) completed a business combination pursuant to the Merger Agreement. The business combination was executed after Bendon Limited reorganised its group and inserted a new entity as its parent entity in which the Bendon shareholders rolled over their shares into the new entity. The new parent entity is called Naked Brand Group Limited. Bendon Limited was considered the accounting acquirer of the consolidated group and the consolidated accounts represents a continuation of the Bendon Limited financial statements.

Pursuant to the Merger Agreement, (i) Bendon undertook a reorganization (the "Reorganization") pursuant to which all of the shareholders of Bendon Limited exchanged all of the outstanding ordinary shares of Bendon Limited (the "Bendon Ordinary Shares") for ordinary shares in Naked Brand Group Limited ("Naked Brand Group Ordinary Shares"), and (ii) immediately thereafter, the parties effectuated a merger of Merger Sub and Naked, with Naked surviving as a wholly owned subsidiary of Naked Brand Group Limited and the Naked stockholders receiving Naked Brand Group Ordinary Shares in exchange for all of the outstanding shares of common stock of Naked (the "Merger" and together with the Reorganization, the "Transactions").

8 Business Combinations

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Naked NZ$000's
Purchase consideration	
Shares issued - fair value	**14,196**

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value NZ$000's
Cash	**592**
Trade and other receivables	**4,186**
Inventories	**1,810**
Intangible assets	
- Brand	**2,726**
Trade and other payables	**(916)**
Net identifiable assets acquired	**8,398**
Add: goodwill	**5,798**
Net assets acquired	**14,196**

There were no acquisitions in the year ended 31 January 2018.

8 Business Combinations

(a) Acquisition-related costs

Acquisition-related costs of $3,739,279 that were not directly attributable to the issue of shares are included in administrative expenses in profit or loss and in operating cash flows in the statement of cash flows. In addition, approximately 100,000 Naked Brand Group's share was issued to advisors as part of their consultancy in lieu of cash payment. The fair value of these was $700 thousand and that cost has been recognised as an expense in the profit and loss.

(b) Revenue and profit contribution

The acquired business contributed revenues of $2,244,095 and net loss of $813,808 to the group for the period from 19 June 2018 to 31 January 2019. If the acquisition occurred on 1 February 2018, the full year revenue of the combined group would have been $113,969,040 and loss of $49,255,319.

(c) Provisional accounting

The initial accounting for the business combination is incomplete at the time of the end of the reporting period and will be recognised using provisional amounts. During the measurement period, the Group will retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstance that existed as at the acquisition date. The measurement period ends as soon the Group receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtained. The measurement shall not exceed one year from the acquisition date.

9 Acquisition of FOH Online Corp Inc.

On November 15, 2018 the Group entered into a Stock Purchase Agreement with the shareholders of FOH Online Corp Inc (FOH), which included Cullen Investments Limited (Cullen) a related entity, that the Group purchased all of the issued and outstanding shares of FOH. The transaction was settled on December 6, 2019. The sub licence agreement which was in place between the Group and FOH was terminated upon completion of this transaction. The Group has treated this transaction as an asset acquisition as the activities of FOH did not constitute a business.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	FOH NZ$000's
Purchase consideration	
Shares issued at fair value	**6,872**
Debt forgiveness	**13,074**
Total	**19,946**

The assets and liabilities recognised as a result of the acquisition are as follows

	Fair value NZ$000's
Cash	**278**
Net balance with sub licencee	**(3,119)**
Loan payable to EJ Watson	**(2,172)**
Patents and Licences	**24,959**
Total of assets acquired	**19,946**

10 Operating Segments

Segment information

Identification of reportable operating segments

The consolidated entities' Director examined the group's performance from both sales channel and geographical perspective and identified seven reportable segments being Australia Retail, New Zealand Retail, Australia wholesale, New Zealand wholesale, US Wholesale, EU Wholesale and e-commerce.

Australia retail

This segment covers retail and outlet stores located in Australia.

New Zealand retail

This segment covers retail and outlet stores located in New Zealand.

Australia wholesale

This segment covers the wholesale of intimates apparel to customers based in Australia.

New Zealand wholesale

This segment covers the wholesale of intimates apparel to customers based in New Zealand.

US wholesale

This segment covers the wholesale of intimates apparel to customers based in the United States of America.

Europe wholesale

This segment covers the wholesale of intimates apparel to customers based in Europe.

10 Operating Segments

Identification of reportable operating segments

E-commerce

This segment covers the group's online retail activities. E-commerce revenue for the periods ended 31 January 2019, 31 January 2018 and 31 January 2017 include revenue from a US brand called Fredericks of Hollywood for which Bendon Limited currently has a licence agreement.

These operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer (who is identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews underlying EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

EBITDA is a financial measure which is not prescribed by IFRS and represents the profit adjusted for specific non-cash and significant items. The directors consider EBITDA to reflect the core earnings of the consolidated entity.

The information reported to the CODM is on a monthly basis.

Other Costs and Business Activities

Certain costs are not allocated to our reporting segment results, such as costs associated with the following:

- Corporate overheads, which is responsible for centralized functions such as information technology, facilities, legal, finance, human resources, business development, and procurement. These costs also include compensation costs and other miscellaneous operating expenses not charged to our operating segments, as well as interest and tax income and expense.

These costs are included with in "unallocated" segment in our segment performance.

10 Operating Segments

Other assets and liabilities

We manage our assets and liabilities on a Group basis, not by segment. CODM does not regularly review any asset or liability information by segment and its preparation is impracticable. Accordingly, we do not report asset and liability information by segment.

(a) Reconciliations

Reconciliation of segment revenue to consolidated statements of profit or loss and other comprehensive income:

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Total segment revenue	136,842	156,311	113,031	176,145
Intersegment eliminations	(24,922)	(24,923)	(16,747)	(32,855)
Other revenue	-	-	-	7,710
Total revenue	111,920	131,388	96,284	151,000

10 Operating Segments

(a) Reconciliations

Reconciliation of segment EBITDA to the consolidated statements of profit or loss and other comprehensive income:

The Board meets on a monthly basis to assess the performance of each segment, net operating profit does not include non-operating revenue and expenses such as dividends, fair value gains and losses.

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Segment EBITDA	(25,602)	(24,053)	(2,126)	10,470
Income tax (expense)/benefit	1,274	(60)	(865)	(5,546)
Other revenue	-	-	-	7,710
Any other reconciling items	(24,892)	(13,480)	(12,988)	(33,380)
Total net loss after tax	(49,220)	(37,593)	(15,979)	(20,746)

Any other reconciling items includes brand transition, finance expenses, impairment expense, depreciation and amortisation, fair value gain/loss on foreign exchange contracts, and unrealised foreign exchange gain/loss that cannot be allocated to segments.

(b) Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas segment assets are based on the location of the assets.

10 Operating Segments

(b) Geographical information

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
New Zealand	40,703	46,665	30,676	62,109
Australia	32,065	38,208	32,913	53,193
United States	34,156	32,323	23,146	19,167
Europe	4,996	14,192	9,549	16,531
	111,920	131,388	96,284	151,000

The revenues resulting from the Naked business combination are included in the United States segment shown above.

10 Operating Segments

(c) Segment performance

For the year ended 31 January 2019	NZ Retail NZ$000's	AU Retail NZ$000's	NZ Wholesale NZ$000's	AU Wholesale NZ$000's	US Wholesale NZ$000's	EU Wholesale NZ$000's	e-commerce NZ$000's	Unallocated NZ$000's	Total NZ$000's
Revenue from external customers	**31,801**	**18,547**	**7,154**	**11,491**	**5,798**	**4,996**	**32,133**	**-**	**111,920**
Service income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31,801	**18,547**	**7,154**	**11,491**	**5,798**	**4,996**	**32,133**	**-**	**111,920**
Cost of sales	(15,424)	(9,192)	(6,372)	(8,498)	(5,222)	(4,490)	(21,248)	(4,034)	(74,480)
Gross margin	**16,377**	**9,355**	**782**	**2,993**	**576**	**506**	**10,885**	**(4,034)**	**37,440**
Other segment expenses*	(13,537)	(11,003)	(912)	(4,495)	(2,724)	(1,536)	(11,247)	-	(45,454)
Unallocated expenses									
Administrative expenses	-	-	-	-	-	-	-	(1,050)	(1,050)
Corporate expenses	-	-	-	-	-	-	-	(17,947)	(17,947)
Other foreign exchange gain/loss	-	-	-	-	-	-	-	1,409	1,409
EBITDA	**2,840**	**(1,648)**	**(130)**	**(1,502)**	**(2,148)**	**(1,030)**	**(362)**	**(21,622)**	**(25,602)**
Brand transition, restructure and transaction expenses	-	-	-	-	-	-	-	(10,075)	(10,075)
Finance expense	-	-	-	-	-	-	-	(4,041)	(4,041)
Impairment expense	-	-	-	-	-	-	-	(8,173)	(8,173)
Depreciation and amortisation	-	-	-	-	-	-	-	(2,382)	(2,382)
Fair value gain/(loss) on foreign exchange contracts	-	-	-	-	-	-	-	(1,704)	(1,704)
Unrealised foreign exchange gain/(loss)	-	-	-	-	-	-	-	2,258	2,258
Fair value gain/(loss) on Convertible Notes derivative	-	-	-	-	-	-	-	(775)	(775)
Loss before income tax expense	**2,840**	**(1,648)**	**(130)**	**(1,502)**	**(2,148)**	**(1,030)**	**(362)**	**(46,514)**	**(50,494)**
Income tax expense	-	-	-	-	-	-	-	1,274	1,274
Loss after income tax expense	**2,840**	**(1,648)**	**(130)**	**(1,502)**	**(2,148)**	**(1,030)**	**(362)**	**(45,240)**	**(49,220)**

10 Operating Segments

(c) Segment performance

For the year ended 31 January 2018	NZ Retail NZ$000's	AU Retail NZ$000's	NZ Wholesale NZ$000's	AU Wholesale NZ$000's	US Wholesale NZ$000's	EU Wholesale NZ$000's	e-commerce NZ$000's	Unallocated NZ$000's	Total NZ$000's
Revenue from external customers	34,269	18,236	10,453	15,512	6,390	14,192	32,234	-	131,286
Service income	-	-	-	-	-	-	-	102	102
	34,269	18,236	10,453	15,512	6,390	14,192	32,234	102	131,388
Cost of sales	(16,488)	(9,457)	(8,213)	(12,545)	(6,438)	(10,221)	(20,974)	(3,123)	(87,459)
Gross margin	**17,781**	**8,779**	**2,240**	**2,967**	**(48)**	**3,971**	**11,260**	**(3,021)**	**43,929**
Other segment expenses*	(13,451)	(11,329)	(1,068)	(3,781)	(3,301)	(2,904)	(11,520)	-	(47,354)
Unallocated expenses									
Administrative expenses	-	-	-	-	-	-	-	(1,101)	(1,101)
Corporate expenses	-	-	-	-	-	-	-	(19,150)	(19,150)
Other foreign exchange gain/loss	-	-	-	-	-	-	-	(377)	(377)
EBITDA	**4,330**	**(2,550)**	**1,172**	**(814)**	**(3,349)**	**1,067**	**(260)**	**(23,649)**	**(24,053)**
Brand transition, restructure and transaction expenses	-	-	-	-	-	-	-	(3,272)	(3,272)
Finance expense	-	-	-	-	-	-	-	(8,791)	(8,791)
Impairment expense	-	-	-	-	-	-	-	(1,914)	(1,914)
Depreciation and amortisation expense	-	-	-	-	-	-	-	(3,030)	(3,030)
Fair value gain/(loss) on foreign exchange contracts	-	-	-	-	-	-	-	(502)	(502)
Unrealised foreign exchange (gain)/loss	-	-	-	-	-	-	-	1,636	1,636
Fair value (gain)/loss on Convertible Note derivative	-	-	-	-	-	-	-	2,393	2,393
Loss before income tax expense	**4,330**	**(2,550)**	**1,172**	**(814)**	**(3,349)**	**1,067**	**(260)**	**(37,129)**	**(37,533)**
Income tax expense	-	-	-	-	-	-	-	(60)	(60)
Loss after income tax expense	**4,330**	**(2,550)**	**1,172**	**(814)**	**(3,349)**	**1,067**	**(260)**	**(37,189)**	**(37,593)**

* Other segment expenses relate to brand management expenses and some corporate expenses.

10 Operating Segments

(c) Segment performance

For the 7 months ended 31 January 2017	NZ Retail NZ$000's	AU Retail NZ$000's	NZ Wholesale NZ$000's	AU Wholesale NZ$000's	US Wholesale NZ$000's	EU Wholesale NZ$000's	e-commerce NZ$000's	Unallocated NZ$000's	Total NZ$000's
Revenue from external customers	21,953	12,053	7,484	18,091	9,015	9,548	18,140	-	96,284
	21,953	**12,053**	**7,484**	**18,091**	**9,015**	**9,548**	**18,140**	**-**	**96,284**
Cost of sales	(9,707)	(5,592)	(4,961)	(11,431)	(6,934)	(6,277)	(11,902)	(340)	(57,144)
Gross margin	12,246	6,461	2,523	6,660	2,081	3,271	6,238	(340)	39,140
Other segment expenses*	(7,480)	(6,196)	(475)	(2,089)	(2,065)	(2,013)	(3,654)	(8,068)	(32,040)
Unallocated expenses									
Administrative expenses	-	-	-	-	-	-	-	(541)	(541)
Corporate expenses	-	-	-	-	-	-	-	(8,082)	(8,082)
Other foreign exchange gain/loss	-	-	-	-	-	-	-	(603)	(603)
EBITDA	**4,766**	**265**	**2,048**	**4,571**	**16**	**1,258**	**2,584**	**(17,634)**	**(2,126)**
Brand transition, restructure and transaction expenses	-	-	-	-	-	-	-	(1,321)	(1,321)
Finance expense	-	-	-	-	-	-	-	(6,238)	(6,238)
Impairment expense	-	(281)	-	-	-	-	-	(11)	(292)
Depreciation and amortisation expense	-	-	-	-	-	-	-	(1,842)	(1,842)
Fair value gain/(loss) on foreign exchange contracts	-	-	-	-	-	-	-	(2,135)	(2,135)
Unrealised foreign exchange (gain)/loss	-	-	-	-	-	-	-	(568)	(568)
Fair value (gain)/loss on Convertible Note derivative	-	-	-	-	-	-	-	(592)	(592)
Loss before income tax expense	**4,766**	**(16)**	**2,048**	**4,571**	**16**	**1,258**	**2,584**	**(30,341)**	**(15,114)**
Income tax expense	-	-	-	-	-	-	-	(865)	(865)
Loss after income tax expense	**4,766**	**(16)**	**2,048**	**4,571**	**16**	**1,258**	**2,584**	**(31,206)**	**(15,979)**

* Other segment expenses relate to brand management expenses and some corporate expenses.

10 Operating Segments

(c) Segment performance

For the year ended 30 June 2016	NZ Retail NZ$000's	AU Retail NZ$000's	NZ Wholesale NZ$000's	AU Wholesale NZ$000's	US Wholesale NZ$000's	EU Wholesale NZ$000's	e-commerce NZ$000's	Unallocated NZ$000's	Total NZ$000's
Revenue from external customers	37,389	20,680	15,071	28,021	18,876	16,531	6,722	-	143,290
Service income	-	-	-	-	-	-	-	7,702	7,702
Other income	-	-	-	-	-	-	-	8	8
	37,389	20,680	15,071	28,021	18,876	16,531	6,722	7,710	151,000
Cost of sales	(16,053)	(8,930)	(10,721)	(18,056)	(14,540)	(11,658)	(3,582)	15	(83,525)
Gross margin	21,336	11,750	4,350	9,965	4,336	4,873	3,140	7,725	67,475
Other segment expenses*	(12,263)	(9,835)	(709)	(3,520)	(2,817)	(3,204)	(2,039)	(13,975)	(48,362)
Unallocated expenses									
Administrative expenses	-	-	-	-	-	-	-	(801)	(801)
Corporate expenses	-	-	-	-	-	-	-	(13,002)	(13,002)
Other foreign exchange gain/loss	-	-	-	-	-	-	-	5,160	5,160
EBITDA	**9,073**	**1,915**	**3,641**	**6,445**	**1,519**	**1,669**	**1,101**	**(14,893)**	**10,470**
Brand transition, restructure and transaction expenses	-	-	-	-	-	-	-	(2,232)	(2,232)
Finance expense	-	-	-	-	-	-	-	(10,409)	(10,409)
Impairment expense	-	-	-	-	-	-	-	-	-
Depreciation and amortisation expense	-	-	-	(2,157)	-	-	-	(3,289)	(5,446)
Fair value gain/(loss) on foreign exchange contracts	-	-	-	-	-	-	-	(7,660)	(7,660)
Unrealised foreign exchange (gain)/loss	-	-	-	-	-	-	-	77	77
Loss before income tax expense	**9,073**	**1,915**	**3,641**	**4,288**	**1,519**	**1,669**	**1,101**	**(38,406)**	**(15,200)**
Income tax expense	-	-	-	-	-	-	-	(5,546)	(5,546)
Loss after income tax expense	**9,073**	**1,915**	**3,641**	**4,288**	**1,519**	**1,669**	**1,101**	**(43,952)**	**(20,746)**

* Other segment expenses relate to brand management expenses and some corporate expenses.

11 Cash and Cash Equivalents

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Cash on hand	**47**	54	48
Cash at bank	**1,915**	10,685	2,596
	1,962	10,739	2,644

12 Trade and Other Receivables

		31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
CURRENT				
Trade receivables		**7,789**	9,982	26,499
Provision for impairment	(a)	**(609)**	(326)	(537)
		7,180	9,656	25,962
Prepayments		**2,280**	1,792	1,779
Other receivables		**183**	1,717	349
Total current trade and other receivables		**9,650**	13,165	28,090

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

12 Trade and Other Receivables

(a) Impairment of receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 January 2019 is determined as follows, the expected credit losses incorporate forward looking information.

31 January 2019	0 - 30 days	31 - 60 days	60 - 90 days	> 90 days overdue	Total
Expected loss rate (%)	-	-	-	48.40	
Gross carrying amount ($)	5,577	852	101	1,259	7,789
ECL provision	-	-	-	609	609

12 Trade and Other Receivables

(a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's
Balance at beginning of the period (calculated in accordance with AASB 139)	**(326)**	(537)	(268)
Amount restated through opening retained earnings on adoption of AASB 9	**-**	-	-
Opening impairment allowance calculated under AASB 9	**(326)**	(537)	(268)
Additional impairment loss recognised	**-**	-	-
Amounts written off as uncollectable			
Directly to P&L	**-**	-	-
Movement through provision	**(1,037)**	(92)	(364)
Unused amounts reversed	**772**	316	80
Foreign exchange movement	**(18)**	(13)	15
Balance at end of the period	**(609)**	(326)	(537)

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group has recognised a loss allowance of 48.40% against identifiable receivables at risk in excess of 90 days because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs first.

12 Trade and Other Receivables

(b) Aged analysis

The ageing analysis of receivables is as follows:

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
0-30 days	**5,577**	7,945	14,883
31-60 days	**852**	335	2,566
61-90 days (past due not impaired)	**101**	489	2,166
61-90 days (considered impaired)	**-**	-	-
91+ days (past due not impaired)	**3,295**	1,213	6,884
91+ days (considered impaired)	**(2,036)**	-	-
	7,789	9,982	26,499

(c) Transferred receivables

During the periods ended 31 January 2018 and 31 January 2017 the carrying amounts of the trade receivables included receivables which were subject to a bank funding arrangement. Under this arrangement, Bendon had transferred the relevant receivables to BNZ in exchange for cash and is prevented from selling or pledging the receivables. However, Bendon has retained credit risk. The group therefore continues to recognise the transferred assets in their entirety in the balance sheet. The amount repayable under the factoring agreement is presented as secured borrowings.

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Transferred receivables	-	9,790	11,649

13 Inventories

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Finished goods	**21,564**	31,451	37,904
Provision for impairment	**(444)**	(338)	(153)
	21,120	31,113	37,751

Write downs of inventories to net realisable value during the period were NZ$106,433 (2018: NZ$185,026, 2017: NZ$364,660).

14 Property, plant and equipment

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Plant, furniture, fittings and motor vehicles			
At cost	**25,666**	27,801	25,455
Accumulated depreciation	**(25,167)**	(25,788)	(23,182)
	499	2,013	2,273
Leasehold Improvements			
At cost	**12,035**	10,762	10,132
Accumulated depreciation	**(8,771)**	(8,034)	(7,441)
	3,264	2,728	2,691
Total property, plant and equipment	**3,763**	4,741	4,964

14 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

	Leasehold improvements NZ$000's	Plant, furniture, fittings and motor vehicles NZ$000's	Total NZ$000's
Year ended 31 January 2019			
Balance at the beginning of year	2,728	2,013	4,741
Additions	1,501	1,084	2,585
Disposals	(105)	(2,736)	(2,841)
Depreciation expense	(982)	(1,170)	(2,152)
Impairment loss	-	(239)	(239)
Foreign exchange movements	122	1,547	1,669
Balance at the end of the year	3,264	499	3,763

14 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

	Leasehold Improvements NZ$000's	Plant, furniture, fittings and motor vehicles NZ$000's	Total NZ$000's
Year ended 31 January 2018			
Balance at the beginning of year	2,691	2,273	4,964
Additions	285	2,032	2,317
Disposals	(4)	(118)	(122)
Depreciation expense	(496)	(2,228)	(2,724)
Foreign exchange movements	252	54	306
Balance at the end of the year	2,728	2,013	4,741

14 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

	Leasehold improvements NZ 000's $	Plant, furniture, fittings and motor vehicles NZ 000's $	Total NZ 000's $
7 months ended 31 January 2017			
Balance at the beginning of period	**2,795**	**3,414**	**6,209**
Additions	**241**	**482**	**723**
Depreciation expense	**(296)**	**(1,368)**	**(1,664)**
Impairment	**-**	**(281)**	**(281)**
Foreign exchange movements	**(49)**	**26**	**(23)**
Balance at the end of the period	**2,691**	**2,273**	**4,964**

The group is currently assessing the impact of IFRS 16*Leases* and believes adoption of the provisions of this standard will have a material impact on the Group's consolidated financial statements.

IFRS 16 *Leases* will require that the group record a liability and a related asset on the balance sheet for our leased facilities.

15 Intangible Assets

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Goodwill			
Cost	**5,607**	-	-
Accumulated impairment	**(3,287)**	-	-
	2,320	-	-
Patents and licences			
Cost	**25,993**	919	1,169
Accumulated amortisation and impairment	**(918)**	(718)	(573)
	25,075	201	596
Brands			
Cost	**14,769**	12,463	12,036
Accumulated amortisation and impairment	**(4,563)**	-	-
	10,205	12,463	12,036
Software			
Cost	**15,718**	15,788	17,308
Accumulated amortisation and impairment	**(15,455)**	(15,440)	(15,260)
	263	348	2,048
Total Intangible assets	**37,864**	13,012	14,680

15 Intangible Assets

(a) Software impairment

For the year ended 31 January 2018, management decided to fully impair the costs on the ERP upgrade and are currently reviewing alternatives.

(b) Movements in carrying amounts of intangible assets

	Software NZ$000's	Patents and licences NZ$000's	Brands NZ$000's	Goodwill NZ$000's	Total NZ$000's
Year ended 31 January 2019					
Balance at the beginning of the year	348	201	12,463	-	13,012
Additions	33	25,076	2,726	5,798	33,633
Amortisation	(29)	(202)	-	-	(231)
Impairment	(83)	-	(4,563)	(3,287)	(7,933)
Foreign exchange movements	(6)	-	(420)	(192)	(618)
Closing value at 31 January 2019	263	25,075	10,205	2,320	38,864

15 Intangible Assets

(b) Movements in carrying amounts of intangible assets

	Software NZ$000's	Patents and licences NZ$000's	Brands NZ$000's	Goodwill NZ$000's	Total NZ$000's
Year ended 31 January 2018					
Balance at the beginning of the year	2,048	596	12,036	-	14,680
Additions	106	12	-	-	118
Amortisation	(163)	(143)	-	-	(306)
Impairment	(1,650)	(264)	-	-	(1,914)
Foreign exchange movements	7	-	427	-	434
Closing value at 31 January 2018	348	201	12,463	-	13,012

	Software NZ 000's $	Patents and licences NZ 000's $	Brands NZ 000's $	Goodwill NZ 000's $	Total NZ 000's $
7 months ended 31 January 2017					
Balance at the beginning of the year	**2,196**	**274**	**12,105**	**-**	**14,575**
Additions	**-**	**351**	**-**	**-**	**351**
Amortisation	**(148)**	**(30)**	**-**	**-**	**(178)**
Foreign exchange movements	**-**	**1**	**(69)**	**-**	**(68)**
Closing value at 31 January 2017	**2,048**	**596**	**12,036**	**-**	**14,680**

15 Intangible Assets

(c) Impairment testing for goodwill

For the purpose of impairment testing, goodwill is allocated to cash-generating units as below:

Description of the cash-generating unit (CGU)	For the Year Ended 31 January 2019 NZ $000's	For the Year Ended 31 January 2018 NZ $000's	For the 7 Months Ended 31 January 2017 NZ $000's
United States	2,320	-	-
	2,320	-	-

Impairment assumptions

Goodwill relates to the acquisition of Naked Inc, a business operating in the United States and was allocated to the Group's operation in United States which is the cash generating unit (CGU) for the purpose of impairment testing. The recoverable amount of the CGU was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates do not exceed the long-term average growth rates for the industry.

The result of the impairment assessment is that the carrying value exceeded the fair value less costs to sell by an amount of $3.2m. As such, the goodwill has been partially impaired for the year ended 31 January 2019.

Significant assumptions used for the purposes of the value-in-use calculation include:

United States
Post-tax discount rate - 10.50%
EBITDA growth rate - 10%
Terminal growth - 2%

15 Intangible Assets

(c) Impairment testing for goodwill

Impact of possible changes in key assumptions

The directors have made judgements and estimates to assess goodwill for impairment. Should these judgements and estimates not occur the resulting carrying amount may decrease.

The sensitivities that have been separately modelled are as follows:

(a) a 3.25% increase in the post-tax discount rate
(b) EBITDA growth rate reduced to 5%

The carrying amount of the goodwill is sensitive to assumptions used in the impairment test calculations including the post-tax discount rate and sales growth rate. A 3.25% increase in the post-tax discount rate would result in an additional impairment of $2,320 thousand against the carrying amount of the goodwill. A reduction of the EBITDA growth rate to 5% would not result in a further impairment as goodwill would be fully impaired from the increase of the post-tax discount rate.

(d) Impairment testing for indefinite-lived brand intangibles

Brand intangible assets represent brands owned by the Group, that arose on historical acquisitions including Pleasure State, Davenport and Lovable. The intangible assets increased in the current period as result of the business combinations with Naked Brand Group Inc. See note 8 for further information.

The brand intangible assets of $10,205,000 (2018: $12,463,000, 2017: $12,036,000) are tested for impairment annually.

Impairment assumptions

Management has determined the recoverable amount of the indefinite-lived brand assets by assessing the fair value less cost of disposal (FVLCOD) of the underlying assets. The relief from royalty method adopted to complete the valuation determines, in lieu of ownership, the cost that would be required to obtain comparable rights to use the asset via a third-party licence arrangement. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates shown below. These growth rates do not exceed the long-term average growth rates for the industry. The result of the impairment assessment is that the carrying value has exceeded the fair value less costs to sell by $3.9m. As such, the indefinite-lived brand assets has been partially impaired for the year ended 31 January 2019.

15 Intangible Assets

(d) Impairment testing for indefinite-lived brand intangibles

Management's approach and the key assumptions used to determine the FVLCOD were as follows:
Sales growth: 2.5% (31 January 2018: 5%)
Royalty rate: 5.0% (31 January 2018: 6.6%)
Cash flow - revenue forecast period: 5 years (31 January 2018: 5 years)
Post-tax discount rate (%) for US brands: 10.5% (31 January 2018: 0%)
Post-tax discount rate (%) for NZ brands: 11.75% (31 January 2018: 11.4%)
Long term sales growth rate (%): 2% (31 January 2018: 2%)

Impact of possible changes in key assumptions

The directors have made judgements and estimates to assess indefinite-lived assets for impairment. Should these judgements and estimates not occur the resulting carrying amount may decrease.

The sensitivities that have been separately modelled are as follows:

(a) a 2.1% increase in the post-tax discount rate

(b) sales growth rate reduced to 0%

The carrying amounts of the indefinite-lived brand intangible assets are sensitive to assumptions used in the impairment test calculations including the post-tax discount rate and sales growth rate. A 2.1% increase in the post-tax discount rate would result in an additional impairment of $951 thousand (31 January 2018: an increase of 1.5% would result an impairment of $929 thousand) against the carrying amount of the indefinite-lived brand intangibles. A reduction of the sales growth rate to 0% would result in an additional impairment of $1,554 thousand (31 January 2018: a reduction to 2% would result an impairment of $611 thousand) against the carrying amount of the indefinite-lived brand intangible assets.

In order to mitigate exchange rate movements and to manage the inventory costing process, the Group has entered into forward currency contracts to purchase US dollars.

16 Derivative Financial Instruments

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Current liabilities			
Foreign exchange contracts	**1,484**	2,087	4,188

17 Derivative on Convertible Notes

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Derivative on Convertible Notes	-	1,110	4,112

The Group has an embedded derivative feature in convertible notes due to foreign currency. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Fair value of the derivative is determined on inception using the Black-Scholes model. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted in profit or loss.

The fair value of the separable embedded derivative in the convertible notes has been determined using Black-Scholes model. Measurement inputs include share price on measurement date, expected term of the instrument, risk free rate (based on government bonds), expected volatility (based on weighted average historic volatility) and expected dividend rate.

18 Trade and Other Payables

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
CURRENT			
Trade payables	**23,580**	21,143	19,221
Accruals	**10,150**	9,568	7,503
Employee benefit liabilities	**1,815**	1,805	1,842
	35,545	32,516	28,566

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days however some the trade creditors are out of term as at 31 January 2019 and subsequent to the end of the financial period the Group has reduced the out of term trade creditors but further work is required to bring all of the creditors in term. The carrying amounts are considered to be a reasonable approximation of fair value.

19 Borrowings

	Note	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
CURRENT				
Secured liabilities:				
Shareholder loans		**-**	10,951	8,200
Bank loans		**20,000**	16,000	16,000
Debt issuance costs in relation to bank loan		**(270)**	(218)	(656)
Working capital financing bank facility		**-**	22,489	31,710
Convertible notes		**-**	1,740	13,744
Other loan		**1,237**	1,159	-
		20,967	52,121	68,998

The fair value of borrowings is not considered to be materially different to their carrying amounts.

(a) Assets pledged as collateral:

Borrowings are collateralized by a fixed and floating charge over the assets of the consolidated entity. The lease liabilities are effectively secured as the rights to the leased assets, recognised in the balance sheet, revert to the lessor in the event of default.

(b) Bank overdrafts and bank loans

On 27 June 2016, all banking facilities were repaid and a new banking arrangement with BNZ commenced. BNZ has a first ranking charge over all assets of the Bendon Limited group.

The term loan facility of NZD$16,000,000 was repaid on 27 June 2018. The current interest rate on this loan was 5.55% as at 31 January 2018 (31 January 2017: 4.84%, 2016: 4.77%) per annum.

On 13 June 2018, the Group entered into a Deed of Amendment with BNZ to reduce the facility to NZD$20,000,000 (31 January 2018: NZD$38,489,428). In addition the new facility takes over guarantees and financial instruments totalling NZD$1,345,000.

19 Borrowings

(b) Bank overdrafts and bank loans

The term loan facility of NZD$20,000,000 was repayable on 14 June 2019. The current interest rate on this loan is 5.57% (31 January 2018: 5.55%) per annum. There has been a breach of covenant during the period.

Bank of New Zealand has the first ranking charge over all assets of Naked Brand Group Limited. Under the terms of the major borrowing facility, the facility is subject to four undertakings being: Interest cover ratio of three times that is first tested as at 30 April 2019; gross EBITDA ratio measured to 3 months to September 2018 had to be greater than $0, six months to 30 December 2018 is greater than $3 million; inventory and receivables ratio must be greater than 2 times being first measured as at 30 September 2018; and the actual sales and gross margin must not vary by more than 10% from the budget submitted to the Bank.

(c) Shareholder loan - related party

On 19 June 2018, Naked Brand Group Limited issued additional 24,221 Naked shares to the shareholders as part of an agreement to convert a portion of the outstanding liability (Debt) to equity. The amount of debt converted on this date amounted to a fair value of $12,244,208. After this conversion, the shareholder loan is fully converted to equity and the outstanding balance as at 31 January 2019 is nil (31 January 2018: $10,951,295).

The interest rate on the shareholder loans up to the date of conversion was 30% (31 January 2018: 30%) and was increased at the end of 2014, and was capitalised quarterly. Total interest capitalised during the year ended 31 January is $1.062 million (year ended 31 January 2018: $2.807 million, 7 months to 31 January 2017 is $3.040 million).

(d) Convertible notes

On 19th June 2018, the holders of USD$2.8m (NZ$4.2m) of convertible notes converted to 16,408 Bendon ordinary shares. The holder of US$1.0m (NZ$1.42m) of convertible notes elected for their convertible note to be repaid at a future date as agreed. The amount owing has been classified as a current borrowing and amounted to $1.159 million as at 31 January 2019.

(e) Loan covenants

As at 31 January 2019, there was a breach of the minimum Gross EBITDA ratio and a breach of the Inventory and Receivables ratio. The Bank has advised that they are currently taking these Breaches under review.

(f) Other loan

The other loan is convertible note which the note holder elected not to convert. This loan is payable at a future date to be agreed.

20 Provisions

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
CURRENT			
Lease contributions	**179**	412	480
Onerous contracts	**-**	264	377
Make good	**742**	430	671
	921	1,106	1,528

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
NON-CURRENT			
Lease contributions	**906**	910	702
Onerous contracts	**-**	-	176
Make good	**1,466**	1,801	1,371
	2,372	2,711	2,249

	Lease contributions NZ$000's	Onerous contracts NZ$000's	Make good NZ$000's	Total NZ$000's
Opening balance at 1 February 2018	1,322	264	2,231	3,817
Additional provisions recognised	337	-	717	1,054
Unused amounts reversed	-	-	(600)	(600)
Unwinding of discounts	-	-	(84)	(84)
Amounts used during the period	(510)	(264)	-	(774)
Exchange differences	(64)	-	(56)	(120)
Balance at 31 January 2019	1,085	-	2,208	3,293

20 Provisions

	Lease contributions NZ$000's	Onerous contracts NZ$000's	Make good NZ$000's	Total NZ$000's
Opening balance at 1 February 2017	1,182	553	2,042	3,777
Additional provisions recognised	635	-	595	1,230
Unused amounts reversed	-	-	(658)	(658)
Unwinding of discounts	-	-	271	271
Amounts used during the period	(547)	(289)	(77)	(913)
Exchange differences	52	-	58	110
Balance at 31 January 2018	1,322	264	2,231	3,817
Opening balance at 1 July 2016	1,318	275	1,817	3,410
Additional provisions recognised	145	508	353	1,006
Unused amounts reversed	-	-	(112)	(112)
Unwinding of discounts	-	-	(9)	(9)
Amounts used during the period	(269)	(230)	-	(499)
Exchange differences	(12)	-	(7)	(19)
Balance at 31 January 2017	1,182	553	2,042	3,777

Onerous contracts

The onerous provision relates to a head office lease for which the space is not fully utilised. The provision is calculated using a pre-tax discount rate of 10.25% (2018: 11.4%, 2017: 11.4%). The balance of this provision at 31 January 2019 is $nil.

Make good

In accordance with certain lease agreements, the Group must refurbish and restore the lease premises to a condition agreed with the landlord at the end of the lease term or as prescribed. The provision has been calculated using a pre-tax discount rate of 2% (2018: 2%, 2017: 2%), and other market assumptions and re-assessed annually.

During the 2019 financial year an additional $595 thousand was recognised in relation to new retail leases in New Zealand and Australia.

21 Share Capital

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
29,640,965 (2018: 306,028, 2017: 274,839) Ordinary shares	**134,183**	68,727	27,948

(a) Ordinary shares

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 months Ended 31 January 2017 NZ$000's
At the beginning of the reporting period	**68,727**	27,948	3,108
Issuance of new shares			
- Cash collected	**23,248**	22,990	24,840
- Settle shareholder loan	**12,242**	-	-
- Shares issued in lieu of consultancy fee	**692**	-	-
- Shares issued in lieu of inventory payment	**4,047**	-	-
Convertible note maturity	**4,159**	17,789	-
Business combination with Naked Brand Group Inc.	**14,196**	-	-
Asset acquisition of FOH Online Inc.	**6,872**	-	-
At the end of the reporting period	**134,183**	68,727	27,948

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Group. On a show of hands at meetings of the Group, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Group does not have authorised capital or par value in respect of its shares.

21 Share Capital

	For the Year Ended 31 January 2019 Number	For the Year Ended 31 January 2018 Number	For the 7 months Ended 31 January 2017 Number
Naked Brand Group Limited shares issued on close of the merger between Bendon Limited and Naked Brand Group Inc.			
- Bendon shareholders	**20,889,940**	274,839	250,000
- Naked shareholders	**2,068,438**	-	-
Shares issued during the period	**6,682,587**	10,180	24,839
At the end of the period	**29,640,965**	285,019	274,839

The number of shares for the year ended 31 January 2018 and 31 January 2017 relate to the pre-merger entity Bendon Limited.

(b) Other equity

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Value of conversion rights - convertible notes	**4,159**	17,789	-

The amount shown for other equity is the value of the conversion rights relating to the 15% convertible notes, details of which are shown in note 19(d).

(c) Capital Management

The key objectives of the Group when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. The Group defines capital as its equity and net debt.

21 Share Capital

(c) Capital Management

There has been no change to capital risk management policies during the year.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high return on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders or sell assets to reduce debt. The Group is not subject to any externally imposed capital requirements.

The gearing ratio for the years ended 31 January 2019, 31 January 2018 and 31 January 2017 are as follows:

	Note	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Total borrowings	19	**22,016**	52,121	68,998
Less Cash and cash equivalents	11	**(1,962)**	(10,739)	(2,644)
Net debt		**20,054**	41,382	66,354
Equity		**10,800**	(5,710)	(9,044)
Total capital		**30,854**	35,672	57,310
Gearing ratio		**65%**	116%	116%

22 Reserves

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Foreign currency translation reserve			
Opening balance	**(2,006)**	(2,154)	(2,125)
Transfers in	**(7)**	148	(29)
Balance at the end of the year	**(2,013)**	(2,006)	(2,154)

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

23 Loss per Share

(a) Basic and diluted loss per share

	For the Year Ended 31 January 2019 NZ$	For the Year Ended 31 January 2018 NZ$	For the 7 months Ended 31 January 2017 NZ$	For the Year Ended 30 June 2016 NZ$
From continuing operations attributable to the ordinary equity holders of the Group	**(2.01)**	(1.79)	(0.82)	(1.13)
Total basic and diluted loss per share attributable to the ordinary equity holders of the Group	**(2.01)**	(1.79)	(0.82)	(1.13)

All convertible notes issued during the period are not included in the calculation of diluted loss per share because they are antidilutive in nature for the period ended 31 January 2018. These notes could potentially dilute earnings/loss per share in the future.

(b) Reconciliation of loss used in calculating loss per share

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Basic and diluted loss per share				
Profit/(loss) attributable to the ordinary equity holders of the Group used in calculating basic earnings per share:	**(48,946)**	(37,445)	(16,008)	(20,715)

23 Loss per Share

(c) Weighted average number of shares used as the denominator

	31 January 2019 Number	31 January 2018 Number	31 January 2017 Number	30 June 2016 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**24,379,019**	20,915,036	19,404,681	18,345,000

* A stock reorganization occurred on the 19th June 2018 upon completion of the merger between Naked Brands Inc. and Bendon Limited. As a result, the calculation of basic and diluted earnings per share for 2018, 2017 and 2016 has been adjusted retrospectively. Number of ordinary shares outstanding has been adjusted to reflect the proportionate change in the number of shares following this consolidation.

(d) Information concerning the classification of securities

Convertible notes

At 31 January 2019, the Group had no convertible notes.

24 Accumulated Losses

	Year Ended 31 January 2019 NZ$000's	Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's
Accumulated losses at the beginning of the financial year	**(72,431)**	(34,838)	(18,859)
Loss for the year	**(49,220)**	(37,593)	(15,989)
Accumulated losses at end of the financial year	**(121,651)**	(72,431)	(34,848)

25 Capital and Leasing Commitments

(a) Operating Leases

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Minimum lease payments under non-cancellable operating leases:			
- not later than one year	**8,533**	9,618	9,472
- between one year and five years	**18,039**	14,943	14,435
- later than five years	**1,485**	528	59
	28,057	25,089	23,966

Operating leases are in place for leased premises and vehicles, and normally have a term between 1 and 11 years. Lease payments are increased on an annual basis to reflect market rentals.

(b) Contracted Commitments

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Licence contract			
- not later than one year	**4,286**	3,797	3,652
- between one year and five years	**8,696**	12,009	15,917
	12,982	15,806	19,569

The Group has an exclusive licence to use the trademark and name Heidi Klum in the manufacture, promotion, sale and distribution of product. The contract was executed on 26 September 2014 and commenced on 1 January 2015. The contract has a 7 year term with no rights to renew. Licence royalties are calculated based on net sales, and the minimum guarantee payments payable by the Group are set out above.

26 Lessor Commitments

The Group sub leases its US and Australian premises under a commercial lease. These non-cancellable leases have terms between 1 and 6 years. All leases include an option for the Group to increase rent to current market rental on an annual basis.

The future minimum lease payments under non-cancellable leases are:

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
- no later than 1 year	**441**	166	503
- between 1 year and 5 years	**493**	-	1,076
- greater than 5 years	**-**	-	-
Total minimum lease payments	**934**	166	1,579

27 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instruments used by the Group are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Floating rate bank loans
- Forward currency contracts
- Shareholders loan

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors.

27 Financial Risk Management

Objectives, policies and processes

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated balance sheets due to the effect of discounting.

27 Financial Risk Management

The Group's liabilities have contractual maturities which are summarised below:

	Non-derivatives Borrowings NZ$000's	Non-derivatives Trade payables NZ$000's	Non-derivatives Total NZ$000's	Derivatives Gross future cash settlement on forward currency contracts - inflow NZ$000's	Derivatives Gross future cash settlement on forward currency contracts - (outflow) NZ$000's	Derivatives Total NZ$000's
Not later than 1 month						
31 January 2019	**1,329**	**23,580**	**24,908**	**18,325**	**(19,212)**	**(887)**
31 January 2018	26,482	21,143	47,625	13,577	(13,950)	(373)
31 January 2017	56,333	19,221	75,554	2,078	(2,250)	(172)
1 to 3 months						
31 January 2019	**184**	**-**	**184**	**9,610**	**(10,061)**	**(451)**
31 January 2018	148	-	148	13,837	(14,453)	(616)
31 January 2017	129	-	129	9,900	(11,326)	(1,426)
3 months to 1 year						
31 January 2019	**20,184**	**-**	**20,184**	**4,976**	**(5,121)**	**(145)**
31 January 2018	27,247	-	27,247	20,895	(21,993)	(1,098)
31 January 2017	18,631	-	18,631	37,855	(40,445)	(2,590)
1 to 5 years						
31 January 2019	**-**	**-**	**-**	**-**	**-**	**-**
31 January 2018	-	-	-	-	-	-
31 January 2017	323	-	323	-	-	-

27 Financial Risk Management

	Non-derivatives Borrowings NZ$000's	Non-derivatives Trade payables NZ$000's	Non-derivatives Total NZ$000's	Derivatives Gross future cash settlement on forward currency contracts - inflow NZ$000's	Derivatives Gross future cash settlement on forward currency contracts - (outflow) NZ$000's	Derivatives Total NZ$000's
Total						
31 January 2019	**21,697**	**23,580**	**45,277**	**32,912**	**(34,395)**	**(1,483)**
31 January 2018	53,877	21,143	75,020	48,309	(50,396)	(2,087)
31 January 2017	75,416	19,221	94,637	49,833	(54,021)	(4,188)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

Trade receivables and contract assets

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

27 Financial Risk Management

Credit risk

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

On a geographical basis, the Group has significant credit risk exposures in New Zealand, Australia, United States and United Kingdom given the substantial operations in those regions.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings if available or historical information about counterparty default rate.

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Trade receivables			
Counterparty without external credit ratings			
New customer less than 6 months	**42**	12	187
Existing customers (more than 6 months with default in past)	**7,747**	9,970	26,312
Total	**7,789**	9,982	26,499

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Credit ratings			
AA-	**1,915**	10,591	2,655
A+	**-**	94	(11)
Total	**1,915**	10,685	2,644

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

27 Financial Risk Management

Credit risk

On a geographical basis, the Group has significant credit risk exposures in New Zealand and Australia, United States and United Kingdom given the substantial operations in those regions.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the functional currency of the Group.

Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in currencies other than the functional currency, in particular USD.

27 Financial Risk Management

Foreign currency denominated financial assets and liabilities, translated into New Zealand Dollars at the closing rate, are as follows:

	AUD NZ$000's	USD NZ$000's	GBP NZ$000's	EUR NZ$000's	HKD NZ$000's	Total NZ$000's
31 January 2019						
Nominal amounts						
Trade receivables	**51**	**42**	**-**	**285**	**-**	**378**
Trade payables	**1**	**9,035**	**8**	**61**	**7**	**9,112**
Cash and cash equivalents	**623**	**149**	**38**	**8**	**11**	**829**
31 January 2018						
Nominal amounts						
Trade receivables	328	199	-	1,376	-	1,903
Trade payables	781	11,209	74	29	53	12,146
Cash and cash equivalents	1,660	7,190	77	92	165	9,184
31 January 2017						
Trade receivables	424	211	-	1,509	-	2,144
Trade payables	315	8,557	131	32	16	9,051
Cash and cash equivalents	926	401	131	388	28	1,874

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and financial liabilities and the US dollar - New Zealand Dollar, Australian Dollar - New Zealand Dollar, GB Pound - New Zealand Dollar, Euro - New Zealand Dollar, and Hong Kong Dollar - New Zealand Dollar exchange rates. There have been no changes in the assumptions calculating this sensitivity from prior years.

It assumes a 10% change of the New Zealand Dollar / Australian Dollar exchange rate for the year ended 31 January 2019 (31 January 2018: 10%, 31 January 2017: 10%). A 10% change is considered for the New Zealand Dollar / US Dollar exchange rate (31 January 2018: 10%, 31 January 2017: 10%). A 10% change is considered for the New Zealand Dollar / GB Pound exchange rate (31 January 2018: 10%, 31 January 2017: 10%). A 10% change is considered for the New Zealand Dollar / Euro exchange rate (31 January 2018: 10%, 31 January 2017: 10%). All of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

The year end rate is 0.9513 AUD, 0.6903 USD, 0.5265 GBP, 0.6008 EUR and 5.4138 HKD.

The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

27 Financial Risk Management

If the New Zealand Dollar had strengthened and weakened against the Australian Dollar, US Dollar, GB Pound, Euro and HK Dollar by 10% (31 January 2018: 10%, 31 January 2017: 10%) and 10% (31 January 2018: 10%, 31 January 2017: 10%) respectively then this would have had the following impact:

	NZ$000's	
	+10%	**-10%**
USD		
Net results/Equity (31 January 2019)	**(954)**	**954**
Net results/Equity (31 January 2018)	(1,509)	1,509
Net results/Equity (31 January 2017)	(1,196)	1,196
AUD		
Net results/Equity (31 January 2019)	**(5)**	**5**
Net results/Equity (31 January 2018)	(805)	805
Net results/Equity (31 January 2017)	86	(86)
GBP		
Net results/Equity (31 January 2019)	**(1)**	**1**
Net results/Equity (31 January 2018)	(175)	175
Net results/Equity (31 January 2017)	34	(34)
EUR		
Net results/Equity (31 January 2019)	**(32)**	**32**
Net results/Equity (31 January 2018)	(136)	136
Net results/Equity (31 January 2017)	186	(186)
HKD		
Net results/Equity (31 January 2019)	**(1)**	**1**
Net results/Equity (31 January 2018)	(14)	14
Net results/Equity (31 January 2017)	1	(1)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

Forward exchange contracts

The Group has open forward exchange contracts at the end of the reporting period relating to highly probable forecast transactions and recognised financial assets and financial liabilities. These contracts commit the Group to buy specified amounts of foreign currencies in the future at specified exchange rates. The Group has a policy of requiring that forward exchange contracts be entered into where future commitments are entered into requiring settlement at a time in excess of 1 month but less than 1 year, to a value of approximately 75% total foreign exchange exposure. Contracts are taken out with terms that reflect the underlying settlement terms of the commitment to the maximum extent possible so that hedge ineffectiveness is minimised.

27 Financial Risk Management

The following table summarises the notional amount of the Group's commitments in relation to forward exchange contracts.

	Notional Amounts			Average Exchange Rate		
	31 January 2019 NZ$000's	**31 January 2018 NZ$000's**	**31 January 2017 NZ$000's**	**31 January 2019 $**	**31 January 2018 $**	**31 January 2017 $**
Buy USD / sell NZD						
Settlement						
Less than 6 months	**34,395**	48,149	47,292	**0.6620**	0.7061	0.6687
6 months to 1 year	**-**	-	3,479	**-**	-	0.7186
	NZ$000's	**NZ$000's**	**NZ$000's**	**$**	**$**	**$**
Buy AUD / sell NZD						
Settlement						
Less than 6 months	**-**	2,247	2,250	**-**	0.8900	0.8890
	NZ$000's	**NZ$000's**	**NZ$000's**	**$**	**$**	**$**
Buy GBP / sell NZD						
Settlement						
Less than 6 months	**-**	-	1,000	**-**	-	0.5784

27 Financial Risk Management

(ii) Interest rate risk

The Group is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Group is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

	31 January 2018 NZ$000's	31 January 2017 NZ$000's	31 January 2017 NZ$000's
Floating rate instruments			
Bank overdrafts	**-**	-	-
Working capital financing bank facility	**-**	22,489	31,710
Convertible notes	**78**	1,740	16,474
Borrowings	**20,000**	16,000	16,000
	20,078	40,229	64,184

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00%/-1.00% (2018: +1.00%/-1.00%, 2017: +1.00%/-1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	NZ$000's	
	1.00% NZ$000's	**-1.00% NZ$000's**
Net results/Equity (31 January 2019)	**200**	**(200)**
Net results/Equity (31 January 2018)	402	(402)
Net results/Equity (31 January 2017)	642	(642)

28 Tax assets and liabilities

	Opening Balance NZ$000's	Charged to Income NZ$000's	Charged directly to Equity NZ$000's	Changes in Tax Rate NZ$000's	Exchange Differences NZ$000's	Closing Balance NZ$000's
Deferred tax assets/(liabilities)						
Carried forward tax losses	**630**	**692**	**-**	**-**	**-**	**1,322**
Intangible assets	**(630)**	**-**	**-**	**-**	**-**	**(630)**
Balance at 31 January 2019	**-**	**692**	**-**	**-**	**-**	**692**
Carried forward tax losses	630	**-**	**-**	**-**	**-**	630
Intangible assets	(630)	**-**	**-**	**-**	**-**	(630)
Balance at 31 January 2018	**-**	**-**	**-**	**-**	**-**	**-**
Carried forward tax losses	630	-	-	-	-	630
Intangible assets	(630)	-	-	-	-	(630)
Balance at 31 January 2017	-	-	-	-	-	-

29 Dividends

No final dividend will be paid in respect of the period ended 31 January 2019 (31 January 2018: Nil, 31 January 2017).

Franking account

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Australian franking credits available for subsequent financial years at a tax rate of 30%	**3,995**	3,995	3,757
New Zealand imputation credits available for subsequent financial years at a tax rate of 28%	**236**	236	235

The above amounts are based on the dividend franking account at period-end adjusted for:

(a) Franking credits that will arise from the payment of the current tax liabilities;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the period end;

(c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the period.

30 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the period is shown below:

	For the Year Ended 31 January 2019 NZ$000's	For the Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	For the Year Ended 30 June 2016 NZ$000's
Short-term employee benefits	**2,056**	1,743	1,492	1,752
	2,056	1,743	1,492	1,752

31 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 31 January 2019	Percentage Owned (%)* 31 January 2018	Percentage Owned (%)* 31 January 2017
Subsidiaries:				
Bendon Retail Limited	New Zealand	100	100	100
Bendon Holdings Limited	New Zealand	100	100	100
Bendon Holdings Pty Limited	Australia	100	100	100
Bendon Pty Limited	Australia	100	100	100
Bendon Intimates Pty Limited	Australia	100	100	100
PS Holdings No. 1 Pty Limited	Australia	100	100	100
Pleasure State Pty Limited	Australia	100	100	100
Pleasure State (HK) Limited	Hong Kong	100	100	100
Bendon UK Limited	United Kingdom	100	100	100
Bendon USA Inc	United States of America	100	100	100
Bendon Limited**	New Zealand	100	-	-
Naked Brand Inc.	United States of America	100	-	-
FOH Online Corp Inc.	United States of America	100	-	-

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

** Bendon Limited was the parent entity in the periods ended 31 January 2018 and 31 January 2017.

32 Fair Value Measurement

The Group measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets - derivative financial instruments
- Financial liabilities - derivative financial instruments

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

32 Fair Value Measurement

The table below shows the assigned level for each asset and liability held at fair value by the Group:

	Level 1 NZ$000's	Level 2 NZ$000's	Level 3 NZ$000's	Total NZ$000's
31 January 2019				
Recurring fair value measurements				
Financial assets				
Foreign exchange contracts	**-**	**-**	**-**	**-**
Financial liabilities				
Foreign exchange contracts	**-**	**1,484**	**-**	**1,484**
Derivative on Convertible Notes	**-**	**-**	**-**	**-**

	Level 1 NZ$000's	Level 2 NZ$000's	Level 3 NZ$000's	Total NZ$000's
31 January 2018				
Recurring fair value measurements				
Financial assets				
Foreign exchange contracts	-	-	-	-
Financial liabilities				
Foreign exchange contracts	-	2,087	-	2,087
Derivative on Convertible Notes	-	-	1,110	1,110

32 Fair Value Measurement

	Level 1 NZ$000's	Level 2 NZ$000's	Level 3 NZ$000's	Total NZ$000's
31 January 2017				
Recurring fair value measurements				
Financial assets				
Foreign exchange contracts	-	-	-	-
Financial liabilities				
Foreign exchange contracts	-	4,188	-	4,188
Derivative on Convertible Notes	-	-	4,112	4,112

There were no transfers between levels during the financial periods.

The carrying amount of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. Bank loans approximate fair value of the carrying amount on the basis of the variable nature of the interest rates associated with the loans.

Valuation techniques for fair value measurements categorised within level 2

The fair value of derivative financial instruments is determined using valuation techniques which maximise the use of observable market data where it is available and relies as little as possible on entity specific estimates.

32 Fair Value Measurement

Valuation techniques for fair value measurements categorised within level 3

The fair value of the derivative on convertible notes has been determined using a Black-Scholes model. Measurement inputs include share price on measurement date, expected term of the instrument, risk free rate, expected volatility and expected dividend rate. The Group used valuations specialists to perform these valuations.

Fair value measurements using significant unobservable movements (level 3)

The following table presents the changes in level 3 instruments for the year ended 31 January 2019.

	Convertible note liability NZ$000's
Balance at 31 January 2018	**1,110**
Conversion	**(1,110)**
Balance at 31 January 2019	**-**

33 Contingencies

Contingent Liabilities

The Group had the following contingent liabilities at the end of the reporting period:

	31 January 2019 NZ$000's	31 January 2018 NZ$000's	31 January 2017 NZ$000's
Rent guarantees to certain landlords	**419**	419	571
Standby letter of credit to JP Morgan Chase Bank	**291**	291	286
Guarantee provided to UK Customs Department	**304**	329	282
Guarantee provided to ANZ for Merchant Service	**172**	172	-

A shareholder has lodged a court Action against the Group claiming they did not receive the correct number of shares in the Group on completion of the merger between Naked Inc. and Bendon Limited on 19 June 2018. The Group has sought to have this claim dismissed by the Court on the basis that the Group had no contract with the shareholder and that the shareholder did not have a possessory right over a certain number of shares in the Group.

34 Related Parties

(a) The Group's main related parties are entities owned/controlled by shareholders:

34 Related Parties

(b) Loans (to)/from related parties

	Opening balance NZ$	Closing balance NZ$
Loans to related parties		
Cullen Investments Limited - 31 January 2019	**11,535,622**	**-**
Cullen Investments Limited - 31 January 2018	13,051,321	11,535,677
Cullen Investments Limited - 31 January 2017	9,613,014	13,051,321
Whitespace Atelier Limited - 31 January 2019	**272,665**	**281,714**
Whitespace Atelier Limited - 31 January 2018	**-**	272,665
FOH Online Inc. - 31 January 2019	**3,518,009**	-
FOH Online Inc. - 31 January 2018	**-**	3,518,009
Loans from related parties		
SBL Holdings - 31 January 2019	-	**(1,448,646)**
Naked Inc. - 31 January 2019	**(1,368,577)**	-
Naked Inc. - 31 January 2018	-	(1,368,577)
EJ Watson – 31 January 2019	-	**(2,289,212)**

34 Related Parties

(b) Loans (to)/from related parties

On 15th November 2018, the Group entered into a Stock Purchase Agreement with the shareholders of FOH Online Corp (FOH), which included Cullen Investments Limited (Cullen), that the Group will purchase all of the issued and outstanding shares of FOH. Under the terms of the Agreement, the amount owed by Cullen was fully forgiven by the Group (31 January 2018: $11,535,677).

Whitespace Atelier Limited ("Whitespace") is owned by a shareholder of the Naked Brand Group Limited. Beginning 1 Feb 2017, Whitespace is engaged by the Group to procure stock from various suppliers at competitive prices. During the year ended 31 January 2019, purchases amounting to $12,720,499 (31 January 2018: $13,281,727) have been made from Whitespace. As at 31 January 2018, the Group has made prepayments to Whitespace amounting to $281,714 (31 January 2018: $272,665).

Subsequent to the merger with Naked Brand Group Inc. on 19th June 2018, Naked Brand Group Inc. became part of the Group as at 31 January 2019. The balances between the subsidiaries are eliminated in the Group Balance Sheet (31 January 2018: $1,368,557).

Subsequent to the transaction with FOH Online Inc. on 15th November 2018, FOH Online Inc. became part of the Group as at 31 January 2019. The balances between the subsidiaries are eliminated in the Group Balance Sheet (31 January 2018: $3,518,009).

During the period, a shareholder SBL Holdings Limited loaned the business funds to be utilised as working capital in the business.

During the period, and subsequent to the transaction with FOH Online Inc, the balance of the loan outstanding from EJ Watson as at 31 January 2019 was $2,289,212, which includes interest accrued for the period of $81,866 (31 January 2018: Nil)

35 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	Year Ended 31 January 2019 NZ$000's	Year Ended 31 January 2018 NZ$000's	For the 7 Months Ended 31 January 2017 NZ$000's	Year Ended 30 June 2016 NZ$000's
Loss for the year	**(49,220)**	(37,593)	(15,979)	(20,746)
Cash flows excluded from profit attributable to operating activities				
- interest paid on borrowings	**3,400**	8,792	6,238	10,182
Non-cash flows in profit:				
- depreciation and amortisation expense	**2,382**	3,030	1,842	3,516
- impairment expense	**8,173**	1,914	292	2,157
- fair value gain/(loss) on Convertible Notes derivative	**775**	(2,393)	592	-
Changes in assets and liabilities:				
- (increase)/decrease in trade and other receivables	**14,267**	14,925	(4,748)	(6,518)
- (increase)/decrease in current tax receivables	**(355)**	52	35	(88)
- (increase)/decrease in derivative assets	**-**	-	-	2,289
- (increase)/decrease in inventories	**13,350**	6,638	(179)	8,088
- (increase)/decrease in deferred tax asset/(liability)	**(692)**	-	-	5,589
- (increase)/decrease in related party receivables	**6,531**	(906)	(3,438)	(5,603)
- increase/(decrease) in trade and other payables	**(5,681)**	6,956	2,078	(11,113)
- increase/(decrease) in income taxes payable	**226**	152	635	(483)
- increase/(decrease) in provisions	**(522)**	39	367	311
- increase/(decrease) in foreign currency derivative liability	**(1,712)**	(5,104)	(1,343)	5,530
- net exchange differences	**(355)**	(618)	90	1,849
Cashflows from operations	**(9,434)**	(4,116)	(13,518)	(5,040)

36 Events occurring after the reporting date

On the 27th March 2019, the Group closed on the following share issuances.

(1) NZ$6.60 million/US$4.50 million related to the issue of 11,248,415 Ordinary Shares to trade creditors in satisfaction of trade payables due to them, at an effective per share price of US$0.40.

(2) NZ$1.25 million/US$0.85 million related to the issue of 2,119,178 Ordinary Shares to the holder of one of the outstanding promissory notes in the amount of $847,671 at US$0.40 per share.

(3) NZ$1.69 million/US$1.15 million related to the issue of 4,510,588 to investors in a private placement at a share price of US$0.255.

(4) NZ$4.05 million/US$2.75 million relating to certain accredited investors. 10,784,313 shares were agreed at a per share price of US$0.255, except that, to the extent an investor would beneficially own more than 9.9% of our outstanding Ordinary Shares after the closing, we agreed to issue the investor March 2019 Pre-Funded Warrants in lieu of such shares. Each investor also received a March 2019 Investment Warrant to purchase 100% of the number of Ordinary Shares for which it had agreed to subscribe. As a result, we issued 3,914,846 Ordinary Shares, March 2019 Pre-Funded Warrants to purchase 6,869,467 Ordinary Shares and March 2019 Investment Warrants to purchase 10,784,313 Ordinary Shares to the investor at the closing.

On the 13th May 2019, the Group completed a private placement of a secured convertible promissory note for a purchase price of NZ$4.35m/US$3m. The note accrues interest at 10% pa and matures on 13 November 2020.

On the 14th May 2019, the Group closed on NZ$2.17 million/US$1.5million share issuance of 6,000,000 shares to investors in a private placement at a share price of US$0.25.

On the 16th May 2019, the Group issued 635,585 ordinary shares in exchange for the cancellation of a NZ$0.3m/US$0.2m debt held by a shareholder.

EXECUTION VERSION

Dated 14 June 2018

DEED OF AMENDMENT AND RESTATEMENT AND ACCESSION

(relating to the Facility Agreement originally dated 27 June 2016 (as amended from time to time))

Initial Borrower
BENDON LIMITED

Initial Guarantors
THE PARTIES LISTED IN SCHEDULE 1

Acceding Guarantor and Acceding Security Provider
BENDON GROUP HOLDINGS LIMITED

Lender
BANK OF NEW ZEALAND

PARTIES

1. **BENDON LIMITED** (Company Number 110935) (the "**Initial Borrower**");
2. **THE PARTIES LISTED IN SCHEDULE 1** (the "**Initial Guarantors**");
3. **BENDON GROUP HOLDINGS LIMITED** (ACN 619 054 938) (the "**Acceding Guarantor**" and the "**Acceding Security Provider**"); and
4. **BANK OF NEW ZEALAND** (the "**Lender**").

BACKGROUND

A. The Initial Borrower, Initial Guarantors and the Lender are party to the Existing Agreement.

B. It is proposed that following the reorganisation of the Bendon group pursuant to the Merger Implementation Plan, Bendon Group Holdings Limited will be the sole shareholder of both the Borrower and Naked.

C. The parties have agreed to amend and restate the Existing Agreement as set out in this deed including provision for the accession of the Acceding Guarantor and the granting of security by the Acceding Security Provider

TERMS OF THIS DEED

1. INTERPRETATION

1.1 **Definitions**: Unless the context otherwise requires, in this deed:

"**Amended Agreement**" means the Existing Agreement as amended and restated on the Effective Date in accordance with this deed.

"**Company**" has the meaning given to it in the Composite GSD.

"**Composite GSD**" means the composite general security deed dated 27 June 2016 given by Bendon Limited, among other Initial Guarantors, in favour of the Lender (as secured party) (as amended from time to time).

"**Effective Date**" means the date notified by the Lender as the Effective Date in accordance with clause 2.

"**Existing Agreement**" means the Facility Agreement dated 26 June 2016 between the Parent (as parent), the Initial Guarantors (as guarantors) and the Lender (as lender) (as amended from time to time).

"**Merger**" means the merger between Naked Merger Sub (as defined in the Merger Implementation Plan) and Naked, as provided for in the Merger Implementation Plan.

"**Merger Implementation Plan**" means the merger implementation plan prepared by the Initial Borrower and sets out in sufficient detail the steps and payment flows (including timing) to implement the Merger, including (among other things):

(a) the funds flow demonstrating the repayment of the Amount Outstanding under the Existing Agreement in accordance with conditions precedent 6; and

(b) the conversion into equity the debt currently subordinated pursuant to the Deeds of Subordination (as defined in the Existing Agreement).

"**Naked**" means Naked Brand Group Inc.

1.2 **Definitions in Amended Agreement**: Terms capitalised but not defined in this deed have the meaning given to them in the Existing Agreement.

1.3 **Miscellaneous**: Except to the extent that the context requires otherwise, the interpretation provisions in clauses 1.2, 1.3 and 1.4 of the Amended Agreement shall apply to this deed.

2. EFFECTIVE DATE

The Effective Date shall be the date the Lender confirms to the Borrower that it has received, and found to be satisfactory to it in form and substance, the documents and evidence described in Schedule 2.

3. AMENDMENT AND RESTATEMENT

3.1 **Amendment and restatement**: With effect from the Effective Date, the Existing Agreement shall be amended and restated in the form set out in Schedule 3, so that the rights and obligations assumed by the parties shall, on and after the Effective Date, be governed by and construed in accordance with the Amended Agreement.

3.2 **References to Existing Agreement**: With effect from the Effective Date, all references in the Finance Documents (other than this deed) to the Existing Agreement will mean the Amended Agreement.

3.3 **Continuing Agreement**: Except to the extent amended by this deed, the Existing Agreement remains in full force and effect.

3.4 **Finance Document**: This deed is a Finance Document for the purposes of the Amended Agreement.

3.5 **Condition Subsequent**: It is a condition subsequent to the amendment and restatement of the Existing Agreement under this deed that:

(a) within 2 Business Days of the Effective Date, Naked (and each of its wholly owned subsidiaries, including Naked Inc) accedes to the Amended Agreement as a New Guarantor by fulfilling the requirements set out in clause 26.3 of the Amended Agreement; and

(b) within 30 days of the Effective Date, the GBP-denominated outstanding bank guarantee issued by The Hongkong and Shanghai Banking Corporation is terminated and replaced by a corresponding Instrument issued by the Lender.

(c) Failure to satisfy the condition specified in paragraphs (a) and (b) above within the stated timeframe shall constitute an immediate Event of Default.

4. ACCESSION OF ACCEDING GUARANTOR TO AMENDED AGREEMENT

4.1 The Acceding Guarantor has resolved to execute this deed for the purpose of becoming a Guarantor under the Amended Agreement pursuant to the provisions to that effect contained in clause 26.3 of the Amended Agreement.

4.2 The Acceding Guarantor declares, for the benefit of the Lender, that it is a Guarantor and will be deemed to be a party under the Amended Agreement, which shall apply to the Acceding Guarantor as a Guarantor and agrees to be bound by all the terms and conditions of the Amended Agreement as if it were a party to the Amended Agreement with the rights and obligations of a Guarantor under the Amended Agreement.

4.3 Each provision of the Amended Agreement relating to or affecting the Guarantors is deemed to be incorporated into this deed in the same manner and to the same extent as if set out in full and made applicable to the Acceding Guarantor. The Acceding Guarantor undertakes to the Lender to punctually comply with all the undertakings imposed on it under this Deed and agrees that it is bound by all the terms and conditions of the Amended Agreement as if it were an original party to the Amended Agreement with the rights, liabilities and obligations of a Guarantor under the Amended Agreement

4.4 Pursuant to section 14 of the Property Law Act 2007, it is declared that there shall be deemed to be incorporated in this deed all the covenants, powers, conditions and provisions of the Amended Agreement in the same manner and to the same extent as if the covenants, powers, conditions and provisions had been (with all necessary changes) set out in full in this deed and made applicable to the Acceding Guarantor, and the Acceding Guarantor accordingly covenants and agrees jointly and severally with all other Guarantors to duly perform and comply with and be bound by those covenants, powers, conditions and provisions.

4.5 The Acceding Guarantor represents that it has the power to enter into this deed and has taken all necessary action to enter into the transactions referred to in the deed and to execute this deed in order to make this deed binding on it.

5. ACCESSION OF ACCEDING SECURITY PROVIDER TO THE COMPOSITE GSD

5.1 For the purposes of this clause 5, capitalised terms not otherwise defined in this deed shall have the meaning given to that term in the Composite GSD.

5.2 The Acceding Security Provider has resolved to execute this deed for the purposes of becoming a Company under the Composite GSD pursuant to the provisions to that effect contained in clause 4 of the Composite GSD.

5.3 The Acceding Security Provider declares for the benefit of the Lender (in its capacity as Secured Party under the Composite GSD), that it is a Company and will be deemed to be a party under the Composite GSD which shall apply to the Acceding Security Provider as a Company.

5.4 To secure due payment of the Secured Indebtedness and performance of the Secured Obligations, the Acceding Security Provider grants to the Lender (in its capacity as Secured Party under the Composite GSD):

(a) a security interest in its Personal Property; and

(b) a fixed charge over its Other Property.

5.5 In respect of its accounts receivable, the security interest takes effect as a transfer of those accounts receivable.

5.6 These security interests will be treated for the purposes of the Composite GSD as having being created pursuant to clause 3 of the Composite GSD.

5.7 Each provision of the Composite GSD relating to or affecting the Companies or the security interests created under the Composite GSD is deemed to be incorporated in this deed in the same manner and to the same extent as if set out in full and made applicable to the Acceding Security Provider. The Acceding Security Provider undertakes to the Lender (in its capacity as Secured Party under the Composite GSD) to punctually comply with all the undertakings imposed on it under this deed or the Composite GSD.

5.8 The Acceding Security Provider irrevocably appoints the Lender, any Receiver, each nominee or the Lender (in its capacity as Secured Party) in whose name any Secured Property is held and each authorised officer or attorney of the Lender (in its capacity as Secured Party) severally to be its attorney (with full power to appoint substitutes and to sub-delegate) on its behalf and in its name or otherwise in the same terms as set out in clause 14 of the Composite GSD.

5.9 The Acceding Security Provider and the Lender agrees that:

(a) this deed is supplemental to the Composite GSD, in terms of section 14 of the Property Law Act 2007; and

(b) this deed constitutes a "Supplemental Deed" for the purposes of the Composite GSD.

6. REPRESENTATIONS AND WARRANTIES

6.1 **General**: each of the Initial Borrower, the Initial Guarantors and the Acceding Guarantors makes the representations in clause 21 of the Amended Agreement on the date of this deed, and shall be deemed to make those representations and warranties on the Effective Date, in each case by reference to the facts and circumstances existing as at that date.

6.2 **Current compliance**: each Obligor represents and warrants in relation to itself and each other Obligor that there is no subsisting breach by it or any other Obligor of any of their undertakings in any Finance Document.

7. CONTINUING LIABILITY

Notwithstanding any other provision of this deed, on and from the Effective Date the rights and liabilities of all parties shall be preserved in respect of any breach of the Existing Agreement which arose prior to the Effective Date (whether or not any party was aware of such breach prior to that Effective Date) and all corresponding indemnity or other rights and obligations in respect of any such breach are likewise preserved.

8. ACKNOWLEDGEMENT

8.1 Each of the Obligors acknowledges and agrees to the terms of this deed and confirms that its obligations under or in relation to the Amended Agreement howsoever arising remain in full force and effect.

8.2 The Lender consents to the steps set out in the Merger Implementation Plan, subject to the Effective Date occurring within 10 Business Days of the date of this deed.

9. GENERAL

9.1 **Arrangement Fee**: The Borrower will pay to the Lender, on 1 October 2018, an arrangement fee of 3.00 per cent of the Facility Limit. The Lender acknowledges that NZ$50,000 has been received in part payment of this fee.

9.2 **Costs**: Clause 19 of the Amended Agreement is incorporated into this deed as if set out in full and with any necessary consequential amendment and forms part of this deed.

9.3 **Governing Law**: This deed is governed by and must be construed in accordance with the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the Courts of New Zealand.

9.4 **Service**: Without prejudice to any other mode of service allowed under any relevant law, each Initial Guarantor, each Acceding Guarantor and the Acceding Security Provider not incorporated in New Zealand:

(a) irrevocably appoints the Initial Borrower as its agent for service of process in relation to any proceedings in connection with any Finance Document (including this deed); and

(b) agrees that failure by a process agent to notify the relevant Initial Guarantor, Acceding Guarantor or Acceding Security Provider of the process will not invalidate the proceedings concerned.

9.5 **Counterparts**: This deed may be signed in any number of counterparts, all of which together shall constitute one and the same instrument. Any party may enter into this deed by signing any such counterpart.

10. DELIVERY AND NOTICE

10.1 Without limiting any other mode of delivery this deed will be delivered by each party on the earlier of:

(a) physical delivery of an original of this deed, executed by each party, into the custody of each other party or its solicitors; or

(b) transmission by each party, its solicitors or any other person authorised in writing by that party of a facsimile, photocopied or scanned copy of an original of this deed, executed by that party, to each other party or its solicitors.

10.2 The Acceding Guarantor's and Acceding Security Provider's initial notice details are as follows:

Bendon Group Holdings Limited

Address: Alexandria Creative Park, Building 7C,
2 Huntley Street, Alexandria NSW 2015,
Sydney, Australia

Attention: Howard Herman

Facsimile +61 2 9384 2401

Telephone: +61 2 9384 2420

Email: Howard.Herman@bendon.com

EXECUTION

EXECUTED as a Deed

Each attorney executing this deed states that he or she has no notice of revocation or suspension of his or her power of attorney.

INITIAL BORROWER

EXECUTED as a **DEED** for and on behalf of **BENDON LIMITED** by its director)

in the presence of)

Director

Witness signature

Jordan M'Cormacle
Full name

18 Balfour Road Austinmer NSW 2515
Address

Office Manager
Occupation

Note: Director's signature must be witnessed

INITIAL GUARANTORS

EXECUTED as a **DEED** for and on behalf of **BENDON LIMITED** by its director)

in the presence of)

Director

Witness signature

Jordan M'Cormacle
Full name

18 Balfour Road, Austinmer NSW 2515
Address

Office Manager
Occupation

Note: Director's signature must be witnessed

EXECUTED as a **DEED** for and on behalf of **BENDON HOLDINGS LIMITED** by its director)
)
)

in the presence of)

Director

Witness signature

Jordan McCormack
Full name

18 Balfour Road, Austinmer NSW 2515
Address

Office Manager
Occupation

Note: Director's signature must be witnessed

EXECUTED as a **DEED** for and on behalf of **BENDON RETAIL LIMITED** by its director)
)
in the presence of)

Director

Witness signature

Jordan McCormack
Full name

18 Balfour Road, Austinmer NSW 2515
Address

Office Manager
Occupation

Note: Director's signature must be witnessed

EXECUTED as a **DEED** for and on behalf of **BENDON UK LIMITED** by its director in the presence of

Director

Witness signature

Jordan McCormack
Full name

18 Balfour Road, Artarmon NSW 2515
Address

Office Manager
Occupation

Note: Director's signature must be witnessed

EXECUTED as a **DEED** for and on behalf of **BENDON HOLDINGS PTY LIMITED** (ACN 094 492 841) by its director in the presence of

Director

Witness signature

Jordan McCormack
Full name

18 Balfour Road, Artarmon NSW 2515
Address

Office Manager
Occupation

Note: Director's signature must be witnessed

EXECUTED as a **DEED** for and on behalf of **BENDON USA INC**)
)
by its Attorney)

Signature

Justin Davis-Rice in the presence of

Witness signature

Jordan McCormack
Full name

18 Balfour Road, Austinmer NSW 2515
Address

Office Manager
Occupation

Note:
-Person authorised by constitution - signature must be witnessed
-Attorney appointed under s181 Companies Act - signature does not need to be witnessed

EXECUTED as a **DEED** for and on behalf of **BENDON PTY LIMITED** (ACN 001 222 064) by its director in the presence of)

Director

Witness signature

Jordan McCormack
Full name

18 Balfour Road, Austinmer NSW 2515
Address

Office Manager
Occupation

Note: Director's signature must be witnessed

EXECUTED as a **DEED** for and on behalf of **BENDON INTIMATES PTY LIMITED** (ACN 153 498 116) by its director in the presence of)

Director

Witness signature

Jordan McCormack
Full name

18 Balfour Road, Austinmer NSW 2515
Address

Office Manager
Occupation

Note: Director's signature must be witnessed

EXECUTED as a **DEED** for and on behalf of **BENDON RETAIL PTY LIMITED** (ACN 149 125 388) by its director in the presence of)

Director

Witness signature

Jordan McCormack
Full name

18 Balfour Road, Austinmer NSW 2515
Address

Office Manager
Occupation

Note: Director's signature must be witnessed

EXECUTED as a **DEED** for and on behalf of **PS HOLDINGS NO. 1 PTY LIMITED** (ACN 142 982 483) by its director in the presence of)

Director

Witness signature

Jordan McCormack
Full name

18 Balfour Road, Austinmer NSW 2515
Address

Office Manager
Occupation

Note: Director's signature must be witnessed

EXECUTED as a **DEED** for and on behalf of **PLEASURE STATE PTY LIMITED** (ACN 108588 076) in its personal capacity and in its capacity as trustee of the Pleasure State Unit Trust by its director in the presence of)

Director

Witness signature

Jordan McCormack
Full name

18 Balfour Road, Austinmer NSW 2515
Address

Office Manager
Occupation

Note: Director's signature must be witnessed

EXECUTED as a **DEED** for and on behalf of **PLEASURE STATE (HK) LIMITED** by its Attorney

Signature

Justin Davis Rice in the presence of

Witness signature

Jordan McCormack

Full name

18 Balfour Road, Austinmer NSW 2515

Address

Office Manager

Occupation

Note:
-Person authorised by constitution - signature must be witnessed
-Attorney appointed under s181 Companies Act - signature does not need to be witnessed

ACCEDING GUARANTOR AND ACCEDING SECURITY PROVIDER

EXECUTED as a **DEED** for and on behalf of **BENDON GROUP HOLDINGS LIMITED** (ACN 619 054 938) by its Attorney

Signature

Justin Davis-Rice in the presence of

Witness signature

Jordan McCormack

Full name

18 Balfour Road, Austinmer NSW 2515

Address

Office Manager

Occupation

Note:
-Person authorised by constitution - signature must be witnessed
-Attorney appointed under s181 Companies Act - signature does not need to be witnessed

LENDER

SIGNED on behalf of **BANK OF NEW ZEALAND** by its attorneys in the presence of

Attorney

CHRISTIAN THOMAS
Partner - Corporate
Auckland City

Print Name

Witness Signature

Witness Name

Christopher Laoh
Corporate Senior Associate
Auckland City

Occupation

Address

Attorney

JASON DAVID LEWTHWAITE

Print Name

CERTIFICATE OF NON-REVOCATION

OF POWER OF ATTORNEY

We, **Jason David Lewthwaite** , Senior Partner, Corporate & Commercial

and **Christian Thomas** , Corporate Partner

both of Auckland, New Zealand, Bank Officers, certify:

1. That by deed dated 8 May 2015 (as amended), Bank of New Zealand, of Level 4, 80 Queen Street, Auckland New Zealand, appointed us its attorneys.

2. A copy of the Deed is deposited with Land Information New Zealand under number PA 10097085.1.

3. That we have not received notice of any event revoking the power of attorney.

SIGNED at Auckland this 14 day of June 2018

Jason David Lewthwaite

SIGNED at Auckland this 14 day of June 2018

Christian Thomas

SCHEDULE 1
INITIAL GUARANTORS

1. Bendon Limited (Company Number 110935)
2. Bendon Retail Limited (Company Number 1013361)
3. Bendon Holdings Limited (Company Number 480331)
4. Bendon UK Limited
5. Bendon Holdings Pty Limited (ACN 094 492 841)
6. Bendon USA Inc.
7. Bendon Pty Limited (ACN 001 222 064)
8. Bendon Intimates Pty Limited (ACN 153 498 116)
9. Bendon Retail Pty Limited (ACN 149 125 388)
10. PS Holdings No. 1 Pty Limited (ACN 142 982 483)
11. Pleasure State Pty Limited in its personal capacity and in its capacity as trustee of the Pleasure State Unit Trust (ACN 108 588 076)
12. Pleasure State (HK) Limited (a company incorporated in Hong Kong with company registration number 1247545)

SCHEDULE 2
CONDITIONS PRECEDENT

1. **Finance Documents**: An executed copy of:
   (a) this deed; and
   (b) an accession deed in respect of the Bendon Group Holdings Limited's accession to the General Security Deed (Aus).
2. **Director's Certificates**:
   (a) in respect of the Initial Borrower and each Initial Guarantor incorporated in New Zealand, a director's certificate with customary attachments including powers of attorney (if any) in substantially the applicable form set out in Schedule 5 of the Amended Agreement;
   (b) in respect of Bendon UK Limited, a director's certificate attaching or otherwise certifying previously delivered copies of:
      (i) certificate of incorporation and any certificate of incorporation on change of name;
      (ii) memorandum and articles of association;
      (iii) shareholder resolutions; and
      (iv) specimen signatures;
   (c) in respect of the Acceding Guarantor and each Initial Guarantor incorporated or established in Australia:
      (i) delivery to the Lender of a verification certificate signed by two directors or a director and secretary of each Australian entity, in form and substance satisfactory to the Lender, attaching or otherwise certifying previously delivered copies of:
         (1) certificate of registration and any change of name certificate;
         (2) constitutional documents, and in relation to the Trustee, the Trust Deed;
         (3) power of attorney (if applicable); and
         (4) specimen signatures; and
      (ii) search results satisfactory to the Lender of ASIC and the 'register' as defined in the Australian PPSA in relation to the Group and evidence that appropriate Australian PPSA registrations have been made on the 'register' as defined in the Australian PPSA;
   (d) In respect of Pleasure State (HK) Limited, a director's certificate attaching or otherwise certifying previously delivered copies of:
      (i) certificate of incorporation and any certificate of incorporation on change of name;
      (ii) memorandum and articles of association;
      (iii) if relevant, power of attorney;
      (iv) shareholder resolutions; and

(v) specimen signatures;

(e) In respect of Bendon USA Inc.:

(i) a certificate from the secretary or comparable authorized representative of Bendon USA Inc., dated the date of this deed , attaching or otherwise certifying previously delivered copies of:

(1) the certificate of incorporation of Bendon USA Inc., certified by the Secretary of State of the State of Delaware, and evidence of good standing;

(2) the bylaws of Bendon USA Inc.; and

(3) an officer incumbency and specimen signature certificate.

(ii) a closing certificate of Bendon USA Inc., signed by an authorized officer of Bendon USA Inc., as to clauses 2.3(b) and 2.3(c) of the Amended Agreement.

3. **Legal Opinions**: The following legal opinions:

(a) a legal opinion from Buddle Findlay in relation to New Zealand law; and

(b) a legal opinion from Norton Rose Fulbright in relation to Australian law.

4. **Fees**: Payment of all fees, costs and expenses due and payable to the Lender (including, without limitation, the arrangement fee under clause 8.1) and its advisers (including the Lender's legal advisers).

5. **Repayment**: Evidence to the satisfaction of the Lender that the Amount Outstanding under the Existing Agreement has been or will be reduced to NZ$20,000,000 (not taking into account any issued Instruments) on or prior to the Effective Date.

6. **Merger Implementation Plan**: a certified copy of the Merger Implementation Plan.

7. **Merger**: a confirmation from a director of Bendon Limited that the Merger has occurred in accordance with the Merger Implementation Plan.

8. **Registration of Security**: evidence to the satisfaction of the Lender that required registrations in respect of the accession deed to the General Security Deed (Aus) have been or will be effected, and all other things necessary to achieve the priorities required by the Lender have been or will be completed to the Lender's satisfaction.

9. **Sub-ordinated Debt**: evidence to the satisfaction of the Lender that:

(a) all subordinated debt (howsoever described) under each deed of subordination set out below has converted to equity:

(i) deeds of subordination dated on or about the date hereof between the Initial Borrower, the Lender and each of EJ Group Limited and Nesriver Pty Limited;

(ii) deed of subordination dated 29 September 2016 between the Initial Borrower, Linkrik Investment Limited and the Lender;

(iii) deed of subordination dated 29 September 2016 between the Initial Borrower, Daniel Raymond Fields and the Lender;

(iv) deed of subordination dated 10 November 2016 between the Initial Borrower, ENARES Pty Ltd and the Lender;

(v) deed of subordination dated 15 December 2016 between the Initial Borrower, Gemini Global Investment Fund Pte Ltd and the Lender; and

(vi) deed of subordination dated 16 December 2016 between the Initial Borrower, MV Finances SARL and the Lender,

(b) each security interest granted by Bendon Limited in favour of EJ Group Limited, Nesriver Pty Limited, Linkrik Investment Limited, Daniel Raymond Fields, ENARES Pty Ltd, Gemini Global Investment Fund Pte Ltd or MV Finances SARL (if any) have been fully and irrevocably discharged.

10. **Group Structure**: A certified copy of a diagram showing the structure of the Consolidated Group as at the Effective Date.

11. **KYC/Identification**: To the extent not already provided to the Lender, all documentation reasonably required by the Lender in order to carry out "know your customer" or similar checks under applicable laws relating to anti-money laundering, terrorist financing and trade sanctions in connection with the transactions contemplated by the Finance Documents.

12. **Tax Confirmation**: Confirmation from a director of the Initial Borrower that:

(a) the taxes and tax arrangements of each Obligor are up to date as at the Commencement Date and each Obligor is in compliance with its obligations (including in connection with any payment plan arrangements) in all material respects;

(b) each Obligor has no current or anticipated tax issues or tax liabilities (other than those existing in the ordinary course of business or that have been previously disclosed to the Lender) or disputes with the New Zealand Inland Revenue Department or the revenue authorities in any other jurisdiction.

13. **Other**: Any other documents or other evidence reasonably requested by the Lender.

SCHEDULE 3

(AMENDED AGREEMENT)

EXECUTION VERSION

Amended and Restated Facility Agreement

Bendon Limited

Initial Borrower

and

Bendon Limited, Bendon Retail Limited, Bendon Holdings Limited, Bendon UK Limited, Bendon Group Holdings Limited, Bendon Holdings Pty Limited, Bendon USA Inc., Bendon Pty Limited, Bendon Intimates Pty Limited, Bendon Retail Pty Limited, PS Holdings No. 1 Pty Limited, Pleasure State Pty Limited and Pleasure State (HK) Limited

Initial Guarantors

and

Bank of New Zealand

Lender

Originally Dated 27 June 2016 (as amended from time to time)

Contents

This **Loan Facility Agreement** is originally made on 27 June 2016 (as amended from time to time, most recently pursuant to a Deed of Amendment and Restatement dated June 2018)

between	1.	Bendon Limited (the **Initial Borrower**)
and	2.	Bendon Retail Limited, Bendon Holdings Limited, Bendon UK Limited a company incorporated under the laws of England and Wales with company number 04200853, Bendon Group Holdings Limited, Bendon Holdings Pty Limited, Bendon USA Inc., Bendon Pty Limited, Bendon Intimates Pty Limited, Bendon Retail Pty Limited, PS Holdings No. 1 Pty Limited, Pleasure State Pty Limited (in its personal capacity and as trustee of the Pleasure State Unit Trust) and Pleasure State (HK) Limited (a company incorporated in Hong Kong with company registration number 1247545) (together, the **Initial Guarantors** and each, an **Initial Guarantor**)
and	3.	Bank of New Zealand (the **Lender**)

Introduction

The Lender is willing to make available to the Borrower a loan facility on the terms of this Agreement.

It is agreed

1. Interpretation

1.1 Definitions

In this Agreement, unless the context otherwise requires:

Accommodation means any Drawing or other accommodation provided to an Obligor under this Agreement;

Accounting Principles means:

(a) in respect of an Obligor incorporated in New Zealand, generally accepted accounting practice as defined in section 8 of the Financial Reporting Act 2013;

(b) in respect of an Obligor incorporated in any other jurisdiction, generally accepted accounting practice in that jurisdiction;

Actual Gross Profit means, in relation to a period, the actual gross profit of the Group for that period, as provided for in the monthly financial accounts provided pursuant to clause 22.2(b);

Actual Sales means, in relation to a period, the actual sales of the Group for that period, as provided for in the monthly financial accounts provided pursuant to clause 22.2(b);

Advance means a Drawing (or part of a Drawing) made by the Lender to the Borrower or the issuance of an Instrument by the Lender on behalf of the Borrower;

Amount Outstanding means, at any time, the NZ Dollar Equivalent of:

(a) the aggregate principal amount of each Drawing outstanding at that time; and

(b) the Maximum Liability of all Instruments on issue at that time,

together with any interest, fees, costs and other amounts then due and payable by the Borrower to the Lender;

AUD means the lawful currency of Australia;

Australian Corporations Act means the *Corporations Act 2001* (Cth) (Australia);

Australian PPSA means the *Personal Property Securities Act 2009* (Cth) (Australia);

Australian Tax Act means the *Income Tax Assessment Act 1936* (Cth) (Australia) or the *Income Tax Assessment Act 1997* (Cth) (Australia);

Available Facility means, at any time:

(a) in respect of the Revolving Credit Facility, the Revolving Credit Facility Limit less:

(i) the amount of the Revolving Credit Facility Limit that has been cancelled; and

(ii) the NZ Dollar Equivalent of the aggregate amount of all Drawings that are outstanding at that time;

(b) in respect of the Instrument Facility, the Instrument Facility Limit less:

(i) the Maximum Liability in respect of any outstanding Instruments issued by the Lender; and

(ii) the Maximum Liability in respect of any other Instruments that are due to be made or issued on or before the proposed Drawing Date,

other than any Instruments that are due to expire or to be cancelled, repaid or prepaid (including, in relation to Instruments, amounts of cash cover or cash collateral due to be received) on or before the proposed Drawing Date;

Availability Period means:

(a) in relation to the Instrument Facility, the period starting on the Commencement Date and ending on the earlier of:

(i) 10 Business Days prior to the Termination Date; and

(ii) the date that the Instrument Facility is cancelled under this Agreement; and

(b) in relation to the Revolving Credit Facility, the period starting on the Commencement Date and ending on the earlier of:

(i) 10 Business Days prior to the Termination Date; and

(ii) the date that the Revolving Credit Facility is cancelled under this Agreement;

BBP Rate means the Lender's 'Business Basis Premium' rate (rounded upwards to four decimal **places**) for the relevant period displayed on the Lender's website (currently published at https://www.bnz.co.nz/business-banking/loans-and-finance/committed-cash-advance-facility, or on any replacement page on the Lender's website which displays that rate).

Beneficiary means, in relation to an Instrument, the person or persons in whose favour that Instrument is issued;

BKBM means, in relation to any Drawing:

(a) the applicable Screen Rate as of the Specified Time for a period equal in length to the Interest Period of that Drawing; or

(b) as otherwise determined pursuant to clause 9,

and if, in either case, that rate is less than zero, BKBM shall be deemed to be zero.

BNZ Liquidity Amount means the amount determined by the Lender from time to time and advised to the Borrower as the liquidity premium applied by the Lender to advances or other accommodation;

Borrower means the Initial Borrower and any other person who becomes a Borrower under clause 26.2 (Additional Borrowers);

Budgeted Gross Profit means, in relation to a period, the budgeted gross profit of the Group for that period, as provided for in the budget provided pursuant to clause 22.2(d);

Budgeted Sales means, in relation to a period, the budgeted gross profit of the Group for that period, as provided for in the budget provided pursuant to clause 22.2(d);

Business Basis Premium means, in relation to any Drawing:

(a) the applicable BBP Rate as of the Specified Time for a period equal in length to the Interest Period of the Drawing; or

(b) as otherwise determined pursuant to clause 9.

Business Day means a day other than a Saturday or Sunday on which registered banks (as defined in the Reserve Bank of New Zealand Act 1989) are open for business in Wellington and Auckland;

Capital Expenditure means any expenditure which would in accordance with the Accounting Principles be treated as capital expenditure in the audited consolidated financial statements of the Consolidated Group;

Certificate means any document of title relating to any Shares or Share Rights;

Code means the Internal Revenue Code of 1986, as amended;

Commencement Date means 27 June 2016;

Compliance Certificate means a compliance certificate substantially in the form set out in Part A of Schedule 7 (Form of Compliance Certificate) and provided to the Lender in accordance with clause 22.2 (Reporting undertakings);

Consolidated Group means, at any time, the group of companies comprised of the Parent and its subsidiaries at that time;

Contribution Notice means a contribution notice issued by the Pensions Regulator under section 38 or section 47 of the Pensions Act 2004 (UK);

Control Event means in respect of any Secured Property that is, or would have been, a Revolving Asset:

(a) the relevant Obligor breaches, or attempts to breach clause 4.1 of the General Security Deed (Aus) in respect of that Secured Property or takes any step which would result in it doing so;

(b) a person takes a step (including signing a notice or direction) which is likely to result in taxes, or an amount owing to an authority, ranking ahead of the security interest in that Secured Property under this document;

(c) distress is levied or a judgment, order or security interest is enforced or becomes enforceable over that Secured Property;

(d) the Lender gives a notice to the relevant Obligor that such Secured Property is not a Revolving Asset (however, the Lender may only give a notice if an Event of Default is continuing);

(e) in respect of all Secured Property that is or would have been Revolving Assets, an Event of Default referred to in clause 23.1(f) or 23.1(g) of this Agreement occurs;

Deed of Amendment and Restatement (June 2018) means the deed of amendment and restatement dated ___ June 2018 between the Borrower, the Guarantors and the Lender.

Drawing means each principal amount advanced (or to be advanced) to the Borrower under the Revolving Credit Facility in accordance with the terms of this Agreement;

Drawing Date means, in relation to a Drawing or an Instrument, the date on which it is (or is to be) advanced, which must be a Business Day during the relevant Availability Period;

Drawing Notice means a drawing notice substantially in the form set out in Schedule 2;

EBIT means, in respect of any period and a Group, the consolidated net profit after tax of the relevant Group for that period, as would be disclosed in the financial statements of the relevant Group if prepared in accordance with Accounting Principles for that period, adjusted by:

(a) adding an amount equal to the aggregate of:

(i) Total Interest Costs;

(ii) losses of an unusual, abnormal or non-recurring nature for that period;

(iii) the income tax expense for that period;

(iv) unrealised exchange losses for that period;

(v) any reduction during that period in the non-cash mark to market value of financial derivatives entered into by a Group Member as required by Accounting Principles; and

(vi) losses of a capital nature or that relate to unrealised revaluation losses, in each case for that period;

(b) deducting an amount equal to the aggregate of:

(i) gains of an unusual, abnormal or non-recurring nature for that period;

(ii) unrealised exchange gains for that period;

(iii) any increase during that period in the non-cash mark to market value of financial derivatives entered into by a Group Member as required by Accounting Principles; and

(iv) profits of a capital nature or that relate to unrealised revaluation gains, in each case for that period,

as adjusted to remove earnings of any Group Member that have been included in the earnings of the Group but that are attributable to any third party (not being a Group Member);

EBITDA means, in respect of any period and a Group, the sum of:

(a) EBIT for that Group for that period; and

(b) depreciation and amortisation on fixed and other property of the relevant Group during that period,

which would be disclosed by consolidated financial statements of the Group if they were prepared in accordance with Accounting Principles as at the last day of that period;

Effective Date has the meaning given to that term in the Deed of Amendment and Restatement (June 2018);

Environmental Law means any law relating to the environment, land or water use, noise, smell, pollution or contamination, toxic or hazardous substances, waste disposal or conservation (including the Resource Management Act 1991) and any consent or notice under any such law;

Event of Default means any event specified in clause 23 (Events of Default) and any other event agreed from time to time by the Lender and the Borrower to constitute an Event of Default;

Event of Review means any event specified in clause 24 (Event of Review) and any other event agreed from time to time by the Lender and the Borrower to constitute an Event of Review;

Euros and **EUR** refers to the official unit of exchange of, and the currency of the majority of the states comprising, the European Union;

Facility means the Revolving Credit Facility and the Instrument Facility and **Facilities** means both;

Facility Limit means the aggregate, at any time, of the Revolving Credit Facility Limit and the Instrument Facility Limit at that time;

FATCA means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

FATCA Application Date means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;

(b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2019; or

(c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2019,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement;

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA;

FATCA Exempt Party means a party that is entitled to receive payments free from any FATCA Deduction;

Finance Debt means any indebtedness in respect of money borrowed or raised or any other financial accommodation whatever in the nature of, or having a similar economic effect to, borrowing or raising money, including indebtedness under or in respect of a negotiable or other financial instrument, guarantee, interest, currency exchange or commodity hedge or other arrangement of any kind (calculated on a net and marked to market basis), redeemable share, share the subject of a guarantee, discounting arrangement, the principal amount of any finance or capital lease, hire purchase, deferred purchase price of an asset or service (other than where the relevant transaction is entered into in the ordinary course of business and the purchase price is paid within 120 days of supply) or an obligation to deliver goods or other property or provision of services paid for in advance by a financier or in relation to another financing transaction;

Finance Documents means:

(a) this Agreement;

(b) the Security Documents;

(c) the Deed of Amendment and Restatement (June 2018);

(d) any Hedge Agreement;

(e) each Transactional Banking Document; and

(f) each novation agreement between the Lender and ANZ Bank New Zealand Limited relating to any Hedge Agreement existing at the Commencement Date; and

(g) each agreement evidencing an Ancillary Facility (including the business visa facility provided by the Lender on or about the date of this Agreement),

and each other agreement (present or future), agreed by the Lender and the Borrower to be a Finance Document;

Financial Support Direction means a financial support direction issued by the Pensions Regulator under section 43 of the Pensions Act 2004 (UK);

Free Cashflow means, in respect of the Guaranteeing Group for a period, the greater of (1) zero, and (2) EBITDA for that period after:

(a) adding the aggregate of any unusual, abnormal or non-recurring cash gains during that period which have been deducted from net profit for the purposes of determining EBIT;

(b) deducting the aggregate, without double counting, of:

(i) tax paid for that period;

(ii) Total Interest Costs for that period net of all cash interest earned by an Obligor in that period;

(iii) Capital Expenditure for that period;

(iv) any unusual, abnormal or non-recurring losses or charges paid in cash during that period and which have been added to net profit for the purposes of determining EBIT; and

(v) any non-cash items in EBITDA which are not otherwise adjusted pursuant to sub-paragraphs (i) to (iv) above; and

(c) adding the amount of any decrease (and deducting the amount of any increase) in working capital for that period calculated as:

(i) the aggregate value of accounts and other receivables and inventory, less the value of accounts and other payables on the last day of that period, for the Guaranteeing Group; less

(ii) the aggregate value of accounts and other receivables and inventory, less the value of accounts and other payables on the first day of that period, for the Guaranteeing Group,

adjusted for the cash changes in all current assets and current liabilities other than cash;

provided that no amount shall be added (or deducted) more than once;

GBP refers to the lawful currency of the United Kingdom;

General Security Deed (Aus) means the General Security Deed dated on or about the date hereof between the Obligors named in paragraph 2 of Schedule 3 and the Lender;

Group means the Consolidated Group or the Guaranteeing Group, as the context requires;

Group Member means any member of the Consolidated Group or the Guaranteeing Group, as the context requires;

GST means any goods and services or similar tax levied in accordance with the applicable GST Act;

GST Act means the New Zealand Goods and Services Tax Act 1985 or the Australian A New Tax System (Goods and Services Tax) Act 1999 (Cth);

Guaranteed Indebtedness means all indebtedness of the Obligors to the Lender;

Guaranteeing Group means, at any time, the group of companies comprised of each Obligor at that time;

Guarantors means the Initial Guarantors and any other person who becomes a Guarantor under clause 26.3 (Additional Guarantors);

Hedge Agreement means each agreement pursuant to which an Obligor enters into a Treasury Transaction with the Lender (including, for the avoidance of doubt, each ISDA or other derivatives master agreement and each Confirmation (as defined therein) relating thereto);

Income Tax Act means the Income Tax Act 2007;

Insolvency Regulation shall mean the Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings;

Instrument means a letter of credit, bank guarantee, performance bond or other similar financial instrument issued under the Instrument Facility;

Instrument Facility means the Instrument facility provided by the Lender in accordance with clause 10;

Instrument Facility Limit means NZ$1,345,000 as reduced from time to time in accordance with this Agreement;

Interest Cover Ratio means, for any period from the first day of the Borrower's financial year and ending on a Reporting Date, the ratio of EBITDA of the Guaranteeing Group to interest payable under this Agreement for the period ending on that Reporting Date;

Interest Period means each period by reference to which an interest rate applicable to a Drawing, any Advance or another sum is determined in accordance with this Agreement;

Interpolated BBP Rate means, in relation to any Drawing, the rate (rounded to the same number of decimal places as the two relevant BBP Rates) which results from interpolating on a linear basis between:

(a) the BBP Rate for the longest period (for which the BBP Rate is available) which is less than the Interest Period of that Drawing; and

(b) the BBP Rate for the shortest period (for which the BBP Rate is available) which exceeds the Interest Period of that Drawing,

each as of the Specified Time, provided that there shall be deemed to be a BBP Rate available in respect of three month periods, being a rate of 0% per annum, notwithstanding that this period and rate may not be displayed on the Lender's website;

Interpolated Screen Rate means, in relation to any Drawing, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

(a) the Screen Rate for the longest period (for which the Screen Rate is available) which is less than the Interest Period of that Drawing; and

(b) the Screen Rate for the shortest period (for which the Screen Rate is available) which exceeds the Interest Period of that Drawing,

each as of the Specified Time;

Inventory means, on any date, the book value of all stock in trade (which for the purpose of this definition means, on any date, the aggregate value of stock held by the Obligors for the purposes of its business on that date, excluding all stock where the value attributed to it on the balance sheet exceeds market value, obsolete stock, stock that is over 90 days old and all stock that is subject to any Security Interest (excluding any security interest held by the Lender pursuant to the Transaction Documents)) held by the Obligors as at that date.

Inventory and Receivables means, on any date, the sum of Inventory and Receivables as at that date.

Inventory and Receivables Ratio means, on any Reporting Date, the ratio of Inventory and Receivables to Working Capital Debt on that date.

IP means all trademarks, service marks, trade names, domain names, logos, get-up, patents, inventions, registered and unregistered design rights, copyrights, topography rights, database rights, rights in confidential information and know how, and any associated or similar rights anywhere in the world, which as now or in the future owns or (to the extent of its interests) in which it now or in the future has an interest (in each case whether registered or unregistered and including any related licenses and sub-licenses of the same granted by it or to it, applications and rights to apply for the same);

Issuer means each company that has issued Shares to an Obligor, including another Obligor;

Margin means 2.00% per cent per annum;

Marketable Securities means:

(a) 'intermediated securities' and 'investment instruments' (each as defined in the Australian PPSA);

(b) an undertaking referred to in the exceptions in paragraphs (a), (b) and (c) of the definition of 'debenture' in the Australian Corporations Act;

(c) a unit or other interest in a trust or partnership; and

(d) a right or an option in relation to any of the above, whether issued or unissued;

Material Secured Property means Secured Property with a value of greater than NZ$100,000 or its equivalent in any other currency;

Maximum Liability means, in respect of an Instrument, the amount specified in that Instrument as the maximum aggregate liability able to be claimed (exclusive of interest on such liability) under that Instrument in the currency in which the Instrument is denominated less any amount cancelled and any amount paid by the Borrower to the Lender in respect of that Instrument whether as a deposit, cash collateral or otherwise that has been approved by the Lender as reducing the Maximum Liability in respect of that Instrument;

Monthly Compliance Certificate means a compliance certificate substantially in the form set out in Part B of Schedule 7 (Form of Monthly Compliance Certificate) and provided to the Lender in accordance with clause 22.2 (Reporting undertakings);

New Borrower has the meaning given to it in clause 26.2 (Additional Borrowers);

New Guarantor has the meaning given to it in clause 26.3 (Additional Guarantors);

New Security Provider has the meaning given to it in clause 26.4 (Additional Security Providers);

NY Financing Documents means:

(a) the security agreement, dated as of the date hereof, between Bendon USA Inc. and the Lender; and

(b) the pledge agreement, dated as of the date hereof, between Bendon Holdings Limited and the Lender with respect to Bendon Holdings Limited's shares of Bendon USA Inc.;

NZ Dollar Equivalent means, in relation to an amount of NZ Dollars, that amount, and, in relation to an amount in an Optional Currency, the amount of NZ Dollars which the Lender could purchase with that amount of US Dollars, AUD, GBP or Euros, (as appropriate), in the New Zealand inter-bank market at 11 a.m. (New Zealand time) on the day on which the calculation is required to be made;

NZ Dollars, **NZ$** and **NZD** refer to New Zealand currency;

NZ PPSA means the Personal Property Securities Act 1999;

Obligor means the Borrower and each Guarantor;

Operating Lease Expense means, in relation to any period, the aggregate of any rental paid in that period in connection with any operating lease of real property (but excluding a lease that would be treated as a finance lease pursuant to the Accounting Principles);

Optional Currency means AUD, EUR, GBP or USD;

Other Property means Real Property and all of a Security Provider's other present and after-acquired property that is not Personal Property;

Parent means Bendon Group Holdings Limited (ACN 619 054 938).

Pensions Regulator means the body corporate called the Pensions Regulator established under Part I of the Pensions Act 2004 (UK);

Permitted Acquisition means:

(a) an acquisition made for fair value in the ordinary course of business;

(b) an acquisition that is the purchase of an asset by one Security Provider from another Security Provider; or

(c) an acquisition that occurs with the prior written approval of the Lender;

Permitted Disposal means a disposal:

(a) in respect of which the Lender has given its prior written consent;

(b) of inventory made in the ordinary course of business of the disposing entity;

(c) of property where the proceeds of disposal are used within 12 months to purchase replacement property comparable or superior as to type, value or quality;

(d) of property for fair market value on commercial arms' length terms;

(e) of cash for fair market value on commercial arm's length terms and in the ordinary course of business of the disposing entity;

(f) of obsolete or redundant vehicles, plant and equipment for cash;

(g) of property (including by way of distribution or payment on account of any inter-Security Provider loan arrangement) from one Security Provider to another Security Provider;

(h) expressly permitted under a Finance Document;

Permitted Financial Accommodation means, in relation to a Security Provider, financial accommodation provided by that Security Provider at a time when no Event of Default subsists:

(a) pursuant to the Finance Documents;

(b) to another Security Provider;

(c) to a Customer in the ordinary course of business on arms' length commercial terms provided that the aggregate financial accommodation provided under this paragraph (c) at any time does not exceed NZ$500,000 or the NZ Dollar Equivalent thereof;

(d) (provided no Event of Default is continuing at the relevant time) to another Group Member (which is not a Security Provider), provided the aggregate amount of all such Finance Debt does not exceed $100,000 at any time; or

(e) with the prior written consent of the Lender;

Permitted Security means a security interest:

(a) created under a Finance Document;

(b) in respect of which the Lender has given its prior written consent;

(c) granted by one Security Provider in favour of another Security Provider;

(d) in relation to personal property that is created or provided for by:

(i) a transfer of an account receivable or chattel paper;

(ii) a lease for a term of more than one year; or

(iii) a commercial consignment,

that does not secure payment or performance of an obligation;

(e) arising out of any netting or set-off arrangement entered into by a Security Provider with another Security Provider for the purpose of netting debit and credit balances of Group Members, provided that such arrangement does not give rise to a security interest over property of a Security Provider in support of liabilities of a Group Member that is not a Security Provider.

(f) that is a right of set-off arising in the ordinary course of the ordinary day-to-day business of an Obligor and that does not secure indebtedness;

(g) that arises as a result of legal proceedings discharged within 30 days or otherwise being contested in good faith and not otherwise constituting an Event of Default;

(h) that is expressly permitted under a Finance Document; and

(i) arising under finance leases entered into in the ordinary course of business provided the value of the assets subject to lease at any time does not exceed $500,000;

Personal Property means all of each Security Provider's present and after-acquired personal property including all personal property in which the Obligor has rights, whether now or in the future;

Potential Event of Default means any event or circumstance that, with the giving of notice, lapse of time or fulfilment of another requirement, would constitute an Event of Default;

PPSA means the Australian PPSA and the NZ PPSA;

PPSR has the meaning given to the term 'register' in the PPSA;

Quotation Day means, in relation to any period for which an interest rate is to be determined, the first day of that period;

Real Property means all of each Obligor's present and after-acquired freehold and registered leasehold land, all estates and interests in land and all buildings, structures and fixtures (including trade fixtures) for the time being on that land;

Receivables means, on any date, the aggregate amount all trade debts payable to a Security Provider on that date (which for the purpose of this definition means, debts incurred on arm's length commercial terms arising in the normal course of the Guaranteeing Group's business) which are payable on demand or within 90 days from that date (without double counting), excluding:

(a) all amounts in arrears for greater than 90 days or that are uncollectable; and

(b) all accounts receivable in respect of, and where the debtors are, related persons.

Reference Bank Rate means:

(a) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Lender at its request by the Reference Banks as the rate at which the relevant Reference Bank could borrow funds in the New Zealand bank bill market and for the relevant period were it do so by asking for and then accepting interbank offers for deposits in reasonable market size for that period; or

(b) (if the rate referred to in paragraph (a) is not available), the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Lender at its request by the Reference Banks as the rate at which the relevant Reference Bank could raise funds in the wholesale market for NZ Dollars for the relevant period;

Reference Banks means the principal offices in Auckland of the Lender, ANZ Bank New Zealand Limited, Westpac New Zealand Limited and ASB Bank Limited, or such other entities as may be appointed by the Lender in consultation with the Borrower;

Relevant Party means each Obligor and each other party to a Finance Document (other than the Lender);

Reporting Date means:

(a) during the period commencing on the Commencement Date and ending on 31 December 2018, 31 March, 30 June, 30 September and 30 December in each year; and

(b) thereafter, 31 January, 30 April, 31 July, 31 October in each year;

Reporting Period means, on any Reporting Date, the 12 month period ending on that Reporting Date;

Revolving Asset means any Secured Property:

(a) which is:

(i) inventory;

(ii) a negotiable instrument;

(iii) machinery, plant, or equipment which is not inventory and has a value of less than $100,000 or its equivalent; or

(iv) money (including money withdrawn or transferred from an account with a bank or other financial institution); and

(b) in relation to which no Control Event has occurred, subject to clause 4.4 of the General Security Deed (Aus);

Revolving Credit Facility means the revolving credit facility of a maximum aggregate principal amount of the Revolving Credit Facility Limit (as reduced from time to time in accordance with this Agreement), to be made available on the terms of this Agreement;

Revolving Credit Facility Limit means NZ$20,000,000 (as reduced from time to time in accordance with this Agreement) to be made available on the terms of this Agreement;

Rollover Advance means one or more Drawings under the Revolving Credit Facility:

(a) made or to be made on the same day that a maturing Drawing under the Revolving Credit Facility is due to be repaid;

(b) the aggregate amount of which is equal to or less than the amount of the maturing Drawing under the Revolving Credit Facility;

(c) in the same currency as the maturing Drawing under the Revolving Credit Facility; and

(d) made or to be made to the same Borrower for the purpose of refinancing that maturing Drawing under the Revolving Credit Facility;

RWT Exemption Certificate has the meaning given to it in section YA 1 of the Income Tax Act;

RWT Rules has the meaning given to it in section YA 1 of the Income Tax Act;

Screen Rate means the New Zealand bank bill reference rate (bid) (rounded upwards to four decimal places) administered by the New Zealand Financial Markets Association (or any other person who takes over the administration of that rate) for the relevant period displayed on page BKBM of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate), or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Lender may specify another page or service displaying the relevant rate after consultation with the Borrower;

Secured Property means all present and future right, title and interest (legal and equitable) of each Security Provider in and to all Personal Property and all Other Property, including, without limitation:

(a) the Shares;

(b) the Share Rights;

(c) the Certificates; and

(d) all proceeds of the Shares and Share Rights;

Security Documents means each of the agreements set out in Schedule 3 (Security Documents) and each other security agreement, guarantee or other agreement (present or future) expressed or intended to guarantee or secure the Obligors' obligations under this Agreement;

Security Provider means a Borrower or Guarantor who has granted security over all its property to secure all of the obligations of the Obligors under the Finance Documents;

Serial Numbered Secured Property means:

(a) as at the date of this document, the Secured Property described in Schedule 9 to this Agreement;

(b) any other Secured Property that must be described by serial number in a registration on the New Zealand personal property securities register or the PPSR; and

(c) any other Secured Property that may be described by serial number in a registration on the PPSR;

Share Rights means all securities, property and other rights (whether in or of the Issuer or another person) to which a holder of Shares is entitled or offered, including any distribution, option or property issued by way of a rights or bonus issue;

Shares means all shares of an Issuer issued to or owned by an Obligor;

Specified Time means 10.45am on the Quotation Day;

Supplemental Deed means a supplemental deed:

(a) in respect of a New Borrower, in the form of Schedule 5 (Form of Supplemental Deed for New Borrower); and

(b) in respect of a New Guarantor, in the form of Schedule 6 (Form of Supplemental Deed for New Guarantor);

Termination Date means the date that is twelve months from the Effective Date;

Total Interest Cost means, for a Group for a period, the gross amount of all interest and financing costs incurred by the Group over that period, calculated on a consolidated basis in accordance with Accounting Principles, after taking into account all realised losses and profits on foreign currency borrowings and financing transactions (other than amounts transferred to foreign currency transaction reserves), including:

(a) the amount of all discounts and similar allowances on the issue or disposal of debt instruments;

(b) all finance charges under finance leases and hire purchase agreements;

(c) the amount of all dividends paid or payable on redeemable shares issued by any member of the Group; and

(d) all other expenses and amounts that are required by Accounting Principles to be treated as interest or financing costs,

but excluding interest and financing costs on money borrowed or raised to acquire, develop or improve fixed assets, to the extent that they have been capitalised in the accounts of the Group and excluding:

(e) any realised costs of closing out a Treasury Transaction that are incurred in connection with the acquisition or disposal of a subsidiary or business after the date of this agreement;

(f) any dividends paid on redeemable shares and any other interest and financing costs paid by one member of the Group to another member of the Group; and

(g) any non-cash items included in interest in the most recent financial statements of the Group;

Transactional Banking Document means any document entered into from time to time between an Obligor and the Lender under which one or more Transactional Banking Facilities are made available to any member of the Guaranteeing Group;

Transactional Banking Facilities means any day to day banking facilities or arrangements made available to a member of the Guaranteeing Group by the Lender in connection with the ordinary course of trade of that member of the Guaranteeing Group;

Treasury Transaction means any foreign exchange agreement, currency or interest purchase, interest rate swap, cap or collar agreement, currency swap agreement, currency and interest rate future or option contract, commodity swap, option, cap, collar, floor or swaption or other similar agreement (whether entered into before, on, or after the date of this Agreement);

Trust means the Pleasure State Unit Trust ABN 20 730 241 229;

Trust Deed means the trust deed dated 13 May 2004 constituting the Trust, as varied by the deed polls for variation of trust dated 12 August 2011, 8 April 2013, and includes each document approved by the Lender for the purposes of this definition which amends, varies or supplements that trust deed;

Trustee means Pleasure State Pty Limited ACN 108 588 076, in its capacity as trustee of the Trust;

UK Obligors means each Obligor incorporated in England and Wales;

US Dollars and **USD** refer to the lawful currency of the United States of America;

US Tax Obligor means:

(a) a Borrower which is resident for tax purposes in the United States of America; or

(b) an Obligor some or all of whose payments under the Finance Documents are from sources within the United States of America for US federal income tax purposes; and

Working Capital Debt means, on any date, the Amount Outstanding under the Revolving Credit Facility as at that date.

1.2 Construction

In this Agreement, unless the context otherwise requires:

an **agreement** includes a contract, deed, licence, undertaking and other document or legally enforceable arrangement (in each case, whether or not in writing, present and future), and includes that document as amended, assigned, novated or substituted from time to time;

compromise includes a compromise as defined in section 227 of the Companies Act 1993;

a **consent** includes an approval, authorisation, exemption, filing, licence, order, permit, recording or registration;

one person being **controlled** by another means that the other person (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise):

(a) has the power to appoint and/or remove the majority of the members of the governing body of that person;

(b) otherwise controls or has the power to control the affairs and policies of that person; or

(c) is in a position to derive the whole or a substantial part of the benefit of that person;

costs incurred by a person include all commissions, charges, losses, expenses (including legal fees on a solicitor and own client basis) and taxes incurred by that person;

a **directive** includes a directive, regulation and requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of persons to whom the directive is addressed);

disposing of property includes:

(a) selling, assigning, novating, leasing, lending, exchanging, transferring, granting a concession, surrendering, licensing, reserving, waiving, compromising, releasing, dealing, subordinating, varying the terms of, parting with possession of, granting an option, right or interest in respect of, or otherwise dealing with that property;

(b) the payment of money (including a distribution by way of dividend); and

(c) an agreement for any of these,

but excludes the creation of a security interest;

distribution is defined in section 2 of the Companies Act 1993, and includes any reduction of capital (including a redemption by a company of its own shares), any acquisition by a company of any share in itself or in its holding company, and any financial assistance provided by a company to enable another person to acquire any such share;

financial statements has the meaning specified in section 6 of the Financial Reporting Act 2013;

group financial statements has the meaning specified in section 7 of the Financial Reporting Act 2013;

a **guarantee** includes an indemnity, letter of credit, letter of comfort, suretyship and other agreement, the economic effect of which is to provide security, or otherwise assume responsibility, for the indebtedness or obligations of another person;

a **holding company** of a person includes a holding company as defined in section 5 of the Companies Act 1993 and section 9 of the Australian Corporations Act;

indebtedness includes any obligation relating to the payment of money:

(a) whether present or future, actual or contingent;

(b) whether incurred alone, jointly, severally, or jointly and severally and as principal, surety or otherwise;

(c) whether due to the lender alone, or with another person, and whether the Lender is entitled for its own account or for the account of another person;

(d) whether arising from a banker and customer relationship or another relationship;

(e) whether originally contemplated by the debtor or the Lender or not;

(f) whether the Lender is the original person the amount was owed to, or an assignee and, if the Lender is an assignee:

(i) whether or not the debtor consented to, or was aware of the assignment; and

(ii) regardless of when the assignment occurred; and

(g) if determined pursuant to any award, order, judgment or decree against the debtor, whether or not the debtor was party to the court proceedings, arbitration or other dispute resolution process in which that award, order, judgment or decree was made,

including any such obligation arising under derivative or similar products;

the **liquidation** of a person includes the dissolution, administration, winding-up and bankruptcy of that person and any analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled, carries on business or has property;

loss excludes loss of profit and loss of margin;

something having a **material adverse effect** is a reference to it having, in the reasonable opinion of the Lender, a material adverse effect on:

(a) the consolidated financial condition or operations of the Group; or

(b) the Group's ability to comply with any of its material obligations under any Finance Document; or

(c) the validity or enforceability of, or the effectiveness or ranking of any security interest created under or in connection with a Security Document or the rights and remedies of the Lender under any Finance Document,

and references to **material adverse change** shall be construed accordingly;

obligations include covenants, conditions, stipulations, representations, warranties, guarantees, undertakings, assurances and agreements;

a **person** includes an individual, a body corporate, an association of persons (whether corporate or not), a trust, a state, an agency of a state and any other entity (in each case, whether or not having separate legal personality);

property includes:

(a) anything that is capable of being owned, whether it is real or personal property, and whether it is tangible or intangible; and

(b) the whole and any part of the relevant person's business, assets (including leased assets), undertaking, revenues, benefits and rights,

(in each case, present and future), and reference to any property includes any legal or equitable interest in it;

related person means:

(a) any related company (as defined in section 2(3) of the Companies Act 1993, but as if the word "subsidiary" in that section had the same meaning as "subsidiary" in this Agreement) of an Obligor;

(b) in relation to any Obligor incorporated under the laws of Australia, any related body corporate (as defined in section 9 of the Australian Corporations Act) of that Obligor;

(c) any person that is treated as an associated company of an Obligor in terms of Accounting Principles;

(d) any person who beneficially owns (or together with its related persons, determined on the same basis as set out in paragraphs (a), (b) and (c) above, beneficially owns) whether directly or indirectly, 20% or more of the equity share capital in the Borrower;

(e) any related entity (determined on the same basis as set out in paragraphs (a), (b) and (c) above) of any person referred to in paragraph (d) above; and

(f) the beneficiary of a trust under which a trustee of the trust is a related entity in terms of paragraphs (a) to (e) above;

rights includes authorities, consents, discretions, remedies, powers and causes of action;

a **security interest** includes:

(a) a mortgage, pledge, charge, lien, hypothecation, encumbrance, deferred purchase, title retention, finance lease, contractual right of set-off, flawed asset arrangement, sale-and-repurchase and sale-and-leaseback arrangement, order and other arrangement of any kind, the economic effect of which is to secure a creditor;

(b) a "security interest" as defined in section 17(1)(a) of the PPSA in respect of which the relevant person is the debtor; and

(c) a "security interest" as defined in sections 12(1) or (2) of the Australian PPSA;

a **subsidiary** of a person includes:

(a) a subsidiary as defined in section 5 of the Companies Act 1993 (as if the term "company" in those sections includes entities incorporated in a jurisdiction other than New Zealand); and

(b) an "in substance" subsidiary and any other person treated as a subsidiary under Accounting Principles;

(c) a person controlled (whether directly or indirectly and whether by ownership of share capital, possession of voting power, contract or otherwise) by that person;

(d) in relation to an Obligor incorporated under the laws of Australia, a subsidiary within the meaning of Part 1.2 of Division 6 of the Australian Corporations Act, but as if the body corporate includes any entity for the purpose of which any beneficial interest or unit in a trust will be deemed to be shares; and

(e) in relation to Pleasure State (HK) Limited:

(i) a subsidiary within the meaning of section 15 of the Companies Ordinance (Cap.622) of Hong Kong; and

(ii) any company which would be a subsidiary within the meaning of section 15 of the Companies Ordinance (Cap.622) of Hong Kong but for any Security subsisting over the shares in that company from time to time,

but on the basis that a person shall be treated as a member of a company if any shares in that company are held by that person's nominee or any other person acting on that person's behalf;

(f) in relation to a UK Obligor:

(i) a subsidiary within the meaning of section 1159 of the Companies Act 2006 (UK); and

(ii) any company which would be a subsidiary within the meaning of section 1159 of the Companies Act 2006 (UK) but for any security interest subsisting over the shares in that company from time to time,

but on the basis that a person shall be treated as a member of a company if any shares in that company are held by that person's nominee or any other person acting on that person's behalf;

tax(es) includes any tax, levy, impost, stamp or other duty and any other charge, deduction or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay, or any delay in paying, any of the same);

writing includes a facsimile transmission, an email communication and any means of reproducing words in a tangible and permanently visible form;

a reference to a **party**, **clause**, **schedule** or **annexure** is a reference to a party to, clause of, schedule to or annexure to, this Agreement;

the word "**including**", when introducing an example, does not limit the meaning of the words to which the example relates;

an Event of Default, Event of Review or Potential Event of Default is **continuing** until it has been waived in writing by, or remedied to the satisfaction of, the Lender;

an agreement, representation or undertaking given by an Obligor in favour of two or more persons is for the benefit of them jointly and each of them severally;

a gender includes each other gender;

the singular includes the plural and vice versa;

where a word or phrase is defined, its other grammatical forms have a corresponding meaning;

any legislation includes a modification and re-enactment of, legislation enacted in substitution for, and a regulation, order-in-council and other instrument from time to time issued or made under, that legislation; and

a party to this Agreement or another agreement includes its successors and its permitted assignees, novatees and transferees.

Headings and the table of contents are to be ignored in construing this Agreement.

Unless the contrary intention appears, where an Obligor holds any property as trustee for any trust (including where the trust has not been disclosed to the Lender), the Finance Documents are binding on the relevant Obligor in its personal capacity and in its capacity as trustee of the relevant trust and references to the Obligor's assets, liabilities, acts or omissions include any assets, liabilities, acts or omissions of the Obligor as trustee of the relevant trust.

1.3 Joint and several liability

The liability of, and obligations on, each Obligor under this Agreement are joint and several.

Any New Borrower is jointly and severally liable with any existing Borrower under this Agreement. References in this Agreement to "Borrower" are to each Borrower individually, and to all Borrowers together.

Any New Guarantor is jointly and severally liable with any existing Guarantor under this Agreement. References in this Agreement to "Guarantor" are to each Guarantor individually, and to all Guarantors together.

1.4 PPSA

The terms "collateral" and "debtor" in the definition of "security interest" above have the meanings given to them in the PPSA, and where it relates to an Obligor incorporated under the laws of Australia or any of its subsidiaries incorporated under the laws of Australia, a reference to these terms has the meaning given in the Australian PPSA.

2. Facilities

2.1 Availability

The Lender agrees to make each Facility available to the Borrower on the terms of this Agreement and in the manner set out below:

Facility	Manner of Use
Revolving Credit Facility	By making Drawings denominated in NZ$ or an Optional Currency.
Instrument Facility	By requesting the Lender to issue Instruments (denominated in NZ$ or an Optional Currency) during the relevant Availability Period.

2.2 Purpose

The Borrower will use the net proceeds of any Accommodation for the purposes specified below:

Facility	Purpose
Revolving Credit Facility	To refinance the Borrower's existing (as at the Effective Date) customised average rate loan facilities and stock and debtor finance facilities with the Lender and for general commercial purposes of the Group.
Instrument Facility	To fund the rental bonding requirements of the Guaranteeing Group.

2.3 Conditions to any Accommodation

The Lender will not be obliged to make any Accommodation available under a Facility unless:

(a) **Conditions precedent**

the Effective Date has occurred under and as defined in the Deed of Amendment and Restatement (May 2018).;

(b) **No Event of Default**

(i) no Event of Default; and

(ii) (unless the Accommodation is a Rollover Advance) no Potential Event of Default,

has occurred, or will occur, as a result of the making available of that Accommodation;

(c) **Representations**

the representations made in, or in connection with, the Finance Documents are true, accurate and complied with in all material respects on the Drawing Date, as if repeated on that date by reference to the facts and circumstances then existing;

(d) **Unusual circumstances**

none of the events contemplated by clause 17 have occurred, or are reasonably likely to occur, on the Drawing Date.

2.4 Drawdown

The Lender will make an Advance to the Borrower on any Business Day nominated by the Borrower during the relevant Availability Period if:

(a) **Drawing Notice**

the Lender has received from the Borrower a Drawing Notice not later than 2.00 pm on the Business Day before the proposed Drawing Date, which notice will be irrevocable and must specify:

(i) the Facility from which the Advance is requested;

(ii) the requested amount of the Advance, which must be an integral amount of NZ$100,000;

(iii) the proposed Drawing Date;

(iv) the currency of that Advance, which must be NZ$ or an Optional Currency;

(v) the requested length of the Interest Period applicable to the Advance.

(b) **Available Facility**

(i) the NZ Dollar Equivalent of the amount of that Advance does not exceed the applicable Available Facility; and

(ii) (if the currency of an Advance is an Optional Currency) the currency is readily available in the amount required and freely convertible into NZ Dollars in the wholesale market for that currency on the Quotation Date and the Drawing Date,

failing which the Lender may discontinue the requested drawdown of the Advance, or make the requested Advance and waive any of these conditions.

2.5 Application on re-drawing

Subject to compliance with clause 2.4, all or part of a Drawing may, if the Borrower so requests in the relevant Drawing Notice, be applied by the Lender in or towards repayment of a Drawing to be repaid on that Drawing Date, so that only the net amount is payable on that day. Nothing in this clause affects the obligation of the Borrower to make timely repayment of a Drawing in full if such application is not made.

2.6 Right of Review

(a) The Lender may review the Facilities at any time. This will generally be done annually, but may be done at other times.

(b) The Borrower acknowledges and agrees that the Lender in its absolute discretion may, by notice in writing to the Borrower, vary the percentage rate appearing in the definition of Margin.

(c) All variations to the Margin shall be effective and become binding upon the parties fourteen days (or such longer period as advised by the Lender) after the date of the notice notifying such change.

3. [*Intentionally deleted*]

4. [*Intentionally deleted*]

5. [*Intentionally deleted*]

6. [*Intentionally deleted*]

7. [*Intentionally deleted*]

8. Revolving Credit Facility

8.1 Availability

The Lender agrees to make the Revolving Credit Facility available to the Borrower on the terms of this Agreement. The Revolving Credit Facility will be made available in NZ$ or an Optional Currency and by Drawings on any Business Day during the Availability Period of the Revolving Credit Facility.

8.2 Interest Rate

The Borrower shall pay interest on each Drawing for each Interest Period at the rate per annum determined by the Lender to be:

(a) in respect of a Drawing in NZ$, the sum of:

(i) BKBM for that Interest Period;

(ii) the BNZ Liquidity Amount;

(iii) in respect of a Drawing in NZ$ with an Interest Period of one or two months, or any other period that is greater than one month but less than three months, the Business Basis Premium for that Interest Period; and

(iv) the Margin;

(b) in respect of a Drawing in an Optional Currency, the percentage rate per annum (rounded upwards to four decimal places) which is the sum of:

(i) the Margin; and

(ii) the rate of interest notified to the Borrower by the Lender to be that which expresses as a percentage rate per annum, the cost to the Lender of funding that Drawing from whatever source it may reasonably select,

subject always to clause 9.

8.3 Interest Payment

On the last day of each Interest Period for a Drawing under the Revolving Credit Facility (or, in the case of an Interest Period longer than three months, on each day during that period

that falls at three monthly intervals from the first day of that period), the Borrower shall pay to the Lender all unpaid interest accrued on each Drawing during the relevant Interest Period (or, in the case of an Interest Period longer than three months, during the relevant three month period) at the applicable rate of interest for that Interest Period. The Lender will notify the Borrower of each determination of the applicable rate of interest and of each amount of interest payable under this clause but failure to do so will not affect the obligation of the Borrower to pay interest.

8.4 Interest Periods

Each Interest Period for a Drawing will be a period commencing on the applicable Drawing Date of one, two or three months as the Borrower may nominate in the relevant Drawing Notice (or such other period as the Lender may agree in writing) except that:

(a) an Interest Period that commences on a day for which there is no numerically corresponding day in the month that Interest Period expires will end on the last Business Day of that month;

(b) if an Interest Period would otherwise end on a day that is not a Business Day, that Interest Period will be extended to end on the next succeeding Business Day, unless the result of that extension would be to carry the Interest Period over into the next calendar month, in which case the relevant Interest Period will expire on the previous Business Day;

(c) no Interest Period will extend beyond the Termination Date;

(d) if the Borrower fails to nominate the length of an Interest Period, the Interest Period will be of three month's duration,

and if (a) or (b) apply, the next Interest Period will end on the day it would have ended if the previous Interest Period had not been extended or shortened.

8.5 Prepayment

The Borrower may prepay a Drawing in full (or any part of it being not less than NZ$100,000 and that is a whole multiple of NZ$100,000) on the Borrower giving the Lender not less than three Business Days' notice of its intention to do so, specifying the date and the amount of the prepayment. That notice will be irrevocable and will bind the Borrower to make the prepayment specified in it. On the date of prepayment, the Borrower shall prepay the relevant Drawing (or part of it) together with accrued interest on that Drawing (or part of it) and any amount due under clause 18 (Indemnities).

8.6 Redrawing

Amounts prepaid under clause 8.5 will be available for re-borrowing.

8.7 Repayment

The Borrower will repay each Drawing on the last day of its Interest Period and will repay all outstanding Drawings on the Termination Date, together with all interest and costs payable under the Finance Documents.

8.8 Currency equalisation

(a) On the last day of each Interest Period the Lender shall calculate the NZ Dollar Equivalent of the Amount Outstanding under the each Facility by reference to the Lender's spot rate of exchange on that date.

(b) If at any time the aggregate NZ Dollar Equivalent of the Amount Outstanding under that Facility as calculated under paragraph (a) above (the **Aggregate NZ Dollar Amount**) exceeds 105 per cent of Facility Limit for that Facility, then the Borrower shall, within 5 Business Days of written notice from the Lender, ensure that an amount equal to the difference between the Aggregate NZ Dollar Amount and the Facility Limit for that Facility is applied in prepayment of the Amount Outstanding under that Facility. Any amounts prepaid in accordance with this clause 8.8 will not be available for redrawing.

9. Changes to the calculation of interest

9.1 Unavailability of Screen Rate

(a) **Interpolated Screen Rate**: If no Screen Rate is available for the Interest Period of a Drawing, the applicable BKBM shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of the relevant Drawing, except where the Interest Period is less than one month, in which case there shall be no BKBM for that Drawing and clause 9.5 shall apply to that Drawing for that Interest Period.

(b) **Reference Bank Rate**: If no Screen Rate is available for the Interest Period of a Drawing (not being a Drawing with an Interest Period less than one month), and it is not possible to calculate the Interpolated Screen Rate, the applicable BKBM shall be the Reference Bank Rate as of the Specified Time for a period equal in length to the Interest Period of that Drawing.

(c) **Cost of funds**: If paragraph (b) above applies but no Reference Bank Rate is available for the relevant Interest Period, there shall be no BKBM for that Drawing and clause 9.5 shall apply to that Drawing for that Interest Period.

9.2 Calculation of Reference Bank Rate

(a) Subject to paragraph (b) below, if BKBM is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.

(b) If at or about 12.00pm on the Quotation Day, none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for that Interest Period and clause 9.45 shall apply to that Drawing for that Interest Period.

9.3 Interpolated BBP Rate

If the Business Basis Premium is to be applied to a Drawing under clause 8.2 and no BBP Rate is available for the relevant Interest Period, the applicable Business Basis Premium shall be the Interpolated BBP Rate for a period equal in length to the Interest Period of the relevant Drawing.

9.4 Market disruption

If before 5.00pm on the Business Day after the Quotation Day for the relevant Interest Period, the Lender notifies the Borrower that as a result of market circumstances not limited to it (whether or not those circumstances, or their effect on the Lender's cost of funds, subsisted on the date of this Agreement), the cost to it of funding the Drawing (from whatever source it may reasonably select) would be in excess of BKBM plus any applicable Business Basis Premium, then clause 9.5 shall apply to the Drawing for the relevant Interest Period.

9.5 Cost of funds

(a) If this clause applies, the rate of interest for the relevant Drawing for the relevant Interest Period shall be the percentage rate per annum (rounded upwards to four decimal places) which is the sum of:

(i) the Margin; and

(ii) the rate of interest notified to the Borrower by the Lender to be that which expresses as a percentage rate per annum, the cost to it of funding that Drawing from whatever source it may reasonably select.

That rate is to be notified as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period.

(b) If this clause 9.5 applies and the Lender or the Borrower so requires, the Lender and the Borrower shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.

(c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of the Lender and the Borrower, be binding on all parties.

9.6 Notice

The Lender shall promptly notify the Borrower if there is a market disruption event under clause 9.4.

9.7 Break Costs

(a) The Borrower shall, within three Business Days of demand by the Lender, pay to the Lender its Break Costs attributable to all or any part of a Drawing being paid by that Borrower on a day other than the last day of an Interest Period for that Drawing.

(b) The Lender shall, as soon as reasonably practicable after a demand by the Borrower, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

10. Instrument Facility

10.1 Availability

The Lender agrees to make the Instrument Facility available to the Borrower on the terms of this Agreement. The Instrument Facility will be made available by the issuing of Instruments.

10.2 Conditions precedent to each Instrument

The Lender will make an Instrument available in accordance with clause 10.3, on any Business Day during the Availability Period nominated by the Borrower if:

(a) **Available Facility**

the amount of the Instrument, when aggregated with all of the other outstanding Instruments (if any), intended to be issued on the same day, would not cause the applicable Available Facility to be exceeded on the Drawing Date;

(b) **Limits on Instruments**

no more than 20 Instruments being outstanding at any one time.

10.3 Instruments

Subject to compliance with clause 10.2, the Lender shall issue an Instrument in NZ$ or an Optional Currency on account of the Borrower if no later than 10.30 a.m. on the second Business Day before the proposed Drawdown Date the Lender has received from the Borrower a duly completed Drawing Notice for that Instrument which shall be irrevocable and which shall specify:

(a) the type of Instrument (attaching a copy of the agreed form of the Instrument pursuant to clause 10.4(a));

(b) the Drawing Date for that Instrument;

(c) the Maximum Liability under that Instrument; and

(d) the Beneficiary of that Instrument.

10.4 Form of Instruments

Each Instrument issued by the Lender must:

(a) be in the form agreed by the Borrower and the Lender;

(b) contain a "pay and walk" clause, if required by the Lender;

(c) have an Expiry Date which is not later than the Termination Date;

(d) be denominated in NZ$ or an Optional Currency; and

(e) be payable on a Business Day and have a term no less than one month from the date of issue of that Instrument.

10.5 Authority to make payments

The Borrower irrevocably authorises the Lender to pay immediately any amount demanded at any time under an Instrument. The Lender:

(a) need not first refer to any member of the Consolidated Group or obtain its authority for the payment; and

(b) need not enquire whether the demand has been properly made (provided that the demand has been made in the prescribed form, if any); and

(c) may meet any demand even though a member of the Consolidated Group disputes the validity of the demand.

10.6 Borrower's undertaking to reimburse

The Borrower may reimburse, repay or otherwise discharge the amounts owing or contingently owing in respect of any issued Instrument by:

(a) providing to the Lender, cash collateral (on terms satisfactory to the Lender) in an amount not less than the Maximum Liability of the issued Instrument; or

(b) cancelling that Instrument by procuring the Beneficiary under that Instrument to return the original to the Lender.

10.7 Expiring Instruments

The Instrument Facility Limit is not reduced when an Instrument expires, is repaid or is otherwise discharged.

10.8 Indemnity

The Borrower unconditionally and irrevocably indemnifies the Lender against any liability or loss arising from, and any costs incurred in connection with, the Lender making payment pursuant to or receiving a claim in respect of an Instrument. The Borrower agrees to pay amounts due under this indemnity on demand from the Lender. For the avoidance of doubt, any payment made under this clause shall be paid in the same currency as the Instrument in respect of which the payment was made.

10.9 Rights are protected

The rights of the Lender under the Instrument Facility in respect of an Instrument and the Borrower's obligations with respect to an Instrument are not affected by anything (other than in the case of fraud, gross negligence or wilful misconduct on the part of the Lender) that might otherwise affect them under law or otherwise, including:

(a) any inaccuracy, insufficiency, forgery or alteration in any certificate, Instrument or other document which purports to be made, issued or delivered under this Agreement or under any Instrument;

(b) the fact that the Lender releases a member of the Consolidated Group (or another person) or gives them a concession, such as more time to pay, or compounds or compromises with them;

(c) laches, acquiescence or delay on the part of the Lender or another person;

(d) any variation or novation of a right of the Lender or another person; or

(e) the fact that the obligations of any person other than a member of the Consolidated Group may not be enforceable.

10.10 Prohibitions on issue of certain Instruments

The Lender is not obliged to issue an Instrument in respect of any Beneficiary if the issue would cause a breach by the Lender of any applicable law.

10.11 Redrawing

Subject to compliance with the provisions of this Agreement relating to drawdown, amounts under the Instrument Facility which are repaid or prepaid in accordance with this Agreement or amounts available as a result of the cancellation or release of an Instrument shall be available for drawing or redrawing during the Availability Period for the Instrument Facility.

11. Ancillary Facilities

11.1 Availability

The Lender may, at its option, agree to make additional facilities available to the Obligors.

11.2 Documentation

Any ancillary facility will be made on the terms specified in a separate agreement to be entered into between the Lender and the relevant Obligor(s) at the relevant time, and will be subject to the terms of that agreement.

12. Repayment

The Borrower will repay all outstanding Drawings on the Termination Date, in each case, together with all interest and costs payable under the Finance Documents.

13. Illegality

If, at any time, the Lender determines that it is, or is likely to be, or will become, unlawful or contrary to any law, treaty or directive of any agency of state or other regulatory, monetary or accounting authority to make, fund or allow to remain outstanding all or part of the Facility or any Accommodation, or to charge or receive interest at any applicable rate, or to comply with any of its obligations or exercise any of its rights under a Finance Document, then, on the Lender notifying the Borrower accordingly:

(a) the obligation of the Lender to make the Facility or any Accommodation available will be cancelled; and

(b) where the Facility or part of it has been made available, the Borrower will repay the Amount Outstanding either immediately or, if permitted by law, treaty or directive, on the expiry of each current Interest Period (if applicable) relating to it.

14. Default interest

If the Borrower does not pay, when due, an amount payable by it under a Finance Document then, without prejudice to its other obligations, the Borrower will pay interest on that overdue amount (including interest payable under this clause) calculated from its due date to the date of its receipt by the Lender (after as well as before judgment), compounded and payable at intervals selected by the Lender at its discretion (each a **Default Interest Period**). This obligation to pay default interest arises without the need for a notice or demand. The rate of default interest (the **Default Rate**) will be the aggregate of:

(a) The rate of interest that would otherwise be payable pursuant to clause 8.2; and

(b) 2 percent per annum,

on the first day of the relevant Default Interest Period.

15. Fees

15.1 Establishment fee

[*Intentionally deleted*]

15.2 Line fee

(a) The Borrower will pay to the Lender a line fee at the rate of 1.00 per cent per annum of the Revolving Credit Facility Limit.

(b) The Borrower will pay to the Lender a line fee at the rate of 0.75 per cent per annum of the Instrument Facility Limit.

(c) Each such line fee is payable quarterly in advance from the Effective Date to the later of the Termination Date and the date on which the Amount Outstanding is received by the Lender.

15.3 Issuance fee

(a) The Borrowers shall pay to the Lender an issuance fee in an amount equal to 1.00% of the Maximum Liability of the Lender per annum under each Instrument as specified by the Lender in accordance with its current trade terms relating to such Instruments.

(b) Such issuance fees shall be payable quarterly in advance (starting on the date of issue of that Instrument) until such time as the relevant Instrument is formally cancelled by the Lender (which will be deemed to occur after the Instrument expires). These issuance fees are subject to review at the Lender's sole discretion.

(c) Other fees may be payable in respect of Instruments provided by the Lender as specified by the Lender in accordance with its current trade terms relating to such Instruments or as otherwise agreed with a Borrower. These fees are subject to review at the Lender's sole discretion.

15.4 No refund

No fee payable by the Borrower is refundable in any circumstance, even where payable in advance.

16. Taxes

16.1 Gross up

If:

(a) an Obligor or a person on its behalf is required by law to make a deduction or withholding on account of tax from any amount paid or payable by it under a Finance Document; or

(b) the Lender or a person on its behalf is required by law to make any payment for or on account of tax (other than tax on overall net income of the Lender) on or in relation to any amount received or receivable by it under a Finance Document,

then the relevant Obligor will:

(c) ensure that any such deduction or withholding does not exceed the legal minimum and shall pay the amount required to be deducted or withheld to the relevant authority before the date any penalty begins to accrue; and

(d) increase the actual amount paid to the Lender to the extent necessary to ensure that after any such deduction, withholding or payment is made, the Lender actually receives and retains on the due date (free from any liability in respect of any such deduction, withholding or payment, and ignoring any amount that the Lender is deemed to have received by reason of any legislation) a net amount equal to the amount that it would have received and so retained had no such deduction, withholding or payment been required to be made.

16.2 Tax credit

If the Lender receives the benefit of a final tax refund or credit resulting from an Obligor having made a deduction or withholding referred to in, or in respect of which an Obligor has made an increased payment under, clause 16.1 (Gross up), it will pay to the relevant Obligor such part of that benefit as, in the Lender's reasonable opinion, will leave it in a no less favourable position (after that payment, and taking account of any additional payment made to it under clause 16.1 (Gross up) and any tax payable by it on that additional payment) than it would have been in if no deduction or withholding or payment had been required. In doing so, the Lender:

(a) will be the sole judge of the amount of any such benefit and the date on which it is received and paid;

(b) has absolute discretion as to the order and manner in which it employs or claims tax credits and allowances available to it and is under no obligation to claim relief from any of its tax liabilities in respect of any such deduction or withholding in priority to any other claims, credits or deductions available to it; and

(c) has no obligation to disclose to the Obligor any information regarding its tax affairs or computations.

16.3 New Zealand Resident Withholding Tax

The Lender:

(a) **RWT Exemption Certificate**

confirms to the Borrower that, as at the date of this Agreement (or, if later, as at the date it becomes party to this Agreement), it is a person of the type listed in section 32E(2)(a) to (h) of the Tax Administration Act 1994, and holds an RWT Exemption Certificate;

(b) **Undertaking to maintain certificate**

undertakes to the Borrower to use reasonable endeavours to maintain the currency of its RWT Exemption Certificate until the Termination Date, provided that the Lender is lawfully able to do so;

(c) **Obligation to notify**

agrees to notify the Borrower promptly if it ceases to hold, or ceases to be entitled to hold, an RWT Exemption Certificate, following which the Lender and the Borrower shall negotiate in good faith for a period not exceeding 30 days with a view to agreeing upon an arrangement that will ensure, so far as possible, that the Borrower is not disadvantaged, and the Lender is not advantaged, by reason of the loss of the RWT Exemption Certificate. If no such arrangement is agreed within the 30 day period, clause 16.1 (Gross up) will continue to apply.

16.4 FATCA

Notwithstanding anything to the contrary herein, nothing in clause 16.1 or 17 shall apply to the extent the relevant amount relates to a FATCA Deduction required to be made by a party to this Agreement.

16.5 FATCA Information

(a) Subject to paragraph (c) below, each of the Lender and an Obligor (in this clause a **Party**) shall, within ten Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

(e) If an Obligor is a US Tax Obligor or the Lender or the Borrower reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, the Lender shall, within ten Business Days of:

(i) where an Obligor is a US Tax Obligor and the Lender is Bank of New Zealand, the date of this Agreement;

(ii) where an Obligor is a US Tax Obligor on the date of any assignment by the Lender pursuant to clause 25.1 and the Lender is not Bank of New Zealand, the date of that assignment;

(iii) the date a new US Tax Obligor accedes as an Obligor; or

(iv) where an Obligor is not a US Tax Obligor, the date of a request from the Lender,

supply to the Borrower:

(v) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or

(vi) any withholding statement or other document, authorisation or waiver as the Lender may require to certify or establish the status of such Lender under FATCA or that other law or regulation.

(f) The Lender shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from any other person pursuant to paragraph (e) above to the Borrower.

(g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Borrower pursuant to paragraph (e) or (f) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Borrower unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Borrower). The Lender shall provide any such updated

withholding certificate, withholding statement, document, authorisation or waiver to the Borrower.

(h) The Borrower may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Borrower shall not be liable for any action taken by it under or in connection with paragraphs (e), (f) or (g) above.

16.6 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Lender if appropriate.

16.7 GST

If any supply by the Lender to the Borrower in relation to any Finance Document is, at the time of supply, subject to GST, the Borrower will, subject to receipt of a valid tax invoice, pay to the Lender an amount equal to the applicable goods and services tax in addition to the consideration for that supply.

Where a Finance Document requires any party to reimburse the Lender for any costs or expenses, such costs or expenses shall include any indirect tax (including GST) incurred by the Lender in respect of those costs or expenses save to the extent that the Lender is entitled to a repayment or credit in respect of the indirect tax. Where applicable, the Lender will promptly provide the party with a tax invoice complying with the relevant indirect tax legislation.

16.8 Stamp duty

The Obligors must:

(a) pay; and

(b) within 3 Business Days of demand, indemnify the Lender against any cost, expense, loss or liability the Lender incurs in relation to,

all stamp duty, registration or other similar tax payable in respect of any Finance Document.

16.9 Notice of legal requirements

If a party is required to make a deduction, withholding or payment for or on account of tax or on another account, it shall promptly notify each other party immediately.

16.10 Tax receipts

Promptly after the making by an Obligor of a deduction or withholding, the Borrower will deliver to the Lender a receipt or other documentation reasonably satisfactory to the Lender evidencing the deduction or withholding.

16.11 Limitation for default by Lender

Nothing in this clause 16 shall be construed as requiring an Obligor to pay an amount to the Lender on account of a tax which is a penalty or interest payable in connection with the Lender's failure to pay an amount to the revenue in any jurisdiction after receiving it from an Obligor.

17. Increased costs

17.1 Increased costs

If, at any time, as a result of:

(a) the introduction of, or a change in, a law, treaty or directive of an agency of state or other regulatory, monetary or accounting authority, or in its interpretation by the agency or authority charged with its administration, or by a court of competent jurisdiction (including the implementation or application of, or compliance with, any document that forms part of the international capital or regulatory framework for banks published by the Basel Committee on Banking Supervision but excluding Basel III); or

(b) compliance by the Lender or by a person with whom the Lender may have a loan, swap or other funding or participation arrangement with a directive of an agency of state or other regulatory, monetary or accounting authority,

in each case after the date of this Agreement (or, in relation to a person becoming party to this Agreement subsequently, the date it becomes party to this Agreement) the Lender determines that:

(c) the cost to it of making, funding or maintaining the Facility or any Accommodation or any other amount under a Finance Document, or all or any of the amounts comprised in a class of advances formed by or including the Facility or any Accommodation or any other amount is increased; or

(d) an amount payable to it or its effective return under a Finance Document is reduced; or

(e) there is a reduction in the effective rate of return on its overall capital that, in its view, is attributable to either of paragraphs (a) or (b) above applying in relation to its obligations under a Finance Document or to any class of obligations of which they form part; or

(f) it makes a payment or forgoes any interest or other return on or calculated by reference to a sum received or receivable by it from a Relevant Party under a Finance Document in an amount that the Lender considers material,

then, and in each case (whether or not the Lender is aware at the date of this Agreement that any such introduction, change or directive will subsequently take effect):

(g) the Lender will notify the Borrower; and

on demand from time to time by the Lender, the Borrower will pay to the Lender, the amount certified by the Lender to be necessary to compensate it (and except to the extent that the Borrower is already liable to compensate it under this Agreement) for that increased cost, reduction, payment or forgone interest or other return (or that portion of it as in the Lender's opinion, is attributable to the Facility or any Accommodation or the Lender's obligations under a Finance Document) (if requested by the Borrower, this certificate will provide reasonable details of the composition of this amount).

No demand may be made under this clause 17.1 in relation to any increased cost arising in respect of tax or as a consequence of the wilful misconduct or negligence of the Lender.

17.2 Minimisation

If the Lender has acted in good faith, an amount certified under sub-clause 17.1 (Increased costs) above will be payable regardless of whether an increased cost, reduction, payment or forgone interest or other return referred to in that clause could have been avoided.

17.3 Survival of obligations

The obligations of the Borrower under sub-clause 17.1 (Increased costs) above are to survive termination of the Facility and payment of all other indebtedness due under any Finance Document.

17.4 Changes in market conditions

If, by reason of circumstances affecting any relevant interbank market generally, it is or may be impossible for the Lender to obtain the relevant currency in that market (and accordingly it is impossible for it to make, fund or maintain the Facility or any Accommodation or any other amount under a Finance Document, or all or any of the amounts comprised in a class of advances formed by or including the Facility or any Accommodation) for any period, the Lender is to notify the Borrower promptly and:

(a) if the Accommodation has not been made, the obligation of the Lender to make the Accommodation available will be suspended; and

(b) if the Accommodation has been made, the Borrower will repay the Accommodation and all other indebtedness of the Borrower under each Finance Document either immediately or, as the Lender elects, on the next date for payment of interest.

Without prejudice to the Borrower's obligations to repay, the Borrower and the Lender are to negotiate in good faith with a view to agreeing terms for making the Facility available from another source. However, the Lender is under no obligation to agree to terms or to continue those negotiations if terms are not agreed promptly.

18. Indemnities

18.1 General indemnity

Subject to any mandatory law, the Obligors will indemnify the Lender against each cost incurred by it as a result of:

(a) the occurrence or continuance of an Event of Default; or

(b) an amount payable by the Obligors under a Finance Document not being paid when due, whether by prepayment, acceleration or otherwise (but, so far as appropriate, credit is to be given for amounts, if any, of default interest paid under the Finance Document); or

(c) a prepayment of a Drawing being made or becoming due, or another amount being paid or becoming due, otherwise than on the last day of an Interest Period relating to it (whether or not that payment is permitted or required under this Agreement); or

(d) a Drawing not being drawn on the requested Drawing Date (other than by reason of default by the Lender); or

(e) any Advance not being advanced on the requested Drawing Date (other than by reason of default by the Lender); or

(f) an enquiry by a Government Agency involving an Obligor; or

(g) reliance by the Lender (acting reasonably) on any communication made to it via electronic mail by an authorised signatory of the Borrower,

by payment on demand to the Lender, of the amount that the Lender certifies is required to compensate the Lender for that cost, including each cost incurred in liquidating or re-employing:

(h) deposits or other funds acquired or arranged to fund or maintain a Drawing or any Advance or any part of it; and

(i) any transaction entered into in anticipation of drawdown and/or disbursement of a Drawing or any Advance.

18.2 Currency indemnity

If an amount due from a Relevant Party under a Finance Document or under a suit, action or proceeding has to be converted from the currency (the **first currency**) in which it is payable into another currency (the **second currency**) for the purposes of:

(a) making or filing a claim or proof against a Relevant Party; or

(b) obtaining an order or judgment in any court; or

(c) enforcing an order or judgment,

then the Obligors will indemnify the Lender by payment on demand in immediately available funds, in the currency stipulated by the Lender, against each cost incurred by the Lender as a result of any discrepancy between:

(d) the rate of exchange used for that purpose to convert the sum in question from the first currency into the second currency; and

(e) the rate of exchange at which the Lender may, in the ordinary course of business, purchase the first currency with the second currency.

Each amount due under this clause will be due as a separate debt and will not be affected by, or merged into, a judgment obtained for other sums due.

18.3 Indemnities irrevocable

The above indemnities are unconditional and irrevocable, and will survive both termination of this Agreement and payment of all other indebtedness due under the Finance Documents.

19. Costs

The Borrower will pay each cost incurred by the Lender in connection with:

(a) the preparation, negotiation, entry into, execution, stamping, registration and release of each Finance Document;

(b) each amendment to, waiver or consent in respect of, or discharge or release of or under, a Finance Document; and

(c) the exercise, protection, investigation or enforcement of the Lender's rights under a Finance Document;

in each case, on demand and on a full indemnity basis. The costs in relation to (a) and (b) must be reasonable.

20. Cross guarantee

20.1 Guarantee

Each Obligor unconditionally and irrevocably jointly and severally guarantees to the Lender due payment by each other Obligor (in this clause, referred to as the **Debtor**), of the Guaranteed Indebtedness.

20.2 Payment

Each Obligor undertakes to the Lender that if, for any reason, a Debtor does not pay when due (whether by acceleration or otherwise) any of its Guaranteed Indebtedness, it will pay the relevant amount to the Lender immediately on demand.

20.3 Unenforceability of obligations

As a separate and continuing undertaking, each Obligor unconditionally and irrevocably undertakes to the Lender that, should any Guaranteed Indebtedness not be recoverable from an Obligor under any Finance Document for any reason, including a provision of any Finance Document or an obligation (or purported obligation) of an Obligor to pay any Guaranteed Indebtedness being or becoming void, voidable, unenforceable or otherwise invalid, and whether or not that reason is or was known to the Lender, and whether or not that reason is:

(a) a defect in or lack of powers of that Obligor or the Debtor or any other person, or the irregular exercise of those powers; or

(b) a defect in or lack of authority by a person purporting to act on behalf of that Obligor or the Debtor or any other person; or

(c) a legal or other limitation (whether under the Limitation Act 2010 or otherwise), disability or incapacity of that Obligor or the Debtor; or

(d) the liquidation, administration, amalgamation, change in status, constitution or control, reconstruction or reorganisation of that Obligor or the Debtor (or the commencement of steps to effect the same),

that Obligor will, as a sole and independent obligation, pay to the Lender on demand the amount that the Lender would otherwise have been able to recover (on a full indemnity basis). The expression "Guaranteed Indebtedness" includes any indebtedness that would have been included in that expression but for anything referred to in this clause.

20.4 Suspense account

All amounts from time to time received by the Lender in respect of the Guaranteed Indebtedness of a Debtor from an Obligor other than the Borrower or otherwise on account of any Obligor may be placed in a suspense account (the **Suspense Account**) with a view to preserving the rights of the Lender, to the extent permitted by law, to prove for the whole of the Guaranteed Indebtedness of the Debtor in the event of any proceeding in, or analogous to, liquidation, administration, amalgamation, change in status, constitution or control, reconstruction or reorganisation of the Debtor or any other Obligor. Any interest paid on the amount for the time being in the Suspense Account shall not be payable by the Lender to any Obligor.

20.5 Liability as sole principal debtor

As between each Obligor and the Lender (but without affecting the obligations of a Debtor) each Obligor is liable under this clause in relation to the Guaranteed Indebtedness as a sole and principal debtor and not as a surety.

20.6 No discharge

(a) No Obligor is discharged, nor are its obligations affected, by:

(i) any time, indulgence, waiver or consent at any time given to a Relevant Party or another person; or

(ii) an amendment (however fundamental) to, or replacement of, a Finance Document or to another security interest, guarantee or other agreement (whether or not that amendment increases the liability of that Obligor); or

(iii) the existence, validity or enforceability of, or the enforcement of or failure to enforce, or the release of any person or property from any Finance Document or other security interest, guarantee or agreement; or

(iv) the liquidation, amalgamation, change in status, constitution or control, reconstruction or reorganisation of any Relevant Party or another person (or the commencement of steps to effect any of these); or

(v) anything else whatever.

The Lender is not liable to any Obligor in respect of any of these matters, even though the Obligors' rights in subrogation or otherwise may be prejudiced as a result.

(b) Each Obligor acknowledges and accepts that:

(i) the Lender may release one or more Obligor's obligations under this Agreement without the release of each other Obligor;

(ii) release by the Lender of one Obligor from its obligations under this Agreement does not constitute release of the obligations of any other Obligor; and

(iii) in any case where an Obligor is released by the Lender from its obligations under this Agreement, the Lender's rights and remedies against each remaining Obligor are preserved.

20.7 Continuing guarantee

This guarantee and each Obligor's obligations under this Agreement:

(a) are a continuing security, notwithstanding intermediate payments, settlement of accounts or payments or anything else;

(b) are in addition to, and not to be merged in, any security interest, guarantee or other agreement, whenever in existence, in favour of any person; and

(c) will remain in full force and effect until the execution by the Lender of an unconditional discharge of each Obligor's obligations under this Agreement.

20.8 No competition

No Obligor will, without the written consent of the Lender:

(a) take, accept or hold a security interest from another Obligor or, in relation to Guaranteed Indebtedness, from another person; or

(b) take steps to recover (whether directly or by set-off, counterclaim or otherwise) or accept money or other property, or exercise or enforce rights in respect of, any indebtedness of another Obligor to that Obligor arising in any way or, in relation to Guaranteed Indebtedness, indebtedness of another person to that Obligor; or

(c) claim, prove or accept payment in composition by, or a liquidation of, another Obligor or, in relation to Guaranteed Indebtedness, another person,

and until such time as the Guaranteed Indebtedness has been fully paid, each Obligor waives all rights of subrogation to which it would otherwise be entitled by reason of performance of its obligations under the guarantee in this clause or any other guarantee given in respect of indebtedness of an Obligor. If, notwithstanding this sub-clause, an Obligor holds or receives any such security interest, money or property, that Obligor will pay or transfer it to the Lender immediately and, pending that payment or transfer, will hold it on trust for the Lender.

21. Representations

21.1 Representations and warranties of Obligors

Each Obligor represents and warrants that:

(a) **Existence, power and authority**

it:

(i) in the case of each Obligor in its personal capacity:

(A) is duly incorporated, validly existing and (where the concept of good standing applies) in good standing under the laws of its jurisdiction of incorporation;

(B) has full power and authority to conduct its business as presently conducted;

(C) has full power and authority to enter into, deliver and comply with its obligations under the Finance Documents;

(D) is qualified to do business and (where the concept of good standing applies) in good standing in each other jurisdiction where such qualification is required for it to enter into, deliver and comply with its obligations under the Finance Documents; and

(E) has taken all corporate and other action and obtained all consents needed to enable it to do so;

(ii) in the case of the Trustee, it has the power under the Trust Deed to own the Trust assets and carry on the business of the Trust as it is being conducted, has full power to enter into, deliver and comply with its obligations under the Finance Documents, and has taken all action and obtained all consents needed to enable it to do so;

(b) **No consents**

no consent, approval or authorization of, filing with, notice to or other act by or in respect of, any governmental authority or any other person is required in connection with the transactions contemplated hereunder or with the execution, delivery and performance by it of any Finance Document to which it is a party, except consents, authorizations, filings and notices which have been obtained or made and are in full force and effect;

(c) **Obligations enforceable**

it has duly executed and delivered each of the Finance Documents to which it is a party and its obligations under the Finance Documents are legal, valid, binding and enforceable in accordance with their respective terms, subject to equitable principles and insolvency laws of general application;

(d) **No default**

it is not in default, nor will its entry into any Finance Document to which it is a party cause it to default, under:

(i) any agreement relating to indebtedness; or

(ii) any guarantee; or

(iii) any other agreement,

to an extent or in a manner that has, or might have, a material adverse effect on it and no such agreement limits its capacity to sell any Debts and give title thereto to the Lender;

(e) **Compliance with laws, no conflict**

its entry into the Finance Documents and the exercise of its rights and obligations under and in connection with the Finance Documents does not:

(i) contravene any law to which it is subject:

(ii) conflict with or result in a breach of, any agreement to which it is a party where such breach or conflict would have a material adverse effect;

(iii) conflict with or result in a breach of any of the documents constituting it (including, in relation to the Trustee, the Trust Deed); or

(iv) limit any of its powers or any right or ability of its directors to exercise its powers;

(f) **Solvency**

(i) in the case of each Obligor in its personal capacity, it is solvent and able to pay its indebtedness as it falls due; and

(ii) in the case of the Trustee, it is solvent and able to pay its indebtedness as it falls due from the relevant Trust assets, where indebtedness is incurred as a Trustee;

(g) **No security interest**

except as disclosed to and accepted in writing by the Lender and any Permitted Security, no security interest exists over or affects, nor is there any agreement to give or permit to exist, any security interest over or affecting, any of its property;

(h) **Financial statements**

the latest audited annual financial statements as delivered to the Lender:

(i) include those most recently prepared for the last period and as at the last date for which financial statements have been prepared, and include copies of all documents required by law to accompany them;

(ii) were prepared in accordance with Accounting Principles;

(iii) give a true and fair view of its financial position and, in relation to that period, the consolidated financial position of the Consolidated Group as at the date and for the period to which they relate;

(iv) disclose or reserve against all liabilities (contingent or otherwise) as at that date and all unrealised or anticipated costs from any commitment entered into by the relevant person(s) and that existed on that date;

(v) include a true and complete copy of any auditor's report; and

(vi) are signed by two directors (or one, if there is only one director);

(i) **No material adverse change**

there has been no material adverse change since the last date as at which any of the financial statements referred to in the preceding sub-clause were made up;

(j) **Litigation**

no litigation, arbitration or administrative proceeding is, as at the Commencement Date, current or pending or, to its knowledge, threatened that has, or could have, a material adverse effect on it or on the Lender's ability to exercise or enforce its rights under any Finance Document;

(k) **Information**

(i) all information provided by it or any other person on its behalf to the Lender in connection with the Finance Documents was true in all material respects as at the date that information was provided, and remains so;

(ii) there are no facts or circumstances that have not been disclosed to the Lender that would make the information referred to in sub-paragraph (i) above untrue or misleading in any material respect; and

(iii) it has disclosed to the Lender all information that would be material to assessment by the Lender of the risks to be assumed by the Lender under the Facility;

(l) **No Event of Default**

no Event of Default has occurred and is continuing;

(m) **Security Documents**

each of the Security Documents is effective to create in favour of the Lender a legal, valid and enforceable lien on, and security interest in, the Secured Property described therein and proceeds thereof as security for the obligations of the Obligors under the Finance Documents;

(n) **Ranking of obligations**

(i) in respect of each Obligor in its personal capacity, its liabilities under each Finance Document to which it is a party will at all times rank at least pari passu with the claims of all of its other creditors, except where such claims are preferred solely by operation of law or are secured pursuant to a Permitted Security;

(ii) in respect of the Trustee:

(A) to the extent that its payment obligations under the Finance Documents are not indemnified out of Trust assets, they rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally; and

(B) to the extent that its payment obligations under the Finance Documents are indemnified out of Trust assets, they rank at least pari passu with the claims of all its other unsecured and unsubordinated Trust creditors, except for obligations mandatorily preferred by law;

(o) **Not trustee**

other than in relation to the Trustee as trustee of the Trust, it is not a trustee of any trust;

(p) **Group structure chart**

the group structure diagram in Schedule 8 sets out the true and correct corporate structure and ownership of the Consolidated Group at the Commencement Date and does not omit any material detail;

(q) **Intellectual Property**

it owns or has licensed to it on arm's length terms, or otherwise has available to it, all IP rights necessary for the conduct of its business and all software necessary for the conduct of its business in each case where failure to do so has or would be likely to have a material adverse effect;

(r) **No amount owing**

the Shares are fully paid;

(s) **Sole owner**

(i) in the case of each Obligor, in its personal capacity, it is the sole legal and (subject to any Permitted Security) beneficial owner of, and has rights in, all the Secured Property;

(ii) in the case of the Trustee, it is the sole legal owner of, or otherwise has or will have a sufficient right, interest or power to grant a security interest in the Trust assets;

(t) **Share certificates**

other than as notified to the Lender in writing or in respect of a UK Obligor, no Certificates have been issued in respect of the Shares or units in the Trust;

(u) **No other interest**

no other person has any interest in, or other right over, the Secured Property except:

(i) to the extent (if any) set out in or permitted by the Finance Documents;

(ii) Permitted Security; or

(iii) as otherwise agreed in writing by the Lender;

(v) **No foreign property**

at the date of this Agreement, all of its Material Secured Property is in its possession and is situated in New Zealand and/or Australia other than shares it owns in overseas entities; and

(w) **Serial Numbered Secured Property**

at the date of this document, the information in Schedule 9 is true in all respects and includes the details of all of its Serial Numbered Secured Property.

(x) **Listing**

in relation to any Obligor whose shares are listed on a registered stock exchange only, it will comply with the rules applicable to that registered stock exchange where failure to do so has or is reasonably likely to have a Material Adverse Effect.

21.2 Trust representations

The Trustee represents and warrants personally, and as trustee, to the Lender:

(a) **Obligor as trustee**

(i) it is the only trustee of the Trust. No action has been taken or, to the best of its knowledge or belief, proposed by any person with the power or standing to do so to remove it as trustee of the Trustee or to appoint an additional trustee to the Trust;

(ii) there are no former trustees of the Trust; and

(iii) it has never been the only unit holder of the Trust;

(b) **the Trust**

(i) the Trust is properly constituted. No action has been taken or, to the best of its knowledge or belief, proposed by any person with the power or standing to do so to terminate or resettle the Trust; and

(ii) the Trust is not a managed investment scheme which must be registered under Part 5C.1 of the Australian Corporations Act;

(c) **the Trust Deed**

(i) each copy of the Trust Deed given to the Lender on or before the date of this Agreement is a true and up to date copy and discloses all the terms of the Trust, other than those implied by law; and

(ii) the Trust Deed constitutes valid, binding and enforceable obligations of the parties to it and is duly stamped and complies with all applicable laws;

(d) **powers and duties**

it has the power to enter into the Finance Documents and the transactions they contemplate, exercise its right under them and comply with its obligations in connection with them as trustee of the Trust and in doing so it has acted and is acting properly. All requirements to enable it to do so have been and remain satisfied;

(e) **the Trust assets**

except as expressly permitted by the Finance Documents, no Trust asset has been resettled or vested in any person. No one is presently entitled to call for the distribution of the Trust assets; and

(f) **the Trustee's Indemnity**

(i) it enjoys the benefit of and may exercise and enforce rights of indemnity or other rights to apply, use or retain Trust assets to satisfy its obligations arising under or in connection with the Finance Documents and the transactions they contemplate, without the consent or approval of any person or court. Those rights are not subject to a limitation or obligation to make good or clear accounts and the Lender may subrogate to them except to the extent affected by their own conduct;

(ii) after taking into account all other present and contingent Trust liabilities and its rights of contribution and subrogation, the Trust assets are sufficiently valuable and liquid to satisfy in full its indemnity with respect to its payment obligations in connection with the Finance Documents and the transactions they contemplate as and when they become due and payable; and

(iii) no application or order has been sought by a person other than a Lender or has been made in any court for a person to subrogate to its indemnity with respect to Trust assets.

21.3 Representations in relation to UK Obligors

Each UK Obligor represents that:

(a) **Centre of main interests**

for the purposes of the Insolvency Regulation, its centre of main interest (as that term is used in Article 3(1) of the Insolvency Regulation), is situated in England and Wales and it has no "establishment" (as that term is used in Article 2(h) of the Insolvency Regulation) in any other jurisdiction;

(b) **Pensions**

it is not or has not at any time been:

(i) an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004 (UK)) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pensions Schemes Act 1993 (UK)); or

(ii) "connected" with or an "associate" (as those terms are used in sections 38 and 43 of the Pensions Act 2004) (UK) of such an employer. No UK Obligor has been issued with a Financial Support Direction or a Contribution Notice in respect of any pension scheme.

21.4 Representations continuing - general

Each of the representations in this clause (but not clause 21.3(b)) will be deemed to be repeated on each date a Drawing is requested, on each Drawing Date and on each Interest Payment Date so long as this Agreement remains in effect by reference to the facts and

circumstances then existing, except that each reference to financial statements will be construed as a reference to the latest available financial statements of the relevant person.

21.5 Representations relating to future Secured Property

Whenever any Secured Property is acquired by a Security Provider or comes into existence after the date of this Deed, that Security Provider will be deemed to give the representations in clause 21.121.1(s), 21.1(t), 21.1(u) (if relevant), (v) and (w) in respect of that Secured Property.

21.6 Reliance on representations

Each Obligor acknowledges that the Lender has been induced to enter into this Agreement and will be induced to make the Facilities available in reliance on the representations in this clause.

21.7 No representations to Obligors

Each Obligor acknowledges and accepts that it has not relied and will not rely on any statement made by or on behalf of the Lender in deciding to enter into any Finance Document or to exercise any right or perform any obligation under any Finance Document.

22. Undertakings

22.1 General undertakings

Each Obligor (or, in relation to clauses 22.1(o), (p), (q), (s) and (u), each Security Provider only) undertakes that it will:

(a) **Events of Default**

notify the Lender of the occurrence of any Event of Default or Potential Event of Default and any event or circumstance that may have a material adverse effect on it, immediately upon becoming aware of it, giving full details of it and of any action taken (or to be taken) as a result;

(b) **Use of Accommodation**

use any Accommodation solely for the purposes set out in this Agreement (failing which the relevant amounts will be held on trust for the Lender);

(c) **Conduct of business**

(i) pay all its indebtedness when due; and

(ii) comply with all consents and all obligations binding on it by law, contract or otherwise,

where failure to do so would have a material adverse effect on it;

(d) **Maintenance of corporate existence**

do all things necessary to maintain its corporate existence and the corporate existence of each other Obligor, where failure to do so would have a material adverse effect on it;

(e) **Maintain consents**

maintain in full effect all consents required to enable it to comply with its obligations under the Finance Documents where failure to do so would have a material adverse effect on it;

(f) **Compliance with laws**

duly and promptly comply with all laws, directives and consents the non-compliance with which might give rise to a security interest (not being a Permitted Security) or have a material adverse effect on it, or that may adversely affect the rights or security of the Lender under a Finance Document;

(g) **Pay taxes**

(i) file all tax returns as required by law, and pay and discharge all taxes (including GST payable in accordance with the GST Act and all income tax assessed against it pursuant to the Income Tax Act 2007 or otherwise, or in relation to an Obligor incorporated under the laws of Australia, the Australian Tax Act), assessments and governmental charges payable by it or on its property prior to the date that penalties become payable, except only to the extent that those taxes, assessments or governmental charges are being contested in good faith by appropriate proceedings and adequate reserves are set aside for their payment, where failure to do so would have a material adverse effect on it;

(ii) lodge such returns as may be required to be lodged by it pursuant to the terms of the Income Tax Act 2007 (or in relation to an Obligor incorporated under the laws of Australia, the Australian Tax Act) or otherwise;

(h) **Further assurance**

promptly, and at its own cost:

(i) deposit with the Lender all documents of title constituting or evidencing the Secured Property unless (without limiting (ii) below) those documents of title are required to be retained by the Obligors to enable them to conduct their business as presently conducted;

(ii) deposit with the Lender each Certificate;

(iii) (on request) execute and deliver to the Lender all transfers, assignments, novations and other agreements;

(iv) do all acts and things in respect of a Finance Document,

in respect of (ii) to (iv) as the Lender may deem necessary to secure the full benefit of its rights under any Finance Document or to transfer to the Lender title to any Debt but, while no Event of Default is continuing, subject to any qualifications as to timing or when the Lender may request the same as set out in the Security Documents;

(i) **Information to be true**

(i) ensure that all information provided by it to the Lender in connection with the Finance Documents after the date of this Agreement is true in all material respects as at the date that information is provided; and

(ii) not omit to state any fact or circumstance that would make that information untrue or misleading in any material respect; and

(iii) ensure that all projections and forecasts made by it will be prepared in good faith based upon what it believes to be reasonable assumptions it being understood that such forecasts and projections are subject to significant uncertainties and contingencies, many of which are beyond its control and it can give no assurance that the projections and forecasts will be realised;

(j) **Insurance**

ensure that it, and each of its subsidiaries, will:

(i) keep insured with reputable insurers all its property of an insurable nature that is customarily insured (either generally or by persons carrying on a similar business) against loss or damage by fire and other risks normally insured against, by persons carrying on the same class of business as that carried on by it (and any other risks that the Lender may from time to time reasonably require), for their replacement value (meaning the total cost of entirely rebuilding, reinstating or replacing that property in the event of it being completely destroyed, together with architects' and surveyors' fees) or such lower value as the Lender may agree in writing;

(ii) maintain insurance with reputable insurers against loss of profits and third party liabilities at levels no lower than those adopted from time to time by persons carrying on a similar business of a comparable size;

(iii) maintain insurance over all stock with reputable insurers and for an amount not less than the Revolving Credit Facility Limit; and

(iv) promptly pay all premiums and do all other things necessary to maintain the insurances required by this clause;

(k) **Environmental Laws**

(i) comply (and has complied with) all Environmental Laws affecting its operation or its property, where failure to do so would have a material adverse effect on it;

(ii) inform the Lender of any material breach of an Environmental Law, or any notice or order received by it under an Environmental Law, that is likely to adversely affect it or its property;

(iii) provide the Lender on reasonable request (but not more frequently than annually), but at the Borrower's sole cost, with environmental audits and reports in respect of its property, in a form and from an independent consultant acceptable to the Lender; and

(iv) indemnify the Lender against all liabilities and costs arising out of any act or omission of it in respect of any circumstance that breaches, or might breach, any Environmental Law;

(l) **Proper accounts**

keep and maintain proper accounts and records in relation to its business and make immediate and correct entries of all its transactions;

(m) **Company records**

(i) in relation to an Obligor incorporated in New Zealand, keep its share register at its registered office and its books of account at either its registered office or its principal place of business in New Zealand or such other place in New Zealand as the Borrower has notified to the Registrar of Companies under section 195 of the Companies Act 1993; and

(ii) permit the Lender and its solicitors and accountants and others acting under its authority to inspect and examine the same at all reasonable times and to take copies thereof or extracts therefrom and to take all necessary steps to enable the Lender and such other parties access to the Borrower's registered office and principal place of business or such other place at which such records are kept (as the case may be) to enable such inspection and examination to take place;

(n) **Right of inspection**

(i) permit, and to take all necessary steps to enable, the Lender and its authorised officers and agents, to enter at all reasonable times upon any land, premises or offices, occupied by the Borrower to inspect the stock-in-trade, raw material, and work in progress of the Borrower and each and every one of its books, delivery and dispatch dockets, accounts (including all bank accounts),records, returns (including income tax, group tax and GST returns) and papers of every description (and where copies of such are available to inspect such copies); and

(ii) permit the Lender, its solicitors, accountants and other authorised officers to retain for such period as the Lender, or such persons think fit all such books, delivery and dispatch dockets, accounts, records, returns, and papers of every description unless any of those documents are required to enable it to conduct its business; and

(iii) permit the Lender and its authorised officers and agents to take copies of any of the aforementioned documents on reasonable request;

(o) **Maintain and repair Secured Property**

maintain in good working order all Material Secured Property and, on request of the Lender, remedy every material defect in the condition of any Material Secured Property;

(p) **Serial-numbered goods**

(i) on request, provide the Lender with any serial numbers that the Lender requires to make an effective registration against all serial-numbered goods or Serial Numbered Secured Property (in each case, with a value of greater than $100,000), either on execution of this Agreement or (if later) when the

serial-numbered goods or Serial Numbered Secured Property become Secured Property;

(ii) notify the Lender immediately of any serial number when it is allocated to any Secured Property that is a serial-numbered good or Serial Numbered Secured Property (in each case with a value of greater than $100,000); and

(iii) except with the Lender's prior written consent, not change or remove the serial number of any serial-numbered goods or Serial Numbered Secured Property after it has disclosed the serial number to the Lender;

(q) **Grant security**

in relation to any Obligor who is not a Security Provider, if at any time prior to the Termination Date, the Lender (in its sole discretion) requires that Obligor to become a Security Provider and grant security over its assets in favour of the Lender, that Obligor will, within 10 Business Days following a written request from the Lender, take all required action to grant security over all (or any part as agreed by the Lender) of its present and after acquired property, in favour of the Lender, to secure all of the obligations of the Obligors under the Finance Documents (and therefore become a Security Provider), together with delivering:

(i) a certificate of a director of the Obligor, in the form of Schedule 6 where the New Borrower is incorporated in New Zealand (or such other form as the Lender may require);

(ii) a legal opinion in form and substance, and from solicitors, acceptable to the Lender; and

(iii) all other information and documentation reasonably requested by the Lender.

(r) **Not alter Secured Property**

ensure that no material alteration is made to any Material Secured Property outside the ordinary course of business;

(s) **Registration of security**

promptly register each security interest created under the Finance Documents in each jurisdiction (other than New Zealand, Australia and the United States of America) in which registration may be required or advisable in order to ensure its enforceability, validity and priority;

(t) **Transactional Banking**

maintain all transactional banking (including deposits and foreign exchange hedging) with the Lender unless the Lender is unable to provide the necessary services in the Obligor's jurisdiction of operation; and

(u) **Preserve and protect security**

promptly do everything reasonably requested by the Lender to:

(i) preserve and protect the value of the Secured Property, fair wear and tear and depreciation in the ordinary course of business excluded; and

(ii) protect and enforce its title and rights, and the Lender's security interest in the Secured Property;

(v) **Marketable Securities**

if the Secured Property includes Marketable Securities:

(i) provide the Lender with control over the Secured Property in accordance with the Australian PPSA and otherwise in the manner requested by the Lender, including by doing the following:

(A) on request by the Lender, execute and deliver to the Lender transfer forms in relation to those Marketable Securities (undated and blank as to transferee and consideration and otherwise in form and substance satisfactory to the Lender);

(B) enter into any tripartite agreement or other agreement requested by the Lender with the relevant Obligor's sponsor or intermediary with respect to the Marketable Securities, in form and substance satisfactory to the Lender;

(ii) notify the Lender as soon as it becomes aware of:

(A) any right or entitlement it may take up or exercise arising directly or indirectly at any time from or in relation to the Marketable Securities and exercise all such rights and entitlements in accordance with any instructions from the Lender;

(B) any proposal or action taken to convert any Secured Property comprising certificated Marketable Securities into uncertificated Marketable Securities and immediately take any steps necessary to comply with its obligations under clause 22.1(w);

(iii) not do anything (including by exercising its voting rights) or fail to do anything which could entitle any person to a lien or other security interest over any of the Marketable Securities or which could result in the forfeiture of the Marketable Securities or adversely affect the value of the Marketable Securities;

(w) **control and possession**

to the extent that any Secured Property is of a type over which a security interest could be perfected by 'control' or by 'possession' each as defined under the PPSA, promptly do anything that the Lender may require to enable it to perfect the security interest of the Lender over that Secured Property by control or by possession except where (and for so long as):

(i) control has been given to the holder of a Permitted Security;

(ii) it is not possible for more than one party to effect control of the Secured Property; and

(iii) the Lender has expressly agreed in writing to subordinate the security interest created by the relevant Security Documents to that Permitted Security,

or the Secured Property is inventory (as defined in the PPSA) or a Revolving Asset;

(x) **listing**

in relation to any Obligor whose shares are listed on a registered stock exchange only:

(i) comply with the rules applicable to that registered stock exchange where failure to do so has or is reasonably likely to have a Material Adverse Effect; and

(ii) notify the Lender in writing of any person holding or likely to hold a relevant interest of 20% or more of the shares in the relevant Obligor or that ceases to hold such interest;

(y) **delisting**

notify the Lender in writing of any event or circumstance where an Obligor' shares are delisted from any registered stock exchange or the relevant Obligor having the intention to delist its shares from any registered stock exchange or any event or circumstance where such shares are suspended from trading or placed in a trading halt other than at the request of the relevant Obligor;

(z) **change of details**

notify the Lender:

(i) on becoming aware that it has received, or is likely to receive, an ACN, ABN, ARBN or ARSN, (in its own capacity or as trustee) under which it holds any Secured Property; and

(ii) at least 14 days before applying for such a new number;

(aa) **Chattel Paper**

at the request of the Lender, promptly give possession of any Chattel Paper (as defined in the PPSA) that is Material Secured Property to the Lender;

(bb) **PPSA policies and steps**

if:

(i) an Obligor holds any security interests as defined in the PPSA (**PPSA Security Interests**); and

(ii) a failure by the Obligor to perfect any of the PPSA Security Interests referred to in paragraph (i) would or would be likely to have a Material Adverse Effect,

the Obligor must (at its own cost):

(iii) provide evidence to the Lender that the Obligor has in place procedures for the perfection of those PPSA Security Interests, being procedures which ensure that the Obligor takes all reasonable steps to obtain the highest ranking priority possible under the Australian PPSA in respect of those PPSA Security Interests (**Procedures**); and

(iv) keep the Procedures up to date and comply with the Procedures; and

If the Lender reasonably suspects that an Obligor is failing to comply with clause 22.1(2)(iii), the Lender may request an audit of the Procedures and the Obligor's compliance with the Procedures. That audit must be undertaken by a person approved by the Lender and, if it is established that the Obligor was not following the Procedures in any material respect, at the expense of the Obligor.

22.2 Reporting and information undertakings

The Borrower and the Parent (as applicable) undertakes that it will:

(a) **Accounts**

as soon as available and in any event within 180 days after the end of its financial years, deliver to the Lender:

(i) the Borrower's audited consolidated financial statements and group financial statements as at the end of and for that financial year; and

(ii) the Parent's audited consolidated financial statements and group financial statements as at the end of and for that financial year;

(b) **Monthly Management Accounts**

as soon as available and in any event within 30 days after the last day of each month, provide the Lender with copies of the Borrower's monthly financial accounts of the Consolidated Group prepared by the management of the Borrower in accordance with Accounting Principles;

(c) **Compliance Certificate**

(i) with each monthly financial accounts delivered pursuant to clause 22.2(b) up to and including 31 December 2018, provide the Lender with a Monthly Compliance Certificate signed by two directors of the Borrower or a director and the Chief Financial Officer; and

(ii) within 30 days after each Reporting Date, provide the Lender with a Compliance Certificate signed by two directors of the Borrower or a director and the Chief Financial Officer;

(d) **Budget**

as soon as it becomes available and in any event not later than 30 June in each year (or, from 1 January 2019 onwards, 31 January in each year), the Borrower's annual budget (including assumptions and appropriate commentary and containing a fully integrated statement of financial position, statement of financial performance, cashflow and Capital Expenditure budget) for the Consolidated Group for that financial year;

(e) **Other information**

promptly:

(i) deliver to the Lender:

(A) details of any bona fide litigation, arbitration or administrative proceeding in respect of an amount in excess of $2,000,000 or its equivalent in other currencies;

(B) upon request, a certificate signed by a director certifying that, other than as previously notified in writing to the Lender, no Event of Default, Event of Review or Potential Event of Default has occurred and is continuing;

(C) on request, a list of all investment securities (as defined in the PPSA) held by it;

(D) upon obtaining actual knowledge of the occurrence of any Event of Default or Event of Review, a notice describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a written description of the action that it has taken or proposes to take with respect thereto;

(ii) notify the Lender in writing of:

(A) any change in its authorised signatories, giving specified signatures and evidence satisfactory to the Lender of their authority;

(B) the occurrence of any circumstance, act or condition (including the adoption, amendment or repeal of any governmental rule or notice (whether formal or informal, written or oral) or the failure to comply with the terms and conditions of any legal requirement) which could reasonably be expected to result in a material adverse effect on its ability to grant the liens intended to be granted under the Finance Documents or otherwise perform its obligations thereunder;

(C) any Material Secured Property that is located abroad;

(D) any Material Secured Property that is to be moved from the jurisdiction where it was situated at the time the security interest under a Security Document attached to it;

(E) if any material personal property that is not Material Secured Property and which is subject to a security interest that has attached becomes an accession to any Secured Property, promptly having become aware of that; or

(F) on the Lender's request, of the present location of any Material Secured Property,

except in relation to inventory disposed of in the ordinary course of an Obligor's ordinary business;

(iii) immediately notify the Lender if it becomes bound to complete the acquisition of any:

(A) Real Property;

(B) investment securities (as defined in the PPSA) outside the ordinary course of its ordinary business; or

(iv) within seven days of request, provide to the Lender any other information that the Lender reasonably requests with respect to its business or financial condition.

22.3 Financial undertakings

The Borrower (or, in relation to clause 22.3(a), the Parent) undertakes to the Lender that:

(a) **Group coverage**

the Parent will procure that each of its wholly owned subsidiaries executes a Supplemental Deed and delivers to the Lender the documents and information specified in clause 26.3.

(b) **Interest Cover Ratio**

the Interest Cover Ratio, calculated as at each Reporting Date (commencing on the 30 April 2019 Reporting Date) in respect of the Reporting Period ending on the Reporting Date, is greater than 3.00 times;

(c) **Gross EBITDA Ratio**

the EBITDA for the Guaranteeing Group for:

(i) the three months ending on 30 September 2018, is greater than $0; and

(ii) the six months ending on 31 December 2018, is greater than NZ$3,000,000.

(d) **Inventory and Receivables Ratio**

the Inventory and Receivables Ratio, calculated as at each Reporting Date (commencing on the 30 September 2018 Reporting Date), is greater than 2.00 times.

(e) **Actual Sales, Actual Gross Profit Variance to Budget**

in relation to each calendar month for the period up to an including 31 December 2018:

(i) the Actual Sales of the Group for that calendar month shall not adversely vary from the Budgeted Sales of the Group for that calendar month by more than 10%; and

(ii) the Actual Gross Profit of the Group for that calendar month shall not adversely vary from the Budgeted Gross Profit for that calendar month by more than 10%.

22.4 Changes to Accounting Principals

If, in the reasonable opinion of the Lender or the Borrower, any changes to Accounting Principles materially alter the effect of any undertaking in clause 22.3 (Financial undertakings), or any defined term used in any such undertakings, the Lender and the Borrower will negotiate in good faith to amend the relevant undertakings and definitions so that they have an effect comparable to the effect of the undertakings in clause 22.3 (Financial undertakings) at the date of this Agreement. If amendments are not agreed within 30 days (or any longer period agreed in writing between the Lender and the Borrower), then the Borrower will provide, with the financial statements and other information required under clause 22.2 (Reporting and information undertakings) any reconciliation statements (audited,

where applicable) necessary to enable calculations based on Accounting Principles as it was before such changes, and the changes will be ignored for the purposes of this clause.

22.5 Negative undertakings

Each Obligor undertakes that it will not, without the prior written consent of the Lender:

(a) **Security interests**

create or permit to exist any security interest over or affecting its property, other than a Permitted Security; or

(b) **Disposals**

either by a single transaction or series of transactions, whether related or not and whether voluntary or involuntary, dispose of all or a substantial part of its property other than a Permitted Disposal; or

(c) **Indebtedness**

incur any Finance Debt, except:

(i) under a Finance Document;

(ii) indebtedness owed by one Security Provider to another Security Provider; and

(iii) indebtedness that is fully subordinated to all amounts owed under the Finance Documents on terms satisfactory to the Lender; or

(d) **Distributions**

make any distribution except:

(i) by a wholly-owned subsidiary of an Obligor to the Obligor;

(ii) by one Security Provider to another Security Provider; or

(iii) where paid from Free Cashflow or net profit after tax provided that:

(A) the total of all such dividends in the 12 month period ending on the last day of a financial year of the Borrower does not exceed the lesser of net profit after tax and Free Cashflow; and

(B) no Event of Default or Potential Event of Default has occurred or would occur as a result of making that distribution; or

(e) **Transactions with related persons**

either by a single transaction or a series of transactions, whether related or not and whether voluntary or involuntary:

(i) dispose of any of its property to, or purchase any property from;

(ii) provide services to, or accept services from;

(iii) provide financial accommodation to, or accept indebtedness from; or

(iv) enter into any other transaction, with, or for the benefit of,

any related person, other than:

(v) where such transaction is entered into for fair market value on commercial arms' length terms; or

(vi) where such transaction is expressly permitted by a Finance Document; or

(f) **Financial accommodation**

be a creditor or guarantor in respect of any Finance Debt except for:

(i) Permitted Financial Accommodation; or

(ii) any indebtedness referred to in sub-clause (c)(iii) above;

(g) **Change of business**

make a substantial change in the nature or scope of its business as presently conducted; or

(h) **Merger**

enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than with another Obligor provided that where the reconstruction involves the Borrower, the Borrower must be the continuing entity;

(i) **Acquisition**

purchase or subscribe for shares or securities in another company or acquire a business or an undertaking or any property (or, in each case, any interest in any of them) unless:

(i) no Event of Default has occurred and is continuing or would occur as a result of such acquisition; and

(ii) the acquisition is a Permitted Acquisition; or

(j) **Transfer jurisdiction of incorporation**

transfer its jurisdiction of incorporation or place of domicile for tax purposes or, in respect of an Obligor incorporated in the United States of America, change its sole place of business or chief executive office, in each case without the prior written consent of the Lender;

(k) **Trustee**

other than in relation to the Trustee as trustee of the Trust, become a trustee of any trust;

(l) **Subsidiaries**

form or acquire any subsidiary other than where the Borrower complies with clause 22.3(a);

(m) **No accessions or fixtures**

allow any Material Secured Property to become an accession or fixture to any property that is not Secured Property (other than Real Property or otherwise subject to a security interest in favour of the Lender), or to be affixed to any land (other than any freehold interest in land in respect of which the Lender has a first ranking registered mortgage) other than in the ordinary course of business;

(n) **No prejudicial actions or omissions**

do, omit to do, or allow to occur, anything that might:

(i) render any Secured Property or a security interest created under a Security Document unenforceable or liable to forfeiture or cancellation; or

(ii) cause or contribute to a material deterioration in the value of any Secured Property; or

(iii) otherwise adversely affect the security of the Lender under any Relevant Document;

(o) **Change of name**

change its name without giving at least 14 days prior written notice to the Lender; or

(p) **No processed or commingled goods**

without the Lender's prior written consent, permit any Material Secured Property to be manufactured, processed, assembled or commingled with anything that is not also Secured Property; and

(q) **No rights of set-off**

allow any of its accounts receivable to be subject to any right of set-off or combination of accounts or another defence or claim (other than rights that arise solely by operation of law or in the ordinary course of business).

22.6 Trustee undertakings

The Trustee must comply in all respects with the undertakings set out in this clause 22.6.

(a) **The Trust Deed**

The Trustee:

(i) must comply with the Trust Deed; and

(ii) unless required by law, must not without the prior written consent of the Lender do anything which results in or could result in a variation of, or a supplement to,

the Trust Deed, in a way that has or is likely to have a material adverse effect or that adversely affects or is likely to adversely affect its rights of indemnity or other rights to apply, use or retain Trust assets to satisfy its obligations arising under or in connection with the Finance Documents, or the transactions they contemplate, or the Lender's rights with respect to such rights.

(b) **The Trustee's indemnity**

The Trustee must take all steps available to it (including exercising its rights of indemnity and realising or otherwise dealing with Trust assets) to ensure it is actually indemnified out of Trust assets to discharge any liability arising under or in connection the Finance Documents or the transactions they contemplate when that liability is payable.

(c) **The Obligor as trustee**

The Trustee must not resign or retire as trustee of the Trust or cause or permit any other person to become an additional trustee of the Trust or do anything which results in or could result in the retirement, removal or replacement of the Trustee as trustee of the Trust.

(d) **Preserving the Trust**

The Trustee must not do anything which results in or is reasonably likely to result in:

(i) the termination or winding up of the Trust;

(ii) the resettlement or vesting of any Trust assets that is not permitted by the Finance Documents; or

(iii) it being disqualified from holding Trust assets.

(e) **The Trust assets**

The Trustee must not:

(i) acquire any Trust assets other than in the name of the Trustee or any custodian on behalf of the Trust;

(ii) do anything which effects or facilitates a resettling or vesting of any Trust Assets;

(iii) mix the Trust assets, or do anything which results in or could result in the Trust assets being mixed, with other property if that would restrict or impair in any way its rights of indemnity or other rights to apply, use or retain Trust assets to satisfy its obligations arising under or in connection with the Finance Documents or the transactions they contemplate.

(f) **Distributions, redemptions and remuneration**

(i) The Trustee must not make any distribution of Trust assets to the unit holders of the Trust, or redeem units in the Trust, except where no Event of Default is continuing or would result or where a distribution would be permitted under clause 22.5(d).

(ii) The Trustee must not take any remuneration for itself out of Trust assets if and for so long as an Event of Default is continuing or would result.

22.7 Undertakings in relation to UK Obligors

Each UK Obligors undertakes that it will:

(a) **Centre of main interests**

maintain its centre of main interests in its jurisdiction of incorporation for the purposes of the Insolvency Regulation.

(b) **Pensions**

ensure that:

(i) it is not or has not been at any time an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004 (UK)) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993 (UK)) or "connected" with or an "associate" of (as those terms are defined in sections 38 or 43 of the Pensions Act 2004) (UK) such an employer;

(ii) it shall deliver to the Lender:

(A) at such times as those reports are prepared in order to comply with the then current statutory or auditing requirements (as applicable either to the trustees of any relevant schemes or to the UK Obligor); and

(B) at any other time if the Lender reasonably believes that any relevant statutory or auditing requirements are not being complied with, actuarial reports in relation to all pension schemes mentioned in clause 22.7(b)(ii)(A) above; and

(iii) it shall promptly notify the Lender of any material change in the rate of contributions to any pension scheme mentioned in clause 22.7(b)(ii)(A) above paid or recommended to be paid (whether by the scheme actuary or otherwise) or required (by law or otherwise).

22.8 Authority to auditors

Each Obligor authorises the Lender to discuss its financial statements and financial affairs at any time with the Obligors' auditors and financial advisers, and irrevocably authorises and requests its auditors and financial advisers to participate in those discussions and to provide any information the Lender requests.

22.9 Appointment of investigative accountants and auditors

If the Lender reasonably believes that a breach of a Finance Document has occurred or is likely to occur, each Obligor authorises the Lender, at its discretion, to appoint:

(a) an investigative accountant (who may not be a receiver); and/or

(b) an auditor,

in each case including before and after an Event of Default has occurred, to make whatever investigations into the Obligors' financial condition and otherwise that it deems are necessary to determine whether or not a breach has in fact occurred or is likely to occur, provided that:

(c) the Lender may only make such an appointment or appointments two times in any year; and

(d) the costs of such investigation shall be borne by:

(i) the Obligors, if a breach has occurred; and

(ii) by the Lender, if a breach has not occurred.

23. Events of Default

23.1 Events of Default

An Event of Default occurs if, at any time and for any reason, whether or not within the control of a party:

(a) **Non-payment**

an Obligor fails to pay on its due date any principal or, within three Business Days of its due date, any interest or other amount payable under any Finance Document; or

(b) **Breach of undertaking**

(i) an Obligor does not comply with any of its obligations under any of the undertakings set out in:

(A) paragraph (q) of sub-clause 22.1 (General undertakings);

(B) paragraph (a) of sub-clause 22.2 (Reporting and information undertakings);

(C) sub-clause 22.3 (Financial undertakings), other than sub-clause 22.3(e) (Actual Sales, Actual Gross Profit Variance to Budget); or

(ii) an undertaking given to the Lender or its solicitors by the Obligors in connection with a Finance Document is not complied with.

(c) **Breach of other obligations**

an Obligor fails to comply with any of its other obligations under a Finance Document in any respect that the Lender considers material and, in the case of a failure that is capable of remedy, that failure is not remedied to the satisfaction of the Lender within 10 Business Days after notice of that failure has been given to the Borrower by the Lender; or

(d) **Breach of representation**

a representation or statement by an Obligor in or in connection with a Finance Document is not true in all material respects, or is or proves to have been untrue or misleading in any material respect, when made or repeated and, in any case where the

underlying failure causing the breach of representation is capable of remedy, that failure is not remedied to the satisfaction of the Lender within 10 Business Days after notice of that failure has been given to the Borrower by the Lender; or

(e) **Avoidance or repudiation**

(i) a Finance Document ceases to be in full force and effect or its validity or enforceability is contested by an Obligor; or

(ii) an Obligor repudiates, or does anything evidencing an intention to repudiate, a Finance Document; or

(f) **Insolvency**

(i) an Obligor:

(A) is insolvent or admits or is unable to pay its indebtedness as it falls due, or is deemed to be so under any law; or

(B) makes, or proposes to make, a compromise, composition, assignment or arrangement with, or for the benefit of, its creditors generally in relation to its liabilities or debts; or

(ii) in respect of any UK Obligor or an Obligor incorporated or established in Australia, a moratorium or other protection from its creditors is declared or imposed in respect of any its indebtedness; or

(g) **Enforcement**

(i) a distress, attachment, execution or other legal process is levied against property of an Obligor with a value of in excess of the NZ Dollar Equivalent of $500,000 and is not discharged or stayed within 30 days; or

(ii) a receiver, trustee, manager, administrator or similar officer is appointed in respect of it or any material part of its property; or

(h) **Amalgamation**

the board of an Obligor passes a resolution for, or in contemplation of, an amalgamation of the Obligor with another company (other than in circumstances where such amalgamation would be permitted under clause 22.5(h) (Merger)); or

(i) **Liquidation**

(i) any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor except for the purpose of, and followed by, a reconstruction or reorganisation (not involving or arising out of insolvency) on terms approved by the Lender before that step is taken; or

(ii) an order is made, resolution passed or other step taken by a person for the liquidation of an Obligor, or a receiver, administrative receiver, administrator, compulsory manager or other similar officer is appointed in respect of any Obligor

or any of its assets, except for the purpose of, and followed by, a reconstruction or reorganisation (not involving or arising out of insolvency) on terms approved by the Lender before that step is taken; or

(j) **Pooling of debts**

an order is made against an Obligor requiring it to pay the whole or any part of claims made against another company that is in liquidation;

(k) **Corporations (Investigation and Management) Act 1989**

an Obligor is declared at risk pursuant to the Corporations (Investigation and Management) Act 1989, or a statutory manager is appointed or any step taken with a view to any such appointment in respect of it under that Act; or

(l) **Cessation of business**

an Obligor ceases, or threatens to cease, to conduct all or a substantial part of its business other than in connection with an amalgamation permitted under clause 22.5(h) or which is approved by the Lender; or

(m) **Material adverse change**

any other event or series of events, whether related or not, occurs, or any circumstances arise or exist which, in the reasonable opinion of the Lender, has, or is likely to have, a material adverse effect on an Obligor; or

(n) **Enforcement of security**

a security interest in property of an Obligor becomes enforceable; or

(o) **Cross default**

any Finance Debt of an Obligor for an amount not less than the NZ Dollar Equivalent of $500,000:

(i) is not paid when due; or

(ii) becomes due, or capable of being declared due, before it would otherwise have been due;

or a facility for financial accommodation or underwriting facility available to an Obligor is cancelled or suspended by a person providing it by reason of an event of default (however defined or described); or

(p) **Illegality**

it is, or will become, unlawful for an Obligor to comply with any of its material obligations under a Finance Document in any material respect; or

(q) **Minority buy-out rights**

an Obligor agrees to purchase shares of a shareholder or arranges for some other person to agree to purchase those shares on terms that subject the Obligor to any type

of liability or obligation, following receipt by the Obligor of a notice by that shareholder pursuant to section 111(1) of the Companies Act 1993; or

(r) **Change in shareholding**

any shares in the capital of an Obligor are transferred by the present holders or there is any change in the proportions in which shares are held in the capital of an Obligor by the present shareholders, or any of the rights attaching to any of the shares in the capital of an Obligor are altered, varied, or modified, in each case without the prior written consent of the Lender other than, in the case of the Parent, a transfer by a person who is a shareholder of the Parent on the date of this Agreement to another person who is a shareholder of the Parent on the date of this Agreement or to an affiliate of that person provided that:

(i) the Lender retains a security interest in the relevant shares or rights; and

(ii) no change of control of the Parent occurs; or

(s) **Meeting to consider default action**

a meeting of directors or shareholders of an Obligor passes a resolution, the passing or the performance of which would cause an Event of Default; or

(t) **UK Pensions**

the Pensions Regulator issues a Financial Support Direction or a Contribution Notice to any UK Obligor.

23.2 Consequences

On and after the occurrence of an Event of Default, the Security Documents will become immediately enforceable and the Lender may at any time, by notice to the Borrower:

(a) cancel the Facility; and/or

(b) declare any or all of the Drawings, any Advance and any other indebtedness of the Borrower under the Finance Documents to be, and those Drawings, any Advance and that indebtedness will be, due and payable either immediately or on demand or at such later date as the Lender may specify; and/or

(c) by notice to the Borrower, require the Borrower to deposit with the Lender an amount equal to the aggregate Maximum Liability under all outstanding Instruments, in each case such prepayment and deposit to be made immediately (or within any period specified by the Lender).

23.3 Enforcement despite earlier payment

This Agreement may be enforced:

(a) regardless of whether the Lender has accepted a payment of interest or other amount after the occurrence of an Event of Default; and

(b) without the need for any notice to, or for the consent or agreement of, the Obligors or another person.

24. Event of Review

24.1 Event of Review

Each of the events of circumstances set out in this clause 24, whether or not within the control of any Obligor, is an Event of Review:

(a) any Obligor whose shares are listed on a registered stock exchange are delisted or suspended for a period greater than 10 trading days, other than as a result of a trading halt requested by the relevant Obligor; or

(b) if any person, either alone or through its related persons acquires directly or indirectly ownership in an Obligor whose shares are listed on a registered stock exchange of more than 50% of the issued ordinary shares in the capital of that Obligor; or

(c) an Obligor does not comply with its obligations under clause 22.3(e) (Actual Sales, Actual Gross Profit Variance to Budget).

24.2 Consequences

(a) At any time while an Event of Review subsists, the Lender may, by notice in writing to the Borrower, require that the Borrower enter into negotiations with the Lender to determine whether the Lender and the Borrower can agree the basis (if any) on which the Lender would continue to provide the Facilities notwithstanding the Event of Review.

(b) If after 30 days from the date of the notice from the Lender referred to in paragraph (a) above, the Lender and the Borrower have not agreed the basis on which the Lender will continue to provide the Facilities, notwithstanding the relevant Event of Review, the Lender may, at any time and by not less than 60 days' notice to the Borrower, cancel each Facility whereupon:

(i) each Facility Limit shall be reduced to zero;

(ii) the Borrower shall pay or prepay all Amounts Outstanding immediately (or within any period specified by the Lender)

25. Changes to the Lender

25.1 Assignment by Lender

The Lender may assign or novate any of its rights and obligations under the Finance Documents to another bank or financial institution with the prior written consent of the Borrower, which:

(a) shall not be unreasonably withheld;

(b) should be deemed to be given if no response is received within 5 business days;

(c) shall not be required where an Event of Default is continuing; and

(d) shall not be required where the Lender remains the lender of record.

25.2 No increased costs

Notwithstanding anything to the contrary in this Agreement, if (other than at the request of the Borrower), the Lender assigns or novates any of its rights or obligations under this Agreement, the Obligors will not be required to pay any net increase in the aggregate amount payable under this Agreement (including under clauses 16 and 17) that is a direct consequence of that assignment or novation and which the Lender or its assignee or novatee was aware, or ought reasonably to have been aware, on the date of that assignment or novation.

25.3 Disclosure of information

The Lender may disclose, on a confidential basis, to a potential assignee, novatee, transferee or other person (not being a trade competitor of the Group) with whom contractual relations in connection with the Finance Documents are contemplated, any information about the Obligors, whether or not that information was obtained in confidence and whether or not that information is publicly available. The Lender shall only provide information to another person as contemplated by this clause on terms that oblige the recipient to hold the information on a confidential basis for the benefit of each member of the Group.

26. Changes to the Obligors

26.1 Assignment by Obligors

The Obligors may not assign, novate or transfer any of their rights or obligations under a Finance Document without the prior written consent of the Lender.

26.2 Additional Borrowers

The Borrower may, at any time during the Availability Period and with the prior written consent of the Lender, elect for a subsidiary to become a Borrower under this Agreement (in this clause, the **New Borrower**) by executing a Supplemental Deed and delivering to the Lender:

(a) a certificate of a director of the New Borrower, in the form of Schedule 5 where the New Borrower is incorporated in New Zealand (or such other form as the Lender may require);

(b) duly executed Security Documents, in each case in form and substance satisfactory to the Lender (but on the basis that documents consistent with the Security Documents entered into as initial conditions precedent will be satisfactory to the Lender), in respect of the New Borrower and its property, in favour of the Lender, to secure all of the obligations of the Obligors under the Finance Documents;

(c) a legal opinion in form and substance, and from solicitors, acceptable to the Lender; and

(d) all other information and documentation reasonably requested by the Lender.

26.3 Additional Guarantors

If, at any time prior to the Termination Date, a new wholly-owned subsidiary is formed or acquired by an Obligor, the Obligors will procure that such subsidiary becomes a Guarantor under this Agreement (in this clause, the **New Guarantor**) by delivering to the Lender:

(a) a certificate of a director of the New Guarantor, in the form of Schedule 4 where the New Guarantor is incorporated in New Zealand (or such other form as the Lender may require);

(b) a duly executed Supplemental Deed in the form of Schedule 6;

(c) a legal opinion in form and substance, and from solicitors, acceptable to the Lender; and

(d) all other information and documentation reasonably requested by the Lender.

26.4 Additional Security Providers

If, at any time prior to the Termination Date, a new wholly-owned subsidiary is formed or acquired by an Obligor, the Obligors will procure that such subsidiary becomes a Security Provider (unless, at the Borrower's written request, the Lender agrees otherwise) under this Agreement (in this clause, the **New Security Provider**) by delivering to the Lender:

(a) a certificate of a director of the New Guarantor, in the form of Schedule 4 where the New Security Provider is incorporated in New Zealand (or such other form as the Lender may require);

(b) duly executed Security Documents, in each case in form and substance satisfactory to the Lender (but on the basis that documents consistent with the Security Documents entered into as initial conditions precedent will be satisfactory to the Lender), in respect of the New Security Provider and its property, in favour of the Lender, to secure all of the obligations of the Obligors under the Finance Documents;

(c) a legal opinion in form and substance, and from solicitors, acceptable to the Lender; and

(d) all other information and documentation reasonably requested by the Lender.

26.5 Lender's acceptance

When the Lender is satisfied in all respects with the information and documentation provided to it under clause 26.2 (Additional Borrowers) and/or clause 26.3 (Additional Guarantors), it will:

(a) countersign the Supplemental Deed on behalf of itself, and all other parties to this Agreement; and

(b) retain one counterpart to the Supplemental Deed and deliver the other counterpart to the Borrower.

Each other party to this Agreement irrevocably authorises the Lender to sign each Supplemental Deed on its behalf.

On the Lender's execution of the Supplemental Deed, the New Borrower and/or New Guarantor, as the case may be will be bound by the Finance Documents as if it were an original party to them and named as a Borrower and/or Guarantor, as the case may be.

27. Payment mechanics

27.1 Business days

Where a payment under this Agreement is due on a day that is not a Business Day, the due date will be the next Business Day (unless the next Business Day falls in another calendar month, in which case the due date will be the previous Business Day).

27.2 Mode

Each payment to the Lender under a Finance Document is to be made on the due date by 2.00pm (local time in the place of payment) in immediately available freely transferable funds in the manner and to the account at the bank that the Lender, by notice to the Borrower, specifies from time to time. If a payment is made on the due date but after the specified time, the Borrower will pay to the Lender, on request, interest on the amount paid until the next Business Day (as if the payment were made on the later day).

27.3 Payments to be free and clear

Each payment by the Obligors to the Lender under a Finance Document will be made:

(a) free of any restriction or condition; and

(b) free and clear of and (except to the extent required by law) without any deduction or withholding for or on account of tax or on any other account, whether by way of set-off, counterclaim or otherwise.

27.4 Reinstatement

If a payment made by an Obligor pursuant to a Finance Document is avoided by law:

(a) that payment will be deemed not to have discharged or affected the relevant obligation of the Obligors; and

(b) the Lender and the Obligors will be deemed to be restored to the position in which each would have been if that payment had not been made.

28. Set-off and deposits

28.1 Set-off

Each Obligor authorises the Lender to apply (without prior notice or demand) any credit balance of that Obligor on any account in any currency and at any of its offices in or towards satisfaction of any indebtedness then due to it under a Finance Document and unpaid. If, at any time an Event of Default is continuing, an amount is contingently due, or an amount due is not quantified, the Lender may retain and withhold repayment of any such credit balance and the payment of interest or other money pending that amount becoming due and/or being quantified, and may set-off the maximum liability that may at any time be owing to it by an Obligor. The Lender:

(a) may use any credit balance to buy other currencies and may break any term deposit to effect that application; and

(b) need not exercise its rights under this sub-clause, which are without prejudice and in addition to its rights under each other Finance Document and any other right of set-off, combination of accounts, lien or other right to which it is at any time otherwise entitled (by law or contract).

28.2 Contractual rights

The rights of the Lender under this clause are contractual rights affecting the terms on which a credit balance is held and the creation of those rights does not constitute the creation of a security interest in that credit balance.

29. Power of Attorney

Each Obligor hereby irrevocably appoints the Lender and every authorised officer of the Lender, its true and lawful attorney both jointly and severally, during and after the termination of this Agreement, in the Obligor's name to execute all documents and do all things required in order to give effect to the provisions of this Agreement including (without limitation) the execution of all assurances, acts and deeds referred to in clause 22.1(h):

The Lender and its authorised officers shall not exercise any rights under this clause unless:

(a) an Event of Default is continuing; or

(b) the Obligors have failed to do something they are required to do under this Agreement within five Business Days of being requested to do so.

30. Calculations and evidence

30.1 Basis of calculation

All interest will accrue from day to day and will be calculated on the basis of the number of days elapsed and a 365 day year for amounts in NZ$, GBP or AUD and 360 days for amounts in USD or EUR.

Interest in respect of each Interest Period will accrue from (and including) its first day to (but excluding) its last.

30.2 Accounts

The entries made in the accounts maintained by the Lender are conclusive evidence (absent manifest error) of the existence and amounts of the obligations of the Obligors recorded in them.

30.3 Certificates conclusive

A certificate by the Lender of an interest rate, exchange rate or amount payable under this Agreement is conclusive evidence (absent manifest error) for all purposes, including for any proceedings.

31. Remedies and waivers

31.1 Exercise of rights and waivers

Time is of the essence in respect of all dates and times for compliance by the Relevant Parties with their obligations under each Finance Document. However, no failure to exercise, and no delay in exercising, a right of the Lender under a Finance Document will operate as a waiver of that right, nor will a single or partial exercise of a right preclude another or further exercise of that right or the exercise of another right. No waiver by the Lender of its rights under a Finance Document is effective unless it is in writing signed by the Lender.

31.2 Remedies cumulative

The rights of the Lender under the Finance Documents are cumulative and not exclusive of any rights provided by law.

32. Notices

32.1 General

In connection with any notice or other communication (a Communication) made by an Obligor to the Lender under any Finance Document, the Lender:

(a) may take the Communication at face value, and has no obligation to take any steps to ensure it was sent by the person it was purported to be sent by;

(b) has no obligation to act on any incorrect or incomplete Communication, or any Communication that does not comply with any agreed process; and

(c) is authorised to accept any electronic mail address, facsimile number or personal delivery address advised to it from time to time by an authorised signatory of an Obligor.

32.2 Addresses

Each notice or other communication under this Agreement will be made in writing and sent by electronic mail, facsimile, personal delivery or by post to the addressee at the electronic mail address, facsimile number or address, and marked for the attention of the person or office holder (if any), from time to time designated for the purpose by the addressee to the other party. The initial electronic mail address, facsimile number, address and relevant person or office holder of each party is set out under its name at the end of this Agreement.

32.3 Delivery

(a) **General**

No communication will be effective until received. A communication to the Obligors is, however, deemed to be received:

(i) in the case of a letter, on the third Business Day after posting;

(ii) in the case of a facsimile, on the Business Day on which it is despatched or, if despatched after 5.00 p.m. (in the place of receipt) on a Business Day or on a non-Business Day, on the next Business Day after the date of despatch; and

(iii) in the case of an electronic mail, when it is actually received in readable form.

A communication to the Obligors, or any of them, is deemed to be received when it is deemed to be received by the Borrower in accordance with this clause.

(b) **Electronic mail**

Electronic mail to the Lender must:

(i) be sent from a contact of the relevant Obligor authorised by the Lender to communicate by electronic mail;

(ii) be sent to the exact electronic mail address specified by the Lender from time to time; and

(iii) in the case of a Drawing Notice, attach a pdf copy of the original Drawing Notice, signed by an authorised signatory of the Obligor.

All parties acknowledge the risk of receiving non-encrypted electronic mail containing confidential information that may also be privileged and accept that:

(iv) the Lender shall not be responsible for unauthorised access and/or alteration to any electronic mail, nor for the consequences arising as a result of use of information that may have been illegitimately accessed or altered, except in the case of gross negligence or wilful misconduct of the Lender; and

(v) the Lender has no obligation to look behind an instruction to check that it was sent by the person it was purported to be sent by, or to act on incorrect or incomplete instructions.

32.4 Borrower

(a) By signing this Agreement, or a Supplemental Deed, each Obligor irrevocably appoints the Borrower to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) the Borrower on its behalf to supply all information concerning itself contemplated by the Finance Documents to the Lender and to give all notices and instructions without further reference to the consent of that Obligor; and

(ii) the Lender to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Borrower,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions, and received the relevant notices, demands or other communications.

(b) In the event of any conflict between any notices or other communications of the Borrower and any other Obligor, those of the Borrower will prevail.

33. Australian PPSA provisions

33.1 Exclusion of certain provisions

Where the Lender has a security interest (as defined in the Australian PPSA) under any Finance Document, to the extent the law permits:

(a) for the purposes of sections 115(1) and 115(7) of the Australian PPSA:

(i) the Lender need not comply with sections 95, 118(1)(b), 121(4), 125, 130, 132(3)(d) or 132(4) of the Australian PPSA; and

(ii) sections 142 and 143 of the Australian PPSA are excluded;

(b) for the purposes of section 115(7) of the Australian PPSA, the Lender need not comply with sections 132 and 137(3);

(c) each party waives its right to receive from the Lender any notice required under the Australian PPSA (including a notice of a verification statement);

(d) if the Lender exercises a right, power or remedy in connection with it, that exercise is taken not to be an exercise of a right, power or remedy under the Australian PPSA unless the Lender states otherwise at the time of exercise. However, this clause does not apply to a right, power or remedy which can only be exercised under the Australian PPSA; and

(e) if the Australian PPSA is amended to permit the parties to agree not to comply with or to exclude other provisions of the PPSA, the Lender may notify the Borrower that any of these provisions is excluded, or that the Finance Parties need not comply with any of these provisions.

This does not affect any rights a person has or would have other than by reason of the Australian PPSA and applies despite any other clause in any Finance Document.

33.2 Further assurances

Whenever the Lender requests an Obligor to do anything:

(a) to ensure any Finance Document (or any security interest (as defined in the Australian PPSA) or other security interest under any Finance Document) is fully effective, enforceable and perfected with the contemplated priority;

(b) for more satisfactorily assuring or securing to the Lender the property the subject of any such security interest or other security interest in a manner consistent with the Finance Documents; or

(c) for aiding the exercise of any power in any Finance Document,

the Obligor shall do it promptly at its own cost. This may include obtaining consents, signing documents, getting documents completed and signed and supplying information, delivering documents and evidence of title and executed blank transfers, or otherwise giving possession or control with respect to any property the subject of any security interest or Security.

34. Miscellaneous

34.1 Impossibility

The Lender will not be liable for any failure to perform or comply with its obligations under this Agreement resulting directly or indirectly from the action or inaction of a governmental or local authority, strike, labour disturbance (whether of its employees, officers or otherwise) or any other cause that is beyond its control.

34.2 Anti money laundering

(a) The Borrower agrees that the Lender may delay, block or refuse to process any transaction without incurring any liability if it is suspected that:

(i) the transaction may breach any laws or regulations in New Zealand or any other country;

(ii) the transaction involves any person (natural, corporate or governmental) that is itself sanctioned or is connected, directly or indirectly, to any person that is sanctioned under economic and trade sanctions imposed by the United States, the United Nations, the European Union or any country; or

(iii) the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct that is unlawful in New Zealand or any other country.

(b) The Borrower must (and must procure that each other Obligor will) provide all information to the Lender that the Lender reasonably requires in order to manage its money-laundering, terrorism-financing or economic and trade sanctions risk or to comply with any laws or regulations in New Zealand or any other country. The Borrower agrees that the Lender may disclose any information concerning the Obligors to any law enforcement, regulatory agency or court where required by any such law or regulation in New Zealand or elsewhere.

34.3 Benefit and burden of this Agreement

This Agreement is binding on and enures for the benefit of the parties and their respective successors and their permitted assignees, novatees and transferees.

34.4 Amendments

No amendment to this Agreement is effective unless it is in writing signed by all the parties.

34.5 Partial invalidity

The illegality, invalidity or unenforceability of a provision of this Agreement under any law will not affect the legality, validity or enforceability of that provision under another law or the legality, validity or enforceability of another provision.

34.6 Conflict of interests

The Lender or a Receiver may exercise or agree to exercise a right given by this Agreement or by law, even though that person may have a conflict of interest in exercising such right.

34.7 Consents

Unless otherwise specified in this Agreement or expressly stated otherwise in a Finance Document, the Lender may give or withhold any approval or consent in that person's absolute discretion, and either conditionally or unconditionally.

34.8 Counterparts

This Agreement may be signed in any number of counterparts all of which, when taken together, will constitute one and the same instrument. A party may enter into this Agreement by executing any counterpart.

34.9 Inconsistency

In the event of any inconsistency between the provisions of this Agreement and the provisions of any other Finance Document, the provisions of this Agreement will prevail.

34.10 Entire Agreement

This Agreement, together with each other agreement made in writing signed by all the parties, constitutes the entire agreement between the parties.

35. Governing law

35.1 Governing law

This Agreement is governed by, and is to be construed in accordance with, New Zealand law.

35.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in New Zealand):

(a) irrevocably appoints the Borrower as its agent for service of process in relation to any proceedings in connection with any Finance Document; and

(b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

Execution

Executed as a Deed

[*Execution blocks intentionally deleted*]

Certain identified information has been excluded from this exhibit because it is both (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed. The excluded information has been blacked out.

AGREEMENT

This agreement ("Agreement"), effective as of September 26th, 2014 ("Effective Date"), is made between, on the one hand, (i)(a) Heidi Klum (to the extent this Agreement extends to copyright and trademark rights licensable and/or transferrable from Heidi Klum personally, as well as to any obligations, representations and warranties made or required personally by or of Heidi Klum hereunder) and (b) Heidi Klum Company LLC, ("Licensor"), additionally furnishing the services of Heidi Klum (Licensor and Heidi Klum having an address at 568 Broadway, Suite 603, New York, NY, 10012), and (ii) Bendon Limited, on the other hand, having an address at 8 Airpark Drive, Airport Oaks, Manukau, Auckland, New Zealand ("Licensee").

1. **Definitions.**
   a. **"Initial Trademark" shall mean the trademarks to the words "Heidi Klum", to the extent Licensor and/or Heidi Klum owns and controls the same as of the Effective Date (and which trademarks in class 25 are currently detailed in the Schedule). "Expanded Trademark" shall mean any additional trademarks to or incorporating the words "Heidi Klum" (and any other trademarks mutually agreed in writing by the parties including HK Men) obtained after the date hereof. "Trademark" shall mean collectively the Initial Trademark and Expanded Trademark.**
   b. **"HK Name & Likeness" shall mean Heidi Klum's name and approved likeness.**
   c. **"Products" shall mean products, the design and final samples of which have been approved by Licensor pursuant to paragraph 18(h), which fall into the Authorized Categories (it being agreed that the Licensor cannot insist that the design aesthetic of the Products be amended from the aesthetic of the pre-existing brand without the written approval of the Licensee).**
   d. **"Authorized Categories" shall mean (i) the Intimates Category, and (ii) the Swim Category. Notwithstanding the foregoing, the Swim Category shall be deemed no longer one of the Authorized Categories, if (a) the Licensee does not launch a bona fide line of approved products bearing the Trademark in the Swim Category prior to December 31, 2016; or (b) the Licensee ceases at any time to distribute products bearing the Trademark in the Swim Category after December 31, 2016; or (c) pursuant to paragraphs 5(a)(ii)(2) and 5(e).**
   e. **"Intimates Category" shall mean: male and female (but not children's up to twelve (12) years of age) lingerie, underwear, nightwear, sleepwear, loungewear, and shapewear (i.e., undergarments designed to mold or hold a body to a certain shape such as bodysuits, slips, singlets, thigh shapers and waist control briefs (highwaisted)), but excluding outerwear designed for use generally outside of the home and athletic wear. Notwithstanding anything in this Agreement to the contrary, the Intimates Category shall include sports bras on a non-exclusive basis as of January 1, 2015, and on an exclusive basis as of July 1st, 2015.**
   f. **"Services" shall mean the services of Heidi Klum described at paragraph 7.**
   g. **"Swim Category" shall mean: male and female (of any age) swim and beachwear apparel products, and goods produced and sold specifically as swimming accessories (e.g., beach towels, pool and beach sandals, cover-ups, beach hats, and beach bags).**

Notwithstanding the foregoing, the Swim Category shall exclude children's items to the extent there is a conflict with Licensor's and Heidi Klum's contractual relationship with Babies R' Us.

h. "Territory" shall mean the world.

2. License.

a. Licensor agrees to grant to Licensee an exclusive license to use the Trademark and HK Name & Likeness in connection with the manufacture, advertising, promotion, sale and distribution of Products in the Territory, during the License Term, and subject to the terms hereof (including, without limitation, all rights of approvals and other limitations thereon). For the avoidance of doubt, the rights granted to the Licensee herein will be limited to the Authorized Categories. The Licensee will not use the Trademark and/ or HK Name & Likeness outside of the Authorized Categories.

b. If at any time the Swim Category is deemed no longer one of the Authorized Categories (as set forth in paragraph 1(d) above), all rights in and to the Trademark and HK Name & Likeness with respect to the Swim Category shall revert to Licensor, and Licensee shall have no further right to exploit the Trademark and/or HK Name & Likeness in any manner in the Swim Category. Notwithstanding the foregoing, if the Licensee has already manufactured and/or distributed Products in the Swim Category prior to such termination / reversion, the Licensee shall have the right to sell-off such Products pursuant to the terms of paragraph 6 below.

c. Distribution channels for the duration of the License Term shall be limited to high and mid-tier retailers (including J.C. Penney and retailers that operate a comparable market positioning in the relevant location) and will include distributors, physical stores and online. Retailers will be limited to department stores, boutiques, and fashion stores, and will include the physical store and online channels operated by the Licensee. All retailers will have a market positioning and sales environment compatible with the public image and reputation of the Trademark, Heidi Klum, and the Licensor within the Authorized Categories in the relevant location. Discounting and clearance specialists will be used as circumstances require, as mutually approved by the parties (such approval not to be unreasonably withheld or delayed).

d. Neither the Licensor nor Heidi Klum will, during the License Term, endorse any products or services within the Authorized Categories (which, for the purposes only of this subparagraph 2(d) shall not be limited to ages over 12 years old), other than as the same involves the Licensee ("Endorsement Restriction"). Neither the Licensor nor Heidi Klum will, during the License Term, use or authorize the use of the Trademark, or a trademark that is identical or substantially similar to the trademarks used on the Products in the Authorized Categories (which, for the purposes only of this subparagraph 2(d) shall not be limited to ages over 12 years old), other than as the same involves the Licensee ("Licensing Restriction"). Provided that (i) the License Term extends for the initial License Term (unless terminated earlier by the Licensee or the Licensor for cause), and (ii) the Licensor does not terminate the License Term for cause, the Endorsement Restriction shall be extended to include the Sell-Off Period (i.e., one

(1) year following the end of the License Term), and the Licensing Restriction shall be extended to include a period of two (2) years immediately following the License Term (i.e., inclusive of the Sell-Off Period and one (1) additional year immediately following the Sell-Off Period).

e. Notwithstanding anything to the contrary herein, the parties acknowledge that the Licensor is currently in an agreement with Babies R' Us and that: (i) any continued dealings with Babies R' Us shall not be subject to the terms and restrictions of subparagraph 2(d); and (ii) such agreement shall not be deemed in conflict or violation with this Agreement.

3. License Term.
   a. The term of the license under this Agreement ("License Term") shall mean the Initial License Term, plus any and all Additional License Terms.
      i. The "Initial License Term" shall begin as of the date hereof, and shall continue until December 31, 2021. Neither party may terminate this Agreement prior to the expiration of the Initial License Term, except as set forth in paragraph 5 below. The Initial License Term shall consist of seven (7) Contract Years. Each "Contract Year" of this Agreement shall begin on January 1st of that calendar year and continue through December 31st of that same calendar year, except for the first Contract Year, which shall begin as of the date hereof and continue through December 31, 2015.
      ii. After the Initial License Term, the Licensee shall have the right, in its sole discretion, to renew the License Term for additional periods of five (5) years (each five-year renewal being an "Additional License Term"), on a rolling basis, by providing written notice to Licensor prior to the date which is 12 months prior to the expiration of the Initial License Term, or then-current Additional License Term, as applicable.
4. Services Term.
   a. The term during which Heidi Klum is obligated to render the Services under this Agreement ("Services Term") shall consist of the Initial Services Term and the Additional Services Term.
      i. The "Initial Services Term" shall begin as of the date hereof, and shall continue until December 31, 2021. Neither party may terminate the Initial Services Term without cause (i.e., except as set forth in paragraph 5(a) and 5(b) below).
      ii. For so long as the Licensee renews the Additional License Term, the Services Term shall continue concurrently ("Additional Services Term"), provided that the Licensor shall have the right, in its sole discretion, to terminate the Services Term on or at any time after the expiration of the Initial Services Term, by providing 12-months prior written notice to the Licensee. Upon the Licensor's termination of the Services Term, Heidi Klum shall have no further obligation to render any Services under the Agreement.
5. Termination.
   a. Licensor's termination rights:

i. Without limitation of the Licensor's other rights and remedies pursuant to paragraph 4(a)(ii), the Licensor may terminate this Agreement (including license of the Trademark and HK Name & Likeness) at anytime, if any of the following occur: (i) the Licensee does not pay [redacted] (and Licensee does not cure the same within thirty (30) days after the receipt of written notice); (ii) [redacted] (iii) the Licensee challenges Licensor's trademark ownership (including of the Trademark), (iv) the Licensee brings the Trademark, Licensor, and/or Heidi Klum into disrepute causing harm to its/her reputation; (v) the Licensee encounters a liquidation event, becomes insolvent, makes an assignment for the benefit of creditors, or declares bankruptcy; or (vi) the Licensee has breached one or more of its material representations or warranties hereunder and such breach is not cured within thirty (30) days following its receipt of written notice from Licensor, if such breach is capable of cure. [redacted] For the avoidance of doubt, the foregoing termination rights in the event of such termination are without limitation of the Licensor's other rights and remedies.

ii. [redacted]

iii. [redacted]

b. The Licensee's termination rights:

1. At any time, the Licensee may terminate the License Term if:

1. The Licensor has breached one or more of its material representations and warranties or material obligations hereunder and such breach is not

cured within thirty (30) days following the Licensor's receipt of written notice from Licensee, if such breach is capable of cure;

2. The Licensor legally challenges the Licensee's ownership of intellectual property subsisting in or associated with the Products (it being agreed that the Trademark and the HK Name & Likeness are not property of the Licensee);
3. Heidi Klum or the Licensor brings Heidi Klum, the Licensor, the Trademark, the Licensee or the Products into disrepute or is materially detrimental to the interests of the Licensee or the Products (provided that it is acknowledged that any past public behaviour of the Licensor or Heidi Klum is deemed not rising to a level so as to meet the standards of this provision); or
4. Heidi Klum or the Licensor encounters a liquidation event, becomes insolvent, makes an assignment for the benefit of creditors, or declares bankruptcy.

ii. At any time, the Licensee may terminate the Services Term, if:

1. Any of subparagraph 5(b)(i)(1), 5(b)(i)(2), 5(b)(i)(3), or 5(b)(i)(4) occurs;
2. Heidi Klum is grossly negligent or grossly incompetent in the provision of the Services; or
3. Heidi Klum dies or is incapacitated and therefore unable to perform the Services to the standard reasonably contemplated as of the Effective Date.

c. For the avoidance of doubt, the Licensee may not terminate the Initial License Term, the Initial Services Term, any Additional License Term or the Additional Services Term without cause (i.e., except to the extent and for the reasons set forth in subparagraph 5 (b) above) unless pursuant to paragraph 5(e). For the avoidance of doubt, the Licensee may choose not to renew for an Additional License Term, as set forth in paragraph 5(d) below.

d. The Initial License Term and each of the Additional License Terms (and the corresponding Services Term) shall automatically expire, unless the Licensee provides 12-months prior written notice to the Licensor electing to continue the same (i.e., December 31st of the Y6 Contract Year for the Initial Term, and December 31st of the fourth Contract Year for any Additional License Term). The Licensee may not renew the License Term without also renewing the Services Term, unless the Licensee would have the right to terminate the Services Term only, as set forth in subparagraph 5(b)(i) above, or the Services Term has been previously terminated as permitted hereunder.

e. Without cause, at any time after the Initial License Term, the Licensee shall have the right to elect to terminate (upon 12-months written notice) the distribution of Products in the Swim Category only, at which point the Swim Category shall be deemed permanently excluded from the Authorized Categories, and the provisions of paragraph 2(b) above shall apply. Such termination shall not, in and of itself, impact the Licensee's rights to continue the then-current License Term and Services Term with respect to the Intimates Category. The Licensee's termination of the Agreement as to the Swim Category shall result in a reversion of rights to Licensor and Heidi Klum as to the Swim

Category pursuant to paragraph 2 above [redacted].

6. Sell-Off.
   a. Immediately following the expiration of the License Term, termination of the License Term by Licensee for cause, or termination as to the Swim Category only as permitted hereunder, the Licensee shall have the right for a period of twelve (12) months from the date of such expiration or termination to sell-off any remaining inventory of Products in the Authorised Category(ies) relevant to the expiration or termination which, at such date of expiration or termination, have already been manufactured or are in the process of manufacture ("Sell-Off Period"). For the avoidance of doubt, there shall be no Sell-Off Period following a termination of the License Term by Licensor pursuant to subparagraph 5(a)(i).
   b. The Licensee shall pay royalties on Products sold during the Sell-Off Period and shall report on those sales to Licensor in the same manner as during the License Term provided that if the termination giving rise to the Sell-Off Period is pursuant to paragraph 5(b) then [redacted].
   c. The sale of Products during the Sell-Off Period must meet the requirements set forth hereunder for Products to be marketed and sold during the License Term.
   d. At the expiration of the Sell-Off Period, the Licensor shall have the right to purchase all remaining inventory at the manufacturing cost plus reimbursement of duties, taxes, shipping & handling, insurance and transport costs paid or payable by the Licensee in association with that remaining inventory.
   e. For the avoidance of doubt, all terms of this Agreement as they apply to the License Term shall apply to the Sell-Off Period (including, without limitation, the Licensee's rights to use the Trademark and HK Name & Likeness, as permitted during the License Term [redacted]; however, neither the Licensor nor Heidi Klum shall owe any further obligations to the Licensee during the Sell-Off Period or thereafter except where expressly agreed otherwise between the parties.
   f. Specifically with respect to the Swim Category: if (i) at any time the Swim Category is deemed no longer an Authorized Category pursuant to paragraph 1(d); (ii) the Licensee has already commenced the manufacture of Products in the Swim Category; and (iii) the Licensor has not terminated the License Term pursuant to paragraph 5(a)(i), then the Sell-Off Period above shall apply to Products in the Swim Category only.

7. Services of Heidi Klum.
   a. For each Contract Year of the Initial Services Term, Heidi Klum shall render 20 days (unless the Licensee requires fewer) of services (inclusive of travel), ("Service Days"), of which 4 days shall be Design Days (defined below), and of which there can be no more than 6 days of travel ("Travel Days"). "Design Days" shall mean days on which Heidi Klum shall render services in connection with the design of Products. Design Days shall take place in either Los Angeles or New York City (at Heidi Klum's election), or such

alternative location as agreed with Heidi Klum, and there shall be 2 Design Days for each of the two seasonal collections of the Products (comprising a total of 4 Design Days per Contract Year, provided that no Design Days will be allocated to the approval of the January – June or July – December 2015 collections). For the avoidance of doubt, Design Days shall not include photography or commercial shoots, marketing activities, or promotional activities of any kind. Service Days which are neither Design Days nor Travel Days ("Work Days") shall be used for the marketing and promotion of the Products and may include photo-shoots, commercial shoots, modelling, public appearances, and ambassadorial and business development activities. There shall be no more than 3 Work Days (all consecutive) when Heidi Klum travels, unless otherwise agreed by Heidi Klum. It is agreed between the parties that the first Contract Year of the Initial Services Term shall be comprised of 4 Design Days, up to 6 Travel Days, and 10 Work Days (with such 10 Work Days anticipated to comprise 3 consecutive Work Days in Australia/New Zealand, 3 consecutive Work Days in Europe/UK, and 4 Work Days in the United States of which 2 Work Days shall be in Los Angeles, or wherever Heidi Klum then-currently resides or otherwise agrees, provided that any change to the foregoing location of the Work Days and consequential change to the associated travel will require the approval of Heidi Klum). For the avoidance of doubt, if less than 6 Travel Days are utilized for travel, the balance shall be available as Work Days.

b. For each Contract Year of the Additional Services Term, Heidi Klum shall render 18 Services Days (unless the Licensee requires fewer), of which 4 days shall be Design Days and of which there can be no more than 4 Travel Days. As above, Design Days shall take place in either Los Angeles or New York City (at Heidi Klum's election or as otherwise agreed by Heidi Klum), and there shall be 2 Design Days per season (comprising a total of 4 Design Days per year). There shall be no more than 3 Work Days (as defined above), all consecutive, when Heidi Klum travels, unless otherwise agreed by Heidi Klum. If less than 4 Travel Days are utilized for travel, the balance shall be available as Work Days.

c. Notwithstanding the foregoing, all Work Days used for photo shoots, commercial shoots or other marketing productions shall take place in Los Angeles or New York City (i.e., wherever Heidi Klum at that time resides, or as is otherwise agreed by Heidi Klum).

d. The Services will be performed in accordance with paragraph 12(c) and Heidi Klum will use reasonable efforts to maintain a public persona and appearance to positively represent the Products and avoid conduct or incident which may harm or denigrate her public persona, the value of the Trademark and HK Name & Likeness, and sales of the Products, provided that any behaviour which is consistent with Heidi Klum's past public behavior shall be deemed satisfactory of this provision.

e. All Service Days shall be subject to Heidi Klum's schedule and availability, with dates of Service Days mutually determined between the parties. The make-up, activity, and location of such Service Days shall be mutually agreed. Heidi Klum will act in good faith and use reasonable endeavours to be available to provide the Services on the dates and locations requested by the Licensee, and will act reasonably in the agreement of the make-up and activity of the Service Days having regard to the genuine commercial interests of the business conducted pursuant to this Agreement.

f. All Service Days will be confirmed in writing between the Chief Executive Officer or General Manager of Marketing of the Licensee, on the one hand, and Heidi Klum (or Jennifer Love), on the other hand.

g. For all Work Days other than Design Days, the Licensee must pay the customary rates of and travel for Heidi Klum's designated wardrobe stylist, designated hair stylist, and designated make-up stylist ("Glam Squad"). The Licensee shall have the right to approve such rates for the Glam Squad, provided that (i) such approval shall not be unreasonably withheld, and (ii) rates of individual Glam Squad members will be approved where they are comparable to similarly situated stylists in their respective industries (taking into account, without limitation, the high-end stature of such stylists). Notwithstanding the foregoing, where Work Days for PR activities involve Heidi Klum travelling internationally, it is agreed that only Heidi Klum's designated make-up artist will travel and that neither the designated wardrobe stylist nor designated hair stylist will travel.

h. Each Work Day which is a shoot day (e.g., commercial or photography shoot) shall be limited to 10 hours, inclusive of hair, make-up, and wardrobe time and lunch; Work Days which are used for promotional activities shall be limited to 8 hours, inclusive of hair, make-up, and wardrobe time and lunch; Design Days shall be limited to 8 hours. The number of hours constituting a day set out in this paragraph 7(h) can be extended upon agreement by Heidi Klum to enable completion of the activity being the subject of the relevant Work Day.

i. For any Service Days which take place not on a sound-stage, the Licensee must provide reasonable and appropriate security from a reputable firm.

8. Travel.

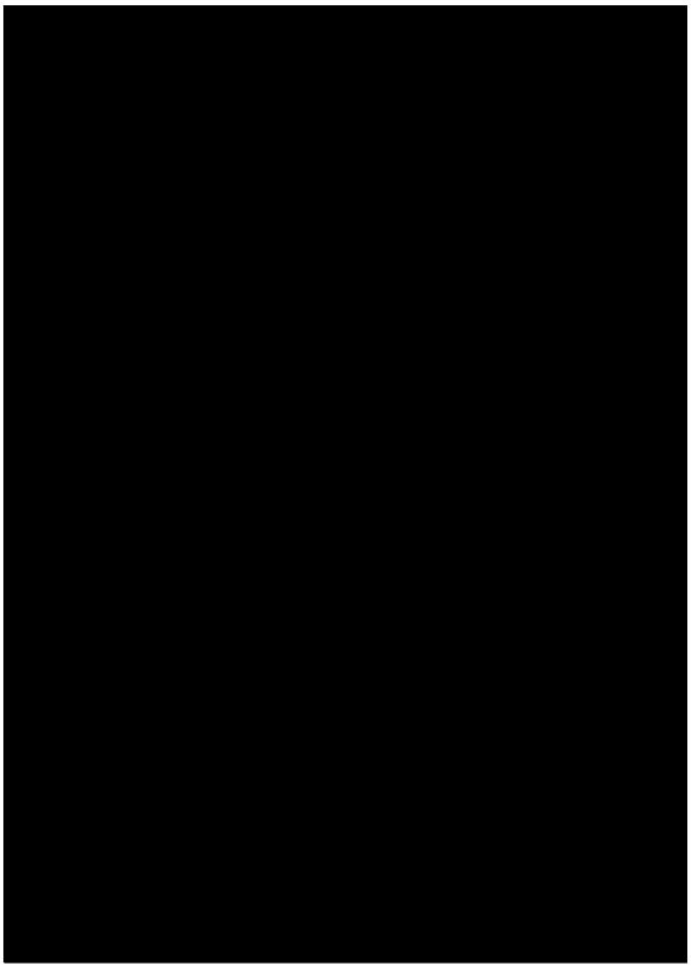
a. For any time that Heidi Klum travels in connection with this Agreement, Heidi Klum and Jennifer Love (or another individual of Heidi Klum's designation) shall be provided first class, round-trip air travel, first class, exclusive ground transportation to and from airports and to and from Service Day locations, and, if involving an overnight stay, first class hotel (Heidi Klum to be provided a suite, and to have approval over such hotel).

b. For all Service Days in Los Angeles, the Licensee shall provide first class, round-trip air travel, first class ground transportation to and from airports and to and from Service Day locations, and, if involving an overnight stay, first class hotel for Jennifer Love (or another individual of Heidi Klum's designation).

c. For any Service Days involving publicity, press, or appearances, the Licensee shall provide first class, round-trip air travel, first class ground transportation from airports and to Service Day locations, and, if involving an overnight stay, first class hotel for Heidi Klum's designated publicist.

d. The Licensee shall reimburse Licensor for any out-of-pocket travel expenses approved in writing by the Licensee, incurred in connection with this Agreement and consistent with this paragraph 8 within thirty (30) days after Licensee's receipt of an invoice for such expenses.

9. [redacted]



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11. Payments.

a. All payments [redacted] shall be made on a quarterly basis, within 5 days following March 31st, June 30th, and September 30th, and within 45 days of December 31st of each Contract Year, less deductions required by law. Within 45 days following the end of each Contract Year commencing with effect from December 31st, 2015, the Licensee shall additionally provide the Licensor with a statement which includes a detailed description of the calculation of Net Sales for that Contract Year (including, without limitation, gross sales, deductions pursuant to paragraph 10(d) and the particular Products sold (by range), by distribution channel and country), together with, a payment of royalties [redacted] payable to Licensor for that Contract Year (if any). To the extent there is any overpayment of royalties made to the Licensor at the end of any Contract Year which requires a subsequent adjustment (e.g., due to returns processed after the date royalties were paid to the Licensor), the Licensee shall have the right to deduct from the next quarterly payment [redacted] (i..e, for the first quarter of the following Contract Year) an amount equal to such prior overpayment, together with a statement detailing calculations of the same. If there is no further quarterly payment due to the Licensor (i.e., such overpayment was made at the end of the Sell-Off Period, or the end of the License Term, if no Sell-Off Period), then the Licensee may require that the Licensor reimburse the Licensee for such overpayment. The Licensee shall also provide the Licensor periodically, and not more than quarterly throughout each Contract Year, with reports on the progress of the business as it pertains to the Products. Notwithstanding the foregoing, with respect to the first Contract Year only, US$100,000 of the first quarterly payment [redacted] shall be made within seven (7) days of the Licensor's signature hereof (as an advance, and fully applicable against, the first quarterly payment of the first Contract Year), and the three remaining quarterly payments shall be made within 5 days after June 30th, 2015, and September 30th, 2015, and within 45 days after December 31st , 2015, respectively. b. Currency

exchanges shall be calculated at the foreign exchange rate utilized by Licensee's primary bank, as advised to Licensor, directly from the local currency to US dollars, applying the average of the daily exchange rates for the calendar month during which money is remitted from foreign territories to the Licensee.

12. Obligations.
    a. The Licensee will produce two (2) collections of Products in the Intimates Category in each Contract Year from and including 2015 and, from 2016, an annual collection of Products in the Swim Category during the License Term and will maintain personnel and resources necessary to perform the substantive day-to-day operations of the business pertaining to the Products including as the same involve product design and development, merchandising, product sourcing, sales and distribution, logistics and operating expertise, infrastructure, marketing and finance.
    b. In its performance of this Agreement, the Licensee will not by any act or omission in breach of this Agreement damage, dilute or negatively impact, to a material extent, the value of the goodwill and reputation of the Trademark (or any part of it), Heidi Klum and/or the Licensor.
    c. Heidi Klum will perform, and the Licensor will so procure, the Services in a diligent manner with all due care, skill and ability.
13. Records and Audit.
    a. The Licensee agrees to maintain and keep (at the Licensee's place of business and at its sole expense) accurate books of account and records covering all transactions relating to this Agreement for at least three (3) years after the expiration or earlier termination of this Agreement. The Licensor and its duly authorized representative(s) shall have the right, at its own expense, upon reasonable notice and during normal business hours, to examine and copy such books of account, records and all other documents and materials in the possession or under the control of Licensee with respect to this Agreement. In the event that such inspection and audit reveals an underpayment in royalties payable to the Licensor, the Licensee shall immediately pay such underpayment, plus interest at prime. In the event such discrepancy is in excess of three percent (3%) of the amount actually due to the Licensor, the Licensee shall reimburse the Licensor for the cost of such inspection and audit.

14. Intellectual Property.
    a. The Licensor will retain ownership of the Trademark and HK Name & Likeness and all legal and beneficial rights in the goodwill subsisting in the Trademark and HK Name & Likeness.
    b. The Licensee will be authorised to affix the Trademark to, and to use the HK Name & Likeness in respect of, the Products manufactured, advertised, promoted, sold and distributed pursuant to (and subject to the terms of) this Agreement.
    c. The Licensee will retain all legal and beneficial rights in all intellectual property rights which subsist in the Products with the exception of the Trademark, HK Name & Likeness and the goodwill subsisting in the Trademark and HK Name & Likeness, including as the same subsist in the designs, creative concepts, physical characteristics, techniques and

method of construction of the Products, and all marketing material created for use in conjunction with the Products. In addition, the Licensee will own as intellectual property the relationships with and business information relevant to the vendors, customers and distributors as the same relate to the Products.

d. The Licensee will retain ownership of any trademarks used on the Products other than the Trademark ("Ancillary Trademarks") and all legal and beneficial rights in the goodwill subsisting in the Ancillary Trademarks. This may include sub-brands and range or style names. The Licensee will bear all costs associated with registering, maintaining and prosecuting the Ancillary Trademarks.

e. Neither the Licensor nor Heidi Klum will during or after the License Term be involved in, facilitate or be associated with the design, licensing, manufacture, promotion, sale or distribution of products that incorporate or feature design aesthetics, styling or physical characteristics identical or substantially similar to the Products that have been sold by the Licensee pursuant to this Agreement. Notwithstanding the foregoing, nothing in this paragraph 14(e) shall be deemed to limit any rights Heidi Klum and/or the Licensor may have as a member of the public, and Heidi Klum and the Licensor shall be entitled to use the Trademark and HK Name & Likeness (subject to any Endorsement Restriction and/or Licensing Restriction as set forth in this Agreement) and enjoy any rights it/she may have in the marketplace, so long as it/she does not infringe upon the copyright or other intellectual property rights of the Licensee.

f. Notwithstanding anything herein, the Licensee acknowledges and agrees that, to the best of the Licensor's knowledge, the initial Trademark is not subject to existing third party rights within the Territory in respect of goods in the Authorized Categories, other than as communicated to the Licensee (i.e, as may be the case with respect to the Heidi Klein trademark in China).

g. As of the Effective Date, the Licensor has obtained certain trademark registrations for the initial Trademark in certain trademark classes in the United States and certain other countries in the Territory at Licensor's sole cost and expense. To the extent the foregoing registrations apply to goods within the Authorized Categories they are for the purposes of this paragraph 14 the "Existing Registrations".

h. As between the parties, the Licensee shall, if it so chooses to use the Existing Registrations and/or to apply to obtain registrations for trademarks being the subject of this Agreement for use on and in respect of the Products (including in respect of class 35 retail rights and services as the same relate to the marketing, advertising, promotion, offer for sale and sale of Products including by retail store and online) that are additional to the Existing Registrations ("New Registrations"), be responsible to prosecute and maintain federal registrations for the Existing Registrations and New Registrations in the Authorized Categories in the Territory. The application for and registration of the New Registrations (and any amendments or extensions of Existing Registrations) by the Licensee will be made in the Licensor's name and on behalf of the Licensor, and the costs and expenses of registration of the New Registrations (and, to the extent used by Licensee, Existing Registrations) and any litigation concerning the Trademark (other than litigation from claims arising from or relating to prior to the date hereof or which do not arise from any use of the Trademark by the Licensee or any third

party having a business association with the Licensee such as a customer) ("Registration Costs" and "Litigation Costs", respectively) shall be borne by the Licensee. Notwithstanding the foregoing, (i) the first $120,000 of such Registration Costs of the New Registrations with respect only to the Intimates Category shall be deducted out of [redacted], and (ii), subject to the Licensee presenting to the Licensor a bonafide business plan that indicates the imminent, launch of a line in the Swim Category (which reasonably justifies the incurrence of costs of New Registrations related to Products in the Swim Category), the first $130,000 of Registration Costs with respect to only the Swim Category shall be deducted out of [redacted].

15. Marketing.

a. The Licensee will develop and implement creative direction and marketing including in respect of all branding, consumer/media messaging, brand partnerships and associations, and the visual representation and content of all brand marketing material as the same pertains to product packaging, web/social media presence, advertising, fixtures and other collateral. The creative direction and marketing will require Heidi Klum's approval which will be given on a timely basis to support the making of commitments pursuant to the Licensee's business timetable.

b. On or before each 31 October of each Contract Year, the Licensee will present to the Licensor for agreement within thirty (30) days a marketing plan for Heidi Klum's approval (to be given on a timely basis to support the making of commitments pursuant to the Licensee's business timetable) detailing the anticipated advertising and promotional activities, including all anticipated travel for Heidi Klum, (and associated spend to be incurred by the Licensee) for the Products being the subject of this Agreement.

16. Websites/ URLs.

a. During the License Term and any Sell-Off Period(s), the Licensee shall have the right to use the Trademark and HK Name & Likeness in the URL heidiklumintimates.com and any other URL's approved by Licensor (such approval not to be unreasonably withheld), all of which shall be maintained at Licensee's expense and assigned to Licensor after the License Term (or Sell-Off Period, if any). For the avoidance of doubt, there shall be no use of the Trademark and/or HK Name & Likeness in connection with "adult" or pornographic URL's and/or websites.

17. Manufacture.

a. All Products and each component thereof manufactured and/or distributed hereunder by Licensee shall comply with all applicable laws, regulations and voluntary industry standards detailed at paragraph 17(c) elated to international human rights and labor standards.

b. The Licensee shall follow commercially reasonable and proper procedures for testing Products and assuring that Products comply with the foregoing standards. The Licensee will be permitted to sub-contract the manufacture of the Products.
c. The workmanship of the Products will be consistent with all applicable laws and regulations and at least consistent with the AQL 2.5 industry standard. In respect of ethical standards, the market standard known as the SA 8000 standard will apply.
d. The Licensee will use all reasonable endeavours to procure that the Licensor and/or its duly authorized representative(s) may at the Licensor's request visit the premises of manufacturers of the Products to test compliance with paragraph 17(c).

18. Approvals.
a. Heidi Klum shall have the right to approve every use of her name, likeness (including, without limitation, all photographs and any and all retouching thereof) and voice, all promotional and marketing materials, marketing plans, branding, brand partnerships and co-branding (if any), and all publicity, marketing, and design activities with which she's involved (including the activities, concepts, and elements of Work Days).
b. Heidi Klum shall have the right to approve all concepts, designs, prototypes, and final samples of the Products. Notwithstanding the foregoing, it is acknowledged that the January - June 2015 Intimates collection is approved.
c. Heidi Klum shall have the right to approve all packaging, labelling, fixtures, in-store signage, advertising, point of sales, sales promotion materials, product literature, and press releases issued by Licensee (it being agreed that the Licensee shall have the right to approve all press releases issued by Licensor and Heidi Klum).
d. Heidi Klum shall have the right to approve the brand name (if different than "Heidi Klum Intimates", "HK Man" and "Heidi Klum Swim") and the logo.
e. Heidi Klum shall have the right to approve the photographers, directors, and behind-the-scenes crews for all shoots.
f. Heidi Klum shall have the right to approve all advertisements and commercials (including the concepts and final cuts thereof).
g. Heidi Klum shall have the right to designate her "Glam Squad" (as defined above).
h. Approvals shall be given on a reasonable and timely basis to support the Licensee's commercial endeavors and timeline.

19. Insurance.
a. During the License Term, and for at least three (3) years after any Sell-Off Period, the Licensee shall maintain a general liability policy (inclusive of products liability) with a reputable international insurance carrier (with a rating no less than A+ from A.M. Best) and with a limit of at least US$5,000,000 per occurrence subject to an aggregate limit of not less than US$15,000,000 in respect of a twelve (12) month period. The insurance shall include the licensor as an additional insured for liability arising out of the actions of the Licensee in respect of the Products. Within thirty (30) days after the date hereof, the Licensee shall provide the Licensor with a copy of the certificate of insurance evidencing the above policy. It is of the essence of this Agreement that the Licensee give the Licensor written notice immediately upon the cancellation of any such insurance policy.

b. The Licensee's failure to provide the foregoing certificate of insurance and/or the Licensee's failure to maintain the above insurance policy shall immediately give the Licensor the right to either: (i) terminate this Agreement; or (ii) purchase any or all of the above insurance policies in the Licensor's and Heidi Klum's names, at the Licensee's sole cost and expense.

20. Representations and Warranties.

a. The Licensor represents and warrants that (i) it has the right and authority to enter into this Agreement and to perform its obligations hereunder; (ii) the making of this Agreement by the Licensor does not violate any agreement, right or obligation between the Licensor and any other person, entity, firm or corporation; and neither the execution and delivery of this Agreement, nor the performance of any or all of the terms and obligations herein, shall breach, be in conflict with or constitute a default under any agreement or commitment to which Licensor is a party; and (iii) that, to the Licensor's knowledge, there is no pending or threatened litigation which may affect the legality, validity or enforceability of this Agreement or any of the obligations contemplated herein or the Licensor's ability to fully perform its obligations herein or the Licensee's enjoyment of the benefit of the rights so granted.

b. Heidi Klum represents and warrants that (i) she has the right and authority to enter into this Agreement and to perform the obligations required of her hereunder; (ii) the making of this Agreement by her does not violate any agreement, right or obligation between her and any other person, entity, firm or corporation; and neither the execution and delivery of this Agreement, nor the performance of any or all of the terms and obligations required of her herein, shall breach, be in conflict with or constitute a default under any agreement or commitment to which she is a party; and (iii) that, to her knowledge, there is no pending or threatened litigation which may affect the legality, validity or enforceability of this Agreement or any of the obligations contemplated herein as the same relate to her, or her ability to fully perform the obligations required of her herein or the Licensee's enjoyment of the benefit of the rights so granted.

c. The Licensee represents and warrants that: (i) it is a company duly organized, validly existing and in good standing under the laws of its incorporation, with full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; (ii) it shall comply with and act in accordance with any and all laws and other legal obligations, including, without limitation, local, state and federal directives, rules, assessments, regulations, filing requirements, ordinances, statutes, codes, judgments binding them and civil or common law; (ii) the making of this Agreement by the Licensee does not violate any agreement, right or obligation between Licensee and any other person, entity, firm or corporation; and neither the execution and delivery of this Agreement, nor the performance of any or all of the terms and obligations herein, shall breach, be in conflict with or constitute a default under any agreement or commitment to which Licensee is a party, and (iii) that, to the Licensee's knowledge, there is no pending or threatened litigation which may affect the legality, validity or enforceability of this Agreement or any of the obligations contemplated herein or Licenser's to fully

perform its obligations herein or the Licensor's enjoyment of the benefit of the rights so granted.

21. Indemnity.

a. The Licensor and Heidi Klum shall defend and indemnify the Licensee and shall hold the Licensee harmless from and against any and all third party claims, suits, actions, liabilities, loss, costs, damages, and expenses (including reasonable outside attorneys' fees), arising in connection with any breach of any of their respective representations or warranties or obligations.

b. The Licensee shall defend and indemnify the Licensor and Heidi Klum and shall hold the Licensor and Heidi Klum harmless from and against any and all third party claims, suits, actions, liabilities, loss, costs, damages, and expenses (including reasonable outside attorneys' fees), arising in connection with (i) the breach of any of the Licensee's representations or warranties or obligations under this Agreement, (ii) personal injury, death, or damage to property arising from the Products, (iii) infringement claims (including, without limitation, trademark and copyright claims) in connection with the Products, (iv) the design, production, manufacture, distribution, marketing, advertising and/or other exploitation of the Products (or any element thereof or right therein), except to the extent covered by the Licensor's indemnity above, provided that the Licensee shall have the conduct of all third party claims and neither the Licensor or Heidi Klum will incur any expense for which payment by the Licensee is sought pursuant to this indemnity, or make any admission or comment to any third party or take any action, without prior consultation with and written agreement of the Licensee.

c. The indemnity set out at paragraph 21(b) shall not apply to claims, suits, actions, liabilities, loss, costs, damages, and expenses (including reasonable outside attorneys' fees) brought against Licensee by or on behalf of the Licensor or Heidi Klum. Licensee's liability for the foregoing whether arising in contract, tort or otherwise in connection with this Agreement shall be limited to two (2) million dollars in maximum aggregate liability, provided that no such limitation will apply in respect of [redacted] or in respect of death, personal injury, fraud or product liability claims.

22. Governing Law.

a. This Agreement shall be governed by and enforced in accordance with the laws of the State of California.

b. The parties consent to the exclusive jurisdiction of any state or federal court empowered to enforce this Agreement located in Los Angeles, California, and waive any objection thereto on the basis of personal jurisdiction or venue.

c. The parties shall endeavor first to attempt to resolve any controversy or claim through mediation, before commencing any other form of dispute resolution. Mediation shall be conducted in Los Angeles County.

23. Notices.

a. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed duly given upon receipt when delivered, or mailed by FedEx, registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To the Licensor:

Heidi Klum Company LLC
568 Broadway
Suite 603
New York, NY, 10012

With a courtesy copy to:

Gang, Tyre, Ramer & Brown, Inc.
132 South Rodeo Drive
Beverly Hills, CA 90212
Attention: Harold A. Brown, Esq. and Daniel S. Passman, Esq.

To Heidi Klum:

Heidi Klum
c/o Heidi Klum Company LLC
568 Broadway
Suite 603
New York, NY, 10012

With a courtesy copy to:

Gang, Tyre, Ramer & Brown, Inc.
132 South Rodeo Drive
Beverly Hills, CA 90212
Attention: Harold A. Brown, Esq. and Daniel S. Passman, Esq.

To the Licensee:

The Directors
Bendon Limited
8 Airpark Drive
Airport Oaks
Manukau, Auckland
New Zealand

24. Confidential Information.

a. No party will, at any time during or subsequent to the License Term, directly or indirectly publish or disclose to any person or entity, any Confidential Information (as defined below) of any other party which was disclosed to such party in the course of the License Term, the information, whether written or not, regarding the business, products and finances of any party, including, without limitation, information relating to existing and contemplated products, methods, business procedures, sales and their projections, marketing, public relations plans, programs and strategies, prices, costs and revenues, prospective and existing contracts or other business arrangements and any additional information acquired only because of a relationship with the party (including personal information), shall be presumed to be confidential ("Confidential Information"), except to the extent the same shall have been lawfully and without breach of obligation made available to the general public without restriction or shall have been disclosed pursuant to a requirement of a governmental agency. Without limiting the foregoing, the parties covenant and agree to use reasonable efforts to safeguard such Confidential Information and prevent disclosure or other dissemination thereof to any third party, other than the officers, employees, agents and independent contractors (including advisors, and attorneys) of a party who reasonably needs to have access to such Confidential Information for purposes of performing obligations to another party.

25. Miscellaneous.

a. Neither the rights granted to the Licensee by this Agreement or the property to which those rights relate may be charged or encumbered by Licensee to any other party.
b. The Licensor and the Licensee are independent contractors with respect to each other. Nothing herein shall create any association, partnership, joint venture or agency relationship between them.
c. The Licensee understands that this Agreement shall be deemed to have been drafted jointly by the parties, and the parties agree that the common-law principles of construing ambiguities against the drafter shall have no application hereto. The Agreement should be construed fairly and not in favor or against one party as the drafter hereof.
d. This Agreement constitutes the complete agreement of the parties on the subject matter contained herein and supersedes any prior oral or written agreement or understanding on the subject matter contained herein. This Agreement may not be amended except by a written instrument signed by the party against which

modifications or waiver or amendment is to be enforced. No waiver of any one provision shall be considered a waiver of any other provision and the fact that an obligation is waived for a period of time shall not be considered to be a continuing waiver. There are no other understandings or covenants, expressed or implied, not expressly set forth in this Agreement.

e. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Electronic and pdf copies of such signed counterparts may be used in lieu of the originals for any purpose.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

HEIDI KLUM COMPANY LLC

By:_____

An Authorized Signatory

Insofar as the above Agreement extends to copyright and trademark rights licensable and/or transferrable from Heidi Klum personally, as well as to any obligations, representations and warranties made or required personally by or of Heidi Klum hereunder, Heidi Klum is a signatory to this Agreement.

_____

Heidi Klum

BENDON LIMITED

By:_____

An Authorized Signatory

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Certain identified information has been excluded from this exhibit because it is both (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed. The excluded information has been blacked out.

Frederick's of Hollywood

LICENSE AGREEMENT

This License Agreement represents the Agreement between **ABG-Frederick's of Hollywood, LLC**, a Delaware limited liability company, ("Licensor") and the **Licensee** defined below (collectively, the "Parties") referenced in the binding term sheet dated May 27, 2015 ("Term Sheet") and is comprised of the Summary of Commercial Terms and the Standard Terms and Conditions set forth below as well as any exhibits and schedules referenced herein (the "Agreement"). In the event of any conflict between the terms contained in the Summary of Commercial Terms set forth in Section A of this Agreement (the "Summary of Commercial Terms") and the Standard Terms and Conditions set forth in Section B of this Agreement (the "Standard Terms and Conditions"), the Summary of Commercial Terms shall govern. When executed by both parties, this Agreement supersedes and replaces the Term Sheet.

A. SUMMARY OF COMMERCIAL TERMS

1.	**Effective Date:**	The "Effective Date" shall mean the closing of the asset purchase agreement concerning the purchase of the Licensed Property by Licensor from Seller ("APA"). In the event the Closing (as defined in the APA) has not taken place on or before September 1, 2015, then Licensor and Licensee shall each have the right to cancel this Agreement and/or any offer to enter into the same. All terms which are capitalized herein and not defined herein shall be as defined in the APA.
2.	**Licensee:** Corporate Organization: Address: Contact: Telephone: Email:	"Licensee" shall mean: FOH Online Corp. Licensee is a corporation organized under the laws of Delaware. c/o Graubard Miller The Chrysler Building 405 Lexington Avenue, 11th Floor New York, NY, 10174-1101 Paul Vassilakos 1 917 731-3210 pvassilakos@petrinaadvisors.com
3.	**Licensed Property:**	"Licensed Property" shall mean the trademarks set forth on Exhibit A, which is attached hereto and incorporated herein by reference.
4.	**Licensed Products:**	(a) The "Products" shall mean the following products for women: (i) "Intimates/Lingerie": defined as each of the following: lingerie, intimates, bras, panties, bodices, shaping panties, shape wear, thigh-slimmers, negligees, waist cinchers, garters, stockings, slips, hosiery, corsets, camisoles, all-in-one camisoles with built in bras and lingerie accessories (i.e., removable silicone breach enhancer pads, bra straps, bra extenders and adhesive bras); (ii) "Costumes": defined as Intimates/Lingerie made and/or designed specifically as a holiday (e.g., Halloween, etc.) costume and/or novelty wardrobe item; (iii) "Sleepwear/Loungewear": defined as each of the following: pajamas, nightgowns, dressing gowns, night shirts, robes, bath robes, sleep suits,

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		body suits, lounging pants and tops; (iv) "Swimwear & Swimwear Accessories": defined as each of the following: swimsuits, bikinis, bikini separates, sarongs, coordinating cover-ups (e.g., beach cover-ups, etc.), swimming shorts, beach shorts and board shorts; and (v) "Erotic Toys/Playthings": defined as "sex toys" within Class 10 of the Nice Classification System, Tenth Edition, effective as of January 1, 2015. (b) The "Licensed Products" shall be defined as the Products bearing the Licensed Property. (c) The "TP Products" shall be defined as the Products which do not bear the Licensed Property. (d) Product Forfeit Option: Licensee shall have the right to remove all Erotic Toys/ Playthings from the definition of Products (as defined above) (the "Product Forfeit Option"). In the event Licensee desires to exercise the Product Forfeit Option, Licensee shall provide Licensor with written notice within thirty (30) days of the Effective Date. [redacted]
5.	Term:	(a) The "Initial Term" shall mean the period beginning on the Effective Date and ending on December 31, 2020. (i) "Contract Year 1" shall mean the Effective Date through December 31, 2015; (ii) "Contract Year 2" shall mean January 1, 2016 through December 31, 2016; (iii) "Contract Year 3" shall mean January 1, 2017 through December 31, 2017; (iv) "Contract Year 4" shall mean January 1, 2018 through December 31, 2018; (v) "Contract Year 5" shall mean January 1, 2019 through December 31, 2019; and (vi) "Contract Year 6" shall mean January 1, 2020 through December 31, 2020. (b) Provided that Licensee is not then in an uncured breach of any provision that would give rise to a termination of this Agreement pursuant to Section 12 of the Standard Terms and Conditions, Licensee shall have ten (10) options to renew this Agreement ("Renewal Term Option(s)") on the terms set forth herein for consecutive period(s) of five (5) years (each, a "Renewal Term"). Each Renewal Term shall be numbered consecutively. Licensee shall exercise its Renewal Term Option(s) by notice to Licensor delivered not less than nine (9) months and not more than twelve (12) months in advance of the expiration of the then current Contract Period. (c) The Initial Term and each Renewal Term (if any) are hereinafter individually and collectively referred to as the "Term" and individually as a "Contract Period". For the purposes of this Agreement, a "Calendar Quarter" shall mean each of the following three (3) month periods during a given calendar year: from January 1 through March 31; from April 1 through June 30; from July 1 through September 30; and from October 1 through December 31.

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6.	**Territory:**	(a) The "Territory" shall mean, individually and collectively, Territory 1 and Territory 2, unless specifically identified: (i) "Territory 1" shall mean: worldwide, excluding Territory 2; and (ii) "Territory 2" shall mean: United States of America, Australia and New Zealand. (b) USA Wholesale Forfeit Option: Licensee shall have the right to remove the United States of America from the definition of Territory 2 set forth above, in connection with Licensee's right to sell Licensed Product(s) through the Wholesale Channels (as defined in Section 8 of the Summary of Commercial Terms below) (the "USA Wholesale Forfeit Option"). In the event Licensee desires to exercise the USA Wholesale Forfeit Option, Licensee shall provide Licensor with written notice within thirty (30) days of the Effective Date. [redacted] (c) E-Commerce TPO Option: In the event Licensor has a third party offer ("TPO") to operate the E-Commerce Site in a particular country within Territory 1 ("TPO-Country"), Licensor shall notify Licensee. Thereafter, Licensor and Licensee shall meet and confer: (A) to discuss and mutually agree upon in good faith, whether the objective and quantifiable facts pertaining to the TPO present a commercially beneficial opportunity, and (B) regarding a commercially reasonable good faith adjustment(s) and/or modification(s) to the rights and obligations of Licensee hereunder relating to Licensee's operation E-Commerce Site in the applicable TPO-Country dependent upon the details of the TPO and business strategy moving forward.
7.	**Scope:**	(a) Subject to the terms and conditions of this Agreement, Licensor shall not, during the Term, enter into any agreement with a third party for the use of the trademarks as set forth on Exhibit A on Products in the Territory for the Permitted Distribution Channels; provided, however, that Licensor may enter into any agreement with a third party for the use of the trademarks as set forth on Exhibit A on Costumes in the Territory for the Permitted Distribution Channels other than for online sales. (b) Licensor shall have the right to authorize third party licensees' and/or distributors' use of the Licensed Property on other e-commerce sites ("TP E-Commerce Partner(s)"), in connection with the sale by third party licensees' and/or distributors' of products which are not Products ("Authorized FOH Products") in the Territory. (c) Subject to Section 6(c) above, Licensee shall have the exclusive right to operate the E-Commerce Site in the Territory. Licensor and Licensee each hereby acknowledge and agree that: (i) Licensor is the owner of the E-Commerce Site, and (ii) Licensee's use of any Licensed Property on and/or in connection with the E-Commerce Site shall be subject to Licensor's advance written approval.
8.	**Permitted Distribution Channel(s):**	(a) For purposes of this Agreement, the "Permitted Distribution Channels" shall be defined, individually and collectively, as the following channels of distribution, unless specifically identified: (i) The "E-Commerce Site" shall be defined as the Fredericks of Hollywood e-commerce website located at: www.fredericks.com, and the country code top-level domains (e.g. http://www.fredericks.com.au, http://www.fredericks.co.nz, etc.) relating thereto in the Territory, subject

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		to Section 6(c) above. (ii) The "Wholesale Channels" shall be defined, individually and collectively, as Full-Price Wholesale Channels and Off-Price Wholesale Channels located in Territory 2, unless specifically identified: (A) "Full-Price Wholesale Channel(s)" shall be defined as full-price wholesale channels located in Territory 2: (e.g., Dillard's, Nordstrom, Saks Fifth Avenue, Neiman Marcus, Barney's, Bergdorf Goodman, etc., and similar full-price distribution channels located outside the United States of America); and (B) "Off Price Wholesale Channel(s)" shall be defined as off-price and/or mass market wholesale channels located in Territory 2: (e.g., TJ Maxx, Nordstrom Rack, TK Maxx, Costco, Walmart, etc., and similar off-price and/or mass market distribution channels located outside the United States of America). (iii) The "Bendon Channel(s)" shall be defined, individually and collectively, as Bendon Wholesale Channels and Bendon Retail Channels located in Territory 2, unless specifically identified: (A) "Bendon Wholesale Channels" shall be defined full-price wholesale channels owned and/or operated by Licensee or any of Licensee's affiliates and/or subsidiaries located in Territory 2; and (B) "Bendon Retail Channels" shall be defined as outlet and/or off-price retail channels owned and/or operated by Licensee or any of Licensee's affiliates and/or subsidiaries located in Territory 2. (b) Licensee shall be permitted to sell: (i) The Licensed Products, TP Products and/or Authorized FOH Products through the E-Commerce Site in the Territory; (ii) The Licensed Products through the Wholesale Channel(s) and/or Bendon Channel(s) in Territory 2; (iii) With Licensor's prior written approval, the Licensed Products through distributors in Territory 1; and (iv) The Costumes through the Ecommerce Site in the Territory. (c) Territory 2 Wholesale Accounts: Licensee shall have the right to sell to Licensor's authorized distributors in Territory 2 of this Agreement subject to Licensor's prior written approval in each instance. In the event that Licensor approves a request to sell to a distributor in Territory 2, Licensee shall pay Licensor the Royalty as provided in Section 9(a)(iv) of the Summary of Commercial Terms.
9.	[redacted]	[redacted]

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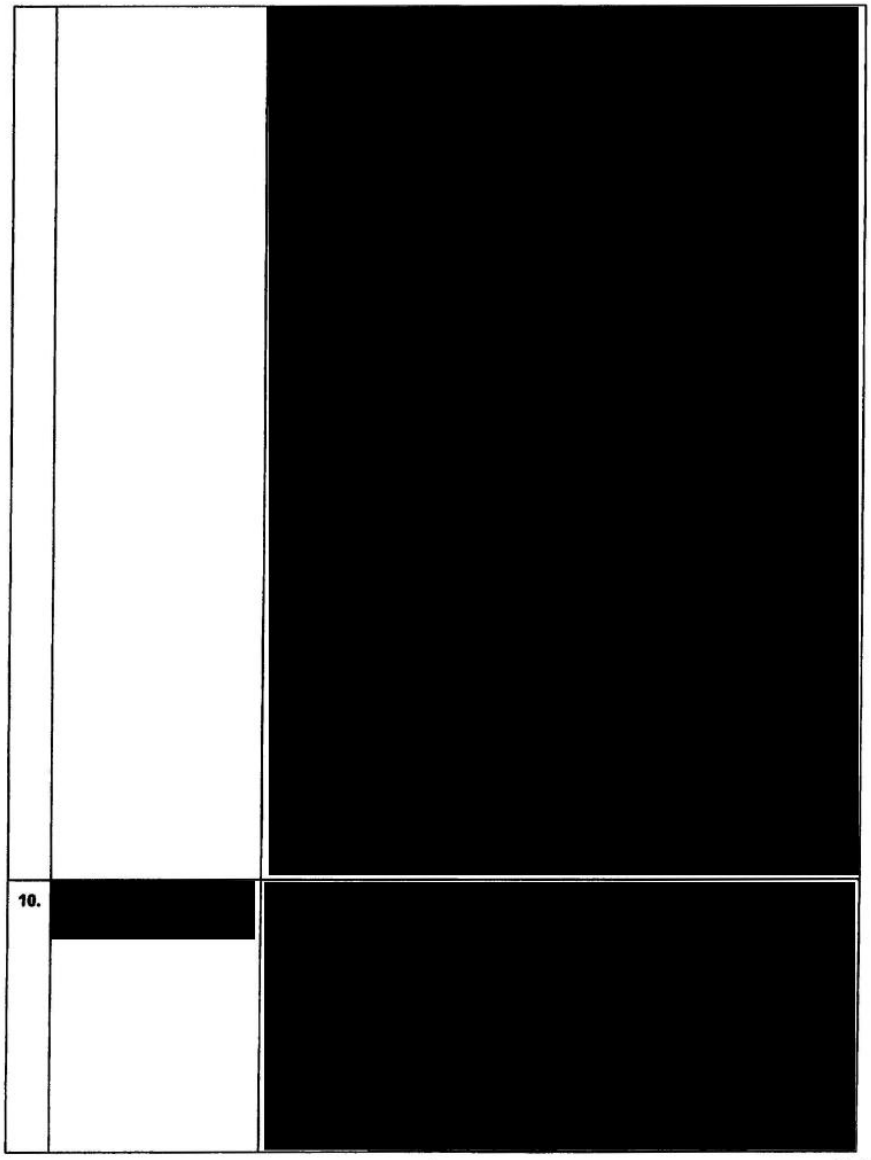
10.

		[redacted]
11.	**Common Marketing Fund:**	(a) As used herein the term "Common Marketing Fund" (also known as the "CMF") shall mean: Two percent (2%) of Net Sales for the Licensed Products from the Effective Date. (b) From the Effective Date and during each Contract Year during the Term, Licensor and Licensee shall mutually agree upon how the CMF contribution shall be spent by Licensor on advertising and/or marketing efforts for the Licensed Property and/or Licensed Products in the Territory ("CMF Plan"). In the event Licensor and Licensee do not mutually agree upon the CMF Plan in any given Contract Year, Licensor shall spend the CMF for such Contract Year, in accordance with the most recent CMF Plan agreed upon by Licensor and Licensee. In the event that Licensor and Licensee have not agreed to any CMF Plan, the CMF Plan as set forth and more fully described in the definitive agreement between the parties hereto shall govern. (c) Licensee shall pay the CMF to Licensor, within thirty (30) days of the end of each Calendar Month in arrears.
12.	[redacted]	[redacted]

		[redacted]
13.	**Advertising Commitment:**	From the Effective Date and in each Contract Year during the Term, Licensee shall spend a minimum of two percent (2%) of Net Sales for the Licensed Products on marketing and advertising expenditures for the Licensed Property and/or Licensed Products (the "Advertising Commitment").
14.	**Free Units:**	Licensee shall ship, at Licensee's sole cost, up to Twenty Thousand Dollars ($20,000) of Licensed Products (measured at Licensee's cost of goods landed duty paid) to Licensor in each Contract Year during the Term ("Free Units"). The assortment of Free Units shall be at Licensor's sole discretion and will not be sold by Licensor.
15.	**Hard Inventory Assets; E-Comm Assets:**	(a) Hard Inventory Assets. Subject to the terms and conditions of the APA including, without limitation, the Closing thereof, the parties hereto acknowledge and agree that Licensee shall be required, as of the Effective Date, to purchase and/or assume all of the inventory/product(s) which are set forth and more fully described on Exhibit E attached hereto as the same is populated at Closing which shall specifically exclude damaged goods ("Hard Inventory Assets"). Licensee shall purchase and/or assume the Hard Inventory Assets pursuant to the procedures set forth on Exhibit F attached hereto ("Inventory Procedure"). Thereafter, Licensee and Licensor shall meet and confer in order to identify certain portion(s) of the Hard Inventory Assets which do not conform to the brand and/or merchandising strategy relating to the Frederick of Hollywood brand, as mutually agreed upon by Licensor and Licensee (the "Unrelated Inventory"). Licensor shall use commercially reasonable efforts to assist Licensee with the sale and/or disposal of the Unrelated Inventory; provided however, that any failure by Licensor to assist Licensee with the sale and/or disposal of the Unrelated Inventory shall not be deemed a breach of this Agreement. Licensor and Licensee hereby acknowledge and agree that Licensee shall bear any and all financial risk(s) in connection with and/or otherwise relating to the Hard Inventory Assets (including, without limitation, the Unrelated Inventory). Any portion(s) of the Hard Inventory Assets which are not Licensed Products shall be subject to a royalty of six percent (6%) of Net Sales and Licensee shall pay the same to Licensor in accordance with the terms and provisions of this Agreement. (b) E- Comm Assets. Subject to the terms and conditions of the APA including, without limitation, the Closing thereof, Licensor and Licensee shall each use commercially reasonable efforts to determine which E-Comm Assets are required from Seller for the transition and future operation of the E-Commerce Site by Licensee and/or Licensee's third party service provider

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		(e.g., Onestop, etc.). For purposes of this Agreement the "E-Comm Asset(s)" shall mean, without limitation: platform(s) (if any), database(s), miscellaneous agreements, etc., relating to operation of the E-Commerce Site as contemplated hereunder, which E-Comm Asset(s) are comprehensively set forth and more fully described in the APA (collectively, the "E-Comm Assets").
16.	**Licensee's Operation of the E-Commerce Site:**	(a) In order to represent a unified, full line of products relating to the Fredericks of Hollywood brand on the E-Commerce Site, which objectively conform to the Fredericks of Hollywood brand position as embodied on the E-Commerce Site, Licensee shall be required to purchase a full line of Authorized FOH Products from Licensor's other licensees' ("TP Partner(s)") if a TP Partner(s) agrees and/or offers to sell Authorized FOH Products to Licensee on a consignment basis, and on such terms as the TP Partner(s) extends to its best customers on a most favored nations basis (the "Favorable Price"), as the same is consented to by Licensee, which consent shall not be unreasonably withheld. In the event that a TP Partner(s) is unwilling and/or otherwise unable to sell Authorized FOH Products to Licensee on consignment and at the Favorable Price, Licensee shall have the right, but not the obligation, to purchase Authorized FOH Products which are not available on consignment and/or not subject to the Favorable Price, pursuant to its reasonable business discretion. Licensor shall use commercially reasonable efforts to assist Licensee with the purchase of Authorized FOH Products from Licensor's licensee(s') on consignment and at the Favorable Price; provided, however, that Licensor's failure to assist and/or secure Licensee's purchase of Authorized FOH Products at the Favorable Price or otherwise, shall not be deemed a breach of this Agreement. Notwithstanding the foregoing, the parties hereto acknowledge and agree that the E-Commerce Site shall continue to operate as a channel primarily focused on the Intimates/ Lingerie category and offering Intimates/ Lingerie product(s). (b) In connection with Licensee's operation of the E-Commerce Site, Licensee shall be responsible for, without limitation, the following: (i) As of the date of Closing and pursuant to the terms and provision of the TSA (as defined in Section 20 of the Summary of Commercial Terms below), Licensee shall be responsible for the transition and operation of the E-Commerce Site in accordance with the terms and provisions of this Agreement. (ii) Designing and developing the interface of the E-Commerce Site, which shall be subject to Licensor's prior written Approval (as defined in the Standard Terms and Conditions); (iii) Managing the hosting of the E-Commerce Site, including without limitation, order management and built-in integrations with all necessary third party tools; (iv) Launching a fully operational E-Commerce Site on or before a date mutually agreed upon by Licensor and Licensee in writing (the "Launch Date"); (v) Creating and maintaining interactive marketing platforms and programs for use on or in connection with the E-Commerce Site, which shall mutually agreed upon by the parties hereto; (vi) Conducting comprehensive marketing activities, including, without limitation: (i) Google product listing ads, (II) SEO, (III) PPC, (IV) e-mail

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		communication with customers and website visitors; (V) engaging in affiliate programs, (VI) engaging in retargeting programs and affiliate programs and (VII) direct mail campaigns, which shall be subject to Licensor's prior written Approval; (vii) Shooting, re-touching and editing high-resolution photos of all Licensed Products and/or TP Products for sale through the Permitted Distribution Channels ("Image(s)"), and ensuring that the Permitted Distribution Channels display at least three (3) Images (e.g., front, back and side) for each Product SKU as directed and Approved by Licensor; (viii) Upon Licensor's request specifying the nature and/or purpose of such request to Licensee, providing any and all Images to Licensor; (ix) Providing full-scale customer care services (including, without limitation, a call center, email communications, live chat, etc.) every Monday through Friday from the hours of 9:00am-5:00pm, as applicable; (x) Managing the storage and warehousing of Licensed Products and/or TP Products, as applicable; (xi) Coordinating the payment process for customer purchases of the Licensed Products and/or TP Products; (xii) Managing the fulfillment, shipping, handling and delivery of Licensed Products and/or TP Products to customers; (xiii) Providing Licensor with monthly sales reports in the form set forth on Exhibit H, which is attached hereto and incorporated herein by this reference ("Monthly Sales Report(s)"), which Monthly Sales Reports shall be submitted to Licensor within ten (10) days of the end of each calendar month during the Term and shall provide information for the immediately preceding calendar month; (xiv) Providing Licensor with monthly marketing reports in the form set forth on Exhibit I, which is attached hereto and incorporated herein by this reference ("Monthly Marketing Report(s)"), which Monthly marketing Reports shall be submitted to Licensor within ten (10) days of the end of each calendar month during the Term and shall provide information for the immediately preceding calendar month; (xv) Providing Licensor with monthly customer mailing and subscriber lists and related contact information, including, without limitation, name, shipping address and email address ("Customer Information"), which monthly lists shall be submitted to Licensor within ten (10) days of the end of each calendar month during the Term and shall provide all new and existing Customer Information for the immediately preceding calendar month; and (xvi) Providing Licensor with direct access to such Customer Information from The Rocket Science Group, LLC d/b/a Mail Chimp content management system ("CMS") or any successor and/or similar third party host service provider.
17.	[redacted]	[redacted]

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18.	**Guaranty:**	(a) The parties hereto acknowledge that it is a condition of Licensor entering into this Agreement that Guarantor (as defined herein) irrevocably guaranty, without limitation, any and all amounts payable by Licensee to Licensor pursuant to this Agreement. For purposes of this Agreement, "Guarantor" shall mean Cullen Investments Limited, a limited liability company organized under the laws of New Zealand, with the business registration number of 663610, unless and until substituted with Bendon PTY Limited or an alternative as may be agreed to by Licensor. The parties acknowledge that as of Effective Date Licensor, Licensee and Guarantor have entered into and duly executed a Guaranty Agreement, which is set forth on Exhibit G, attached hereto. (b) The parties hereto acknowledge that the Licensee may not, on incorporation, be a member of the company group that includes Bendon PTY Limited ("Bendon") as that group is defined for its current financing purposes. Notwithstanding the foregoing, Licensee shall have, from the Effective Date the benefit of resources and expertise of Bendon in its operation of the E-Commerce Site until such time as Licensee becomes a member of the aforementioned company group. The parties hereto further acknowledge that Licensee shall be permitted to become a member of the

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		Bendon company group which, for purposes of this Agreement, shall not be deemed a Change of Control Transaction (as defined in Section 16(c) of the Standard Terms and Conditions below) requiring Licensor's prior written approval.
19.	**Marketing Share:**	Upon request, Licensor and Licensee shall each have the right to use, on a gratis basis as to the other party's charges, any Approved content, media, marketing and/or promotional materials which conform to the brand positioning of the Fredericks of Hollywood Brand (collectively, the "Marketing Materials"), developed by Licensor or Licensee relating to the Licensed Property and/or Licensed Products on: (i) Licensor's social media account(s) (e.g., Facebook, Twitter, Instagram, etc.) branded with the Licensed Property and/or (ii) the E-Commerce Site, it being understood that: (A) the user of the Marketing Materials shall ensure that the use of the Marketing Materials will maintain brand positioning, and (B) the user of the Marketing Materials on a particular social media account(s) and/or Ecommerce Site shall be permitted to decline a request to include the other party's Marketing Materials if they reasonably believe such Marketing Materials are detrimental to the social media account(s) and/or E-Commerce Site. In each case, the user of the Marketing Materials shall be responsible for all third (3rd) party payments, consents, usage, permissions and/or clearances which arise from that party's use of the Marketing Materials.
20.	**Transition Services Agreement**	The parties hereto hereby acknowledge and agree that Licensee shall bear all costs and expenses relating to and/or arising out of that certain Transition Services Agreement effective as of Closing, by and between Seller and Licensee, concerning the transition and operation of the E-Commerce Site, until such time as Licensee find a new third party partner for the operation of the E-Commerce Site.
21.	**Miscellaneous:**	(a) Pursuant to Section 11 of the Form, within thirty (30) days of signing this Agreement, Licensee shall submit to Licensor a certificate of insurance naming Licensor as an additional insured under Licensee's insurance policy. (b) Within sixty (60) days of the signing of this Agreement, Licensee shall: (i) Provide Licensor a detailed business plan including sales, marketing, distribution, etc.; (ii) At Licensee's sole cost (i.e., without any payment due to Licensor), meet with Licensor's creative, marketing, and branding team in New York for a one-day introductory workshop; and (iii) Provide Licensor a complete list of key contacts and personnel within Licensee's organization as the same relate to Licensee's business as contemplated under this Agreement.

B. STANDARD TERMS AND CONDITIONS

1. GRANT OF LICENSE.

(a) Licensed Rights. Licensor hereby grants to Licensee during the Term, the non-transferrable, non-assignable, non-sublicensable, non-divisible right and license, to utilize the Licensed Property solely within the Territory and solely in connection with the manufacture, Advertising & Promotion, sale, offering for sale, and distribution of the Licensed Product(s), TP Products and/or Authorized FOH Products (all terms as defined in this Agreement and/or in the Summary of Commercial Terms). Licensee shall use commercially reasonable efforts to develop, manufacture, promote, advertise, sell and ship Licensed Product(s), TP Products and/or Authorized FOH Products in the Permitted Distribution Channels in the Territory and to protect its right to manufacture, sell and distribute Licensed Product(s) hereunder.

(b) Permitted Distribution Channels. Licensed Product(s), TP Products and Authorized FOH Products may only be sold through the Permitted Distribution Channels, as defined in the Summary of Commercial Terms.

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Licensee shall not, nor shall it authorize others to, solicit, advertise, distribute, sell, use or otherwise exploit the Licensed Product(s) in any other channels of distribution. Without limiting the foregoing, except to the extent that Licensee sells through the website(s) included within its Permitted Distribution Channels, and except as otherwise expressly specified in the Summary of Commercial Terms, Licensee shall not sell or distribute Licensed Product(s) by any direct marketing methods, including, without limitation, catalogs, on-line and internet sales other than the E-Commerce Site, television, infomercials (DRTV) or direct mail, without the prior written approval of Licensor in each instance, which approval shall be granted or withheld in Licensor's absolute and sole discretion.

(c) Limits on Licensed Rights. Unless expressly specified in the Summary of Commercial Terms, the rights granted herein do not include rights in or to any images, photographs, audio-visual recording, video or motion picture and/or other copyrighted works of or relating to the Licensed Property. Licensee shall be solely responsible for obtaining written clearance from the copyright owner(s) whose image(s), photograph(s) and/or audio-visual recording(s) is (are) to be used in, on or in connection with the Licensed Product(s), TP Products and/or Authorized FOH Products and/or the materials that advertise and/or promote the Licensed Product(s), TP Products and/or Authorized FOH Products and for all costs and expenses relating thereto. Licensee will manufacture, advertise, promote, market, sell and distribute the Licensed Product(s), TP Products and/or Authorized FOH Products in a lawful and ethical manner and in accordance with the terms and intent of this Agreement. The licenses granted hereunder are granted subject to the U.S. Export Administration Regulations ("EAR"), International Traffic in Arms Regulations ("ITAR"), sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), and all other export control and sanctions laws applicable to the parties (collectively, "Trade and Export Control Laws"). Notwithstanding anything to the contrary herein, the Licensed Property shall not be used, disclosed, licensed, sublicensed, or otherwise exploited in violation of any Trade and Export Control Laws. All rights in and to the Licensed Property which are not specifically granted and licensed to Licensee hereunder are hereby reserved by Licensor and Licensor may exercise such rights at any time.

(d) Celebrities; Endorsements. Licensee hereby acknowledges that Licensor may have relationships in place with certain celebrity talent ("Talent") through various agreements for sponsorship and endorsement of Licensor's trademarks. In the event that Licensee has the desire to enlist Talent support in connection with this Agreement, Licensee may submit requests to Licensor in writing, and as a courtesy to Licensee, Licensor shall use its reasonable efforts to facilitate the request, subject to good faith negotiation, the professional commitments of said Talent and Licensor's other obligations/commitments. Licensee hereby agrees that Licensee shall not directly contact or use the images or services of Talent or of any other celebrity in connection with this Agreement without Licensor's prior written approval in each instance. Nothing contained herein shall obligate Licensor to maintain any agreements which it may have in place with any Talent and any failure by Licensor to have or maintain any such relationships and/or facilitate any request hereunder, shall not be deemed a breach of this Agreement.

(e) Prohibition of Sub- and Co-Branding. All Licensed Product(s) shall bear at least one Licensed Property and no Licensed Product(s) shall be sub-branded, co-branded, sold or otherwise distributed under any marks other than the Licensed Property. For the avoidance of doubt, Licensee may identify itself as Licensor's authorized licensee and include Licensee's name and/or logo in the credit line/legal line and the inclusion of such detail shall not be deemed a violation of this provision.

(f) Purchased Copies.

(i) Purchase for Resale. Licensor and/or one or more of its affiliates shall have the right to purchase from Licensee such quantities of Licensed Product(s) as Licensor shall from time to time desire for resale through Licensor Channels (as hereinafter defined) within the Territory and/or through any distribution channels outside the Territory. Any purchase of Licensed Product(s) from Licensee by Licensor and/or its affiliates pursuant to this Section 1(f)(i) shall be made at the lesser of Licensee's: (i) landed duty paid cost, plus twenty five percent (25%); or (ii) freight on board cost plus twenty five percent (25%). For the purposes hereof, "Licensor Channels" shall mean Frederick's Of Hollywood retail stores operating under the Licensed Property or other intellectual property (related to the Frederick's Of Hollywood brand) which are authorized by Licensor. To the extent permitted by applicable Law (as hereinafter defined), Licensor and/or its affiliates shall not resell Licensed Product(s) purchased from Licensee under this Section 1(f)(i) at a price below the Licensee's lowest retail price unless otherwise mutually agreed to by the parties.

(ii) Purchase for Promotional Purposes. Licensee agrees to sell to Licensor, its affiliates and other licensees (collectively, the "Promotional Parties") reasonable amounts of Licensed Product(s) for Promotional Purposes (as hereinafter defined) at Licensee's FOB delivery cost of such Licensed Product(s) on net thirty (30) day terms. [redacted]

[redacted] The Promotional Parties shall only use such Licensed Product(s) for Promotional Purposes, and shall not resell such Licensed Product(s) on a stand alone basis. In the event Licensee is unable to supply the Promotional Parties with Licensed Product(s) as set forth in this Section 1(f)(ii), the Promotional Parties shall have the right to source products from third parties that are substantially similar to the Licensed Product(s), and such activity shall not be deemed a breach of exclusivity rights, if any, that may be granted under this Agreement. For purposes of this Agreement, "Promotional Purposes" shall mean charitable giving, giveaways, gifts with purchase programs and other limited duration promotional activities.

2. TERM; RENEWAL.

(a) The Initial Term, Renewal Term (if any) and Term are defined in the Summary of Commercial Terms.

(b) [redacted]

3. ROYALTIES.

(a) In consideration of the rights granted herein, Licensee shall pay the Royalties, [redacted] and any other payment required hereunder to Licensor, and Licensee shall spend the Advertising Commitment, if and as specified in the Summary of Commercial Terms.

(b) Licensee shall have the unfettered right to establish the prices that it charges its customers for any Licensed Product(s), TP Products and/or Authorized FOH Products sold pursuant to this Agreement, however, solely for purposes of calculating the Royalty due to Licensor: (i) if Licensed Products are sold through the Wholesale Channels and/or Bendon Wholesale Channels to any party directly or indirectly affiliated or under common ownership or control with Licensee at a price less than the regular price charged to other parties, the Royalty due to Licensor shall be computed on a most favored nations basis based on the wholesale price as sold to similar non-related third parties; and (ii) in the event Licensor suspects that Licensee has sold any Licensed Product(s), TP Products and/or Authorized FOH Products at a discounted price for purposes of selling any Leader Products, including, without limitation TP Products (such discounted Licensed Products, TP Products and Authorized Products being defined herein as "Loss Leader(s)"), whether such sales were made to any of Licensee's affiliates or any other third party, Licensor shall be permitted to request, and Licensee hereby agrees to deliver, documentation, backup and support materials, such that Licensor will have sufficient information to evaluate such sales. In the event Licensor determines in Licensor's sole discretion that any Licensed Product(s), TP Products and/or Authorized FOH Products were sold as a Loss Leader, then the Royalty due to Licensor for such Licensed Product(s), TP Products and/or Authorized FOH Products shall be computed at the highest price actually charged for the Leader Products sold together with the Loss Leader. For purposes of this Agreement a "Leader Product" shall be defined as products other than Licensed Products, TP Products or Authorized FOH Products (e.g., Heidi Klum branded footwear, etc.) sold at an industry standard, normal price.

(c) For purposes of this Agreement (i) Royalties accrue in the Calendar Quarter during which the Licensed Products, TP Products and/or Authorized FOH Products are sold by Licensee, regardless of when or if Licensee collects the revenue from such sale, and (ii) for purposes of this Agreement, a Licensed Product, TP Product and/or Authorized FOH Product shall be considered "sold" upon the date when such Licensed Product, TP Product and/or Authorized FOH Product is invoiced, shipped or paid for, whichever event occurs first.

(d) "Discounts & Allowances" shall mean amounts earned on an accrual basis by the distributors or authorized retailer as a result of: (i) purchasing Licensed Products; (ii) payments made by Licensee to a distributor or an authorized retailer in connection with Licensed Products; (iii) deductions taken by distributors or authorized retailers in connection with Licensed Products, and (iv) payments made to a third party at the direction of a distributor or an authorized retailer in connection with Licensed Products. For the avoidance of doubt, markdown contributions and expenses relating to co-op marketing shall be deemed Discounts & Allowances for the purpose of sales of Licensed Product(s) through the Wholesale Channels.

(e) Licensee may not deduct from or offset the Royalty payable to Licensor for any reason. For the avoidance of doubt, but without limitation, Licensee may not deduct: uncollectible accounts, assessments, bank fees, slotting fees, advertising or other expenses of any kind, the costs incurred in the manufacture, sale, distribution or exploitation of the Licensed Products, TP Product and/or Authorized FOH Product, costs associated with the transfer of funds, collection or payment of Royalties, or the conversion of any currency into United States Dollars. All sales, use,

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value added, local privilege, withholding and excise taxes, tariffs, duties or other charges of any kind, character or description which may be levied or imposed upon any of their Licensed Products sold or on any aspect of performance of this Agreement, shall be the responsibility of Licensee. Licensor shall only be responsible for the actual taxes on Licensor's net income.

4. PAYMENTS & STATEMENTS.

(a) Quarterly Statements. Licensee will compute Royalties hereunder on the basis set forth in the Summary of Commercial Terms and shall furnish to Licensor within thirty (30) days following the end of each Calendar Quarter during the Term (i.e. on or before April 30, July 30, October 30 and January 30) and continuing until all payments required hereunder are made, a complete and accurate statement, which statement shall be submitted electronically through RoyaltyZone (as defined in Section 4(g) of the Standard Terms and Conditions below) (each, a "Quarterly Statement"). Statements required by this Section and Section 4(b) of the Standard Terms and Conditions below shall include the following information: (i) the Territory; (ii) Permitted Distribution Channels; (iii) a description of the Licensed Product(s), TP Products and/or Authorized FOH Products; (iv) a description of the Licensed Property used therein or thereon (including, without limitation, any and all versions of the Licensed Property which appear in or on the Licensed Product(s) (including without limitation, any Packaging as hereinafter defined) and/or Advertising & Promotion (as hereinafter defined), if any); (v) the amount due to Licensor (calculated as set forth in Section 3 of the Standard Terms and Conditions); and (vi) the following information cross-referenced against the applicable "SKU" number(s): wholesale sales, invoice price, quantity invoiced, gross revenues, and applicable Royalty Rate (as defined in the Summary of Commercial Terms). On reasonable request from Licensor, Licensee shall provide Licensor with backup and support materials with respect to any item contained in any Quarterly Statement, such that Licensor will have sufficient information to evaluate the sources of any item contained in such Quarterly Statement and to track Licensee's performance under this Agreement. Such Quarterly Statements shall be accompanied by a certification signed by Licensee's chief financial officer (or equivalent) indicating that he or she has reviewed and agrees with all the information contained in such Quarterly Statement. For the purposes of this Agreement, a "Calendar Quarter" shall be defined as each and any of the three (3) month periods during a given calendar year beginning with January 1 and ending December 31 (i.e. from January 1 through March 31; from April 1 through June 30; from July 1 through September 30; and from October 1 through December 31). Included with each Quarterly Statement, must be a copy of Licensee's full and complete financial statements for that Calendar Quarter.

(b) Annual Statements. Within forty-five (45) days following the end of each Contract Year (i.e. on or before February 14), Licensee shall furnish to Licensor a complete and accurate statement, which statement shall be submitted electronically through RoyaltyZone (each, an "Annual Statement"), setting forth the same information required to be submitted by Licensee in accordance with Section 4(a) of the Standard Terms and Conditions above, except that such Annual Statement shall cover the entire Contract Year. Such Annual Statement shall be accompanied by a certification signed by Licensee's chief financial officer (or equivalent) indicating that he or she has reviewed and agrees with all the information contained in such Annual Statement. Included with each Annual Statement, must be a copy of Licensee's full and complete financial statements for that Contract Year.

(c) Timing of Payment & Payment Instructions. All Royalties payable to Licensor hereunder shall be deemed held in trust for and on behalf of Licensor until such time as such sums are paid to Licensor in accordance with the terms of this Agreement. Unless otherwise set forth in the Summary of commercial Terms, Licensee shall pay all sums due to Licensor for the applicable Calendar Quarter for which such Quarterly Statement is rendered by wire transfer to:

Payee: ABG Intermediate Holdings 2, LLC
Bank of America
One Bryant Park
New York, NY 10036

Account Number: 4427792434
ABA Routing Number (for domestic wires): 026009593 (wire) or 111000012 (ach)
Swift Code (for international wires): BOFAUS3N

(d) Wire Transfer Fees; Interest on Late Payments. Licensee shall be solely responsible for any costs and/or fees associated with making any and all payments to Licensor as required under this Agreement, including, without limitation, wire transfer fees. Interest, compounded monthly, at the rate of one and three quarters percent (1.75%) per month (or, if that rate is higher than the rate legally permissible), then at the then maximum legal interest

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rate) shall accrue on any amount due to either party from and after the date upon which said payment is due until the date payment is actually received.

(e) Post-Term Retention Period. Licensee shall keep appropriate books of accounts and records with respect to its manufacture, sale, distribution and Advertising & Promotion of Licensed Product(s), TP Products and/or Authorized FOH Products. Licensee shall maintain such records throughout the Term of this Agreement, and for a period of three (3) years following the expiration or termination of the Term (the "Post-Term Retention Period"). Licensor shall have the right to inspect and copy the financial books and records of Licensee insofar as such books and records relate to the computation of Royalties and other amounts payable to Licensor and/or amounts which Licensee is required to spend under this Agreement. Licensor shall be permitted to inspect such books and records no more frequently than one (1) time during any six (6) month period, upon reasonable prior written notice to Licensee. If any such inspection reveals a discrepancy in the amount paid to Licensor equal to three percent (3%) or more of the amount payable to Licensor hereunder for the period in question, then Licensee shall also reimburse Licensor for the cost of such audit. In any event, Licensee shall make all payments required to be made to eliminate any discrepancy revealed by any such inspection within thirty (30) days after Licensor's demand therefore.

(f) Objections to Quarterly and Annual Statements. If Licensor has any objection to any Quarterly or Annual Statement, then Licensor will give Licensee specific notice of that objection and reasons for it within three (3) years after the date that Licensor received such statement. Except for claims of fraudulent accounting, Licensor will not have the right to bring any action in connection with any statement or accounting unless Licensor commences such action within the aforementioned three (3) year period. Licensor's acceptance of any payment and/or Quarterly or Annual Statement pursuant to this Agreement shall not preclude Licensor from questioning the correctness thereof at any time within the provided three (3) year period or exercising any of its rights related thereto.

(g) Adoption of RoyaltyZone Program by Licensor. Licensor hereby reserves the right to modify the process for submission of Quarterly Statements and Annual Statements on reasonable advance written notice to Licensee. In no event shall Licensor modify the timing or frequency of the same without Licensee's prior written approval. Licensor has adapted its systems and processes to accommodate the services provided by RoyaltyZone ("RoyaltyZone"). A detailed explanation of such process can be found at: www.royaltyzone.com.

5. MARKETING AND ADVERTISING EXPENDITURES.

(a) [redacted].

(b) Licensee shall spend the Advertising Commitment as defined in the Summary of Commercial Terms (if any).

(i) The Advertising Commitment may be spent on costs and expenses attributable to trade shows, catalogs and websites, public relations costs, fees and expenses, point-of-sale advertising featuring Licensed Product(s), the value of all trade and/or retail advertising expended by Licensee featuring Licensed Product(s), store fixtures that are designated for Licensed Product(s), and co-op dollars spent to the extent relating to Licensed Product(s). In no event shall the Advertising Commitment be utilized for any general administrative expenses or development costs. In no event shall Licensee deduct any costs incurred as an Advertising Commitment from the Royalties due to Licensor hereunder.

(ii) Upon request of Licensor, Licensee shall from time to time provide details of the expenditure of the Advertising Commitment (if any). At the end of each Contract Year, if Licensee has not spent the entire Advertising Commitment if and as required hereunder, Licensee shall pay any and all such unspent Advertising Commitment amounts to Licensor simultaneously with all other payments due at the end of such Calendar Year. For purposes of illustration and for the avoidance of doubt, if Licensee's Advertising Commitment amounts to Five Thousand Dollars ($5,000) in any given Contract Year, and if at the end of such Contract Year Licensee has only spent Four Thousand Dollars ($4,000), Licensee shall pay the remaining One Thousand Dollars ($1,000) to Licensor. All Advertisements (as defined in Section 6(c)(ii) of the Standard Terms and Conditions below) must be approved in accordance with Section 6 of the Standard Terms and Conditions below.

(c) Advertising & Promotion Plan: On or before September 15th of each calendar year of the Term, Licensee shall submit a detailed marketing plan, inclusive of budget ("Plan & Budget"). Licensee shall, within thirty (30) days of submission, make such adjustments to the Plan & Budget as Licensor may reasonably require, provided that Licensor's changes to the Plan & Budget shall not require Licensee to spend more than: the greater of (i) the required

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Advertising Commitment, if applicable, or (ii) fifteen percent (15%) of Licensee's planned budget. For the purposes of this Agreement, "Advertising & Promotion" shall mean any and all efforts, products, Advertisements and the like, made for the purpose of marketing, selling and distributing the Licensed Product(s).

(d) Promotional Use: Subject to Section 19 of the Summary of Commercial Terms above and as may be mutually agreed upon by Licensor and Licensee from time to time, Licensee shall not itself, or allow third parties to make use of the Licensed Property, Licensed Product(s) or Authorized FOH Products for the purpose of premium offers, giveaways, sales incentives or other such Promotional Purposes, without the prior written approval of Licensor, which such approval will not be unreasonably withheld.

(e) Press Releases: Unless otherwise agreed upon by the parties hereto, neither Licensee nor Licensor shall itself, or through its agents or representatives, make, issue, distribute or disseminate any information or statements to the press regarding Licensor, Licensee any Licensed Product(s), Authorized FOH Product(s) and/or matters pertaining to or arising out of this Agreement. In the event that Licensee or Licensor desires to issue a press release concerning any of the above, the party desiring to make such press release shall submit the same to the other party for approval, which may be granted or withheld in the reasonable business judgment of the party receiving the submission. If Licensor or Licensee (as the case may be) has not responded in writing within ten (10) days of the submission, the submission shall be deemed disapproved. An approved press release submission may include references to Licensor, Licensee and/or Licensed Product(s).

(f) Tradeshows and Summit: Upon Licensor's reasonable request during the Term and provided the requested attendance and/or participation is mutually agreed upon by Licensor and Licensee, Licensee shall use commercially reasonable efforts to attend Licensor's licensing Summits ("Summits") and to participate in Tradeshows ("Tradeshows"). Licensee shall be responsible for its own costs and expenses incurred in connection with Summits and Tradeshows, and such costs and expenses may be charged against Licensee's Advertising Commitment, if any.

6. APPROVALS, QUALITY STANDARDS AND MANUFACTURING.

(a) Approval. "Approval(s)" or "Approved" shall mean Licensor's prior written consent, which may be given or withheld in Licensor's reasonable discretion.

(b) Approval Rights. Licensor shall have the right to Approve all elements of Licensed Product(s), Advertising and Promotion, and Packaging (as herein defined) and any and all items produced pursuant to this Agreement. All submissions under this Agreement shall be made in such a manner as Licensor shall reasonably prescribe from time to time. All materials must be submitted electronically through RoyaltyZone, unless otherwise requested by Licensor or mutually agreed by the parties. Licensor will respond to each request for Approval within two (2) business days of receipt of such proposal; provided, however that Licensor's silence or failure to respond to a request within two (2) business days shall be deemed Licensor's disapproval of that Approval request. In the event that Licensor fails to reply to such request, Licensee shall be entitled to send a second (2nd) request for Approval to the Legal Department pursuant to Section 16(b)(ii) of this Agreement. In the event that Licensor fails to reply to the second (2nd) written request for Approval sent pursuant to Section 16(b)(ii) within one (1) business days of its receipt, Licensor's silence or failure to respond to the notice sent pursuant to Section 16(b)(ii) shall be deemed Licensor's Approval of that Approval request. For purposes of this Agreement, "business days" shall not include weekends or public holidays in the United States of America.

(c) Approval Process.

(i) Licensee shall create and submit to Licensor, via RoyaltyZone, drawings for each proposed design for the Licensed Product(s) (the "Concept"). Upon Approval of such Concept, Licensee may commence manufacture and shall submit to Licensor one (1) top of production sample (in a given size to be mutually agreed upon by the parties hereto) of the style for each Licensed Product(s) ("Samples"). All Licensed Product elements must be re-submitted for Approval each time a revision is made incorporating any substantive changes or additions. Licensor will use commercially reasonable efforts to provide its Approval or withhold its Approval pursuant to Licensee's business/production calendar which Licensee shall provide to Licensor from time to time.

(ii) Subject to Section 19 of the Summary of Commercial Terms, prior to the broadcast, publication, posting, public distribution and/or use thereof of sample concepts, designs and samples ("Advertising Element") of any advertisement or other promotional material (each, an "Advertisement") which is intended to be used in conjunction with the sale or distribution of Licensed Product(s), TP Products and/or Authorized FOH Products, Licensee shall submit the Advertising Element to Licensor for its approval. Once an Advertising Element has been

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approved, Licensee need not submit variations of that Advertising Element for re-approval when such variations are merely of size or date and the like; provided, however, that any substantive changes to the Advertising Element must be Approved in advance pursuant to this Section 6. In the case of sales of Licensed Product(s) through the Wholesale Channels and Bendon Retail Channels, Licensor and Licensee shall mutually agree upon a standard advertising guideline(s) ("Wholesale Marketing Guidelines"). The parties hereto hereby acknowledge that Licensee shall not be required to submit Advertisement(s) to Licensor for Approval if such Advertisement conforms to the Wholesale Marketing Guidelines

(iii) Prior to the manufacture of any Licensed Product(s), Licensee shall submit to Licensor a prototype of the design of all tags, hangtags, labels, packaging and wrapping for such Licensed Product(s) (hereinafter "Packaging") for Approval by Licensor.

(iv) At the end of each Contract Year, Licensor shall have the right to request that Licensee re-submit any or all Licensed Product(s), Concepts, designs, Production Samples, Advertising Elements and Packaging for Licensor's re-Approval.

(d) Quality Control. Not more than once per Contract Year, and upon reasonable notice, Licensor or a third party designated by Licensor, shall have access to and the right to inspect any Licensed Product(s), Concepts, designs, Production Samples, Advertising Elements and Packaging regardless of their location, and the right to enter and inspect all premises and facilities (including, without limitation, storage and shipping facilities) of Licensee and its designers, manufacturers, suppliers, warehousers and/or shippers, provided that such party agrees in advance not to disclose or use for their benefit the identity of any suppliers or manufacturers of Licensee, in each case for the sole purpose of quality control and ensuring that the manufacture, Packaging, labeling, Advertising & Promotion and distribution of Licensed Product(s) comply with Licensee's obligations hereunder and all applicable Laws.

(e) Disclaimer. Licensee acknowledges that it shall bear the responsibility for and expense of compliance with the Approval requirements hereunder; provided that no expense shall be payable to Licensor or any agent or representative in respect of the same. Licensee further acknowledges that the Approval or disapproval of any Licensed Product(s), Advertising Elements and/or Packaging may be based, without limitation, solely on subjective aesthetic standards. This approvals process shall not be deemed a legal review, but purely as a process meant to verify that the use of the Licensed Property has been done in a manner that complies with this Agreement. Any Approval shall not waive, diminish or negate Licensee's indemnification obligations to Licensor herein.

(f) Brandbook & Style Guides. Licensor shall provide Licensee with a brand book and/or Style Guide, which is subject to seasonal updates and other changes from time to time ("Style Guide"). Licensee shall, on a prospective basis, follow the rules set forth in the Style Guide.

(g) Manufacture; Third Party Participation. The manufacture of Licensed Product(s) may take place within or outside the Territory by Licensee, its agents or employees; provided, however, that Licensed Product(s) and/or Authorized FOH Products may only be sold in the Permitted Distribution Channels in the Territory. If Licensee wishes to subcontract any or all of the manufacture of Licensed Product(s), it may do so with the prior written approval of Licensor. Licensee shall make such request to Licensor in writing and provide Licensor with the name and address of the proposed party and all of its principles, the products which such party has previously produced and a written undertaking in the form set forth at Exhibit B. Licensee will use commercially reasonable efforts to ensure that its manufacturers, distributors and other such subcontractors abide by the terms of this Agreement. All acts of any such manufacturers, distributors and subcontractors shall be deemed to be the acts of the Licensee for all purposes of this Agreement.

(h) Goodwill and Quality Standards. Licensee acknowledges that, if the Licensed Product(s) manufactured and sold by it are of inferior quality in material and/or workmanship, then the substantial goodwill which Licensor has built up and now possesses in the Licensed Property will be impaired. Accordingly, Licensee warrants to Licensor that all Licensed Product(s) will maintain the high standards, appearance and quality of the approved Production Samples. If there is a substantial or material departure from the approved sample of Licensed Product(s) made and/or distributed by or on behalf of Licensee, then Licensor shall have the right, in the reasonable exercise of its sole and absolute discretion, to withdraw the approval of such Licensed Product(s) by written notice thereof to Licensee, at which time this Agreement shall automatically terminate with respect to such Licensed Product(s) ("Impaired Goods"). Licensor may additionally require that the Licensed Product(s) be immediately recalled if it believes in its reasonable judgment that the Licensed Product(s) may pose a health or safety hazard or be detrimental to the goodwill of Licensor, its parents, subsidiaries or affiliated companies. Subject to Licensor's prior written approval in each instance which will not be unreasonably withheld, Licensee may sell such Impaired Goods solely through the Bendon Retail Channels located

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in Australia and New Zealand in accordance with terms and provisions of this Agreement; provided that Licensee shall not be required to obtain Licensor's prior written approval in respect of sales of Impaired Goods pursuant to this Section 7(h), if Licensee is able to completely remove all indicia of the Licensed Property from the Impaired Goods.

(i) Samples; Free Units. Immediately upon creation of any Production Samples and/or the manufacture of any Licensed Product(s), Licensee shall deliver to Licensor six (6) Production Samples (in sizes to be mutually agreed upon by the parties hereto) and, as the case may be, any additional Production Samples and/or Free Units as set forth in the Summary of Commercial Terms, free of charge. Licensor shall have the right to modify the number of Samples to be supplied by Licensee in its reasonable discretion. Such Samples may be requested by Licensor for: (i) quality control as prescribed in this Section 6; (ii) sponsorship; (iii) promotion by Licensor; and (iv) trademark policing and registration practices.

7. COPYRIGHT AND TRADEMARK.

(a) Form of Notice. Each Licensed Product and all Packaging and Advertisements shall bear appropriate copyright, trademark and credit notices as designated by Licensor, either directly on the Licensed Product, Packaging and/or Advertisement or on tags, stickers or labels affixed thereto. The form in which such notices are to appear is set forth on Exhibit C attached hereto. Licensor may change the form of notice to be used on the Licensed Product(s), Packaging and/or Advertisements under this Section 7(a) by giving not less than ninety (90) days prior written notice thereof to Licensee and Licensee shall comply with the same on a prospective basis. When a Trademark is used on or in connection with the Licensed Product(s), Packaging and/or for Advertising & Promotion, the Licensee shall: (i) abide by what are considered to be sound practices in regard to trademark notice provisions in the Territory; (ii) properly use the "™" or "®" designation and other trademark notice and information as instructed by Licensor; and (iii) not use the Trademark as a generic name. Licensor may implement security measures, including, without limitation the imposition of certain hologram/labels. Licensee agrees that Licensee shall be required to purchase such hologram/labels from Licensor's suppliers.

(b) Ownership Rights. Except for Licensee's Reserved Rights set forth in Section 7(c) of the Standard Terms and Conditions below, ownership of all intellectual property rights, whether recognized currently or in the future, including, without limitation, copyright, patent and trademark rights in and to any or all Licensed Product(s) and in all designs, artwork, Packaging, copy, literary text, advertising material and promotion material of any sort utilizing Licensed Property, including all such materials as may be developed by Licensee but excluding Licensee's Reserved Rights set forth in Section 7(c) of the Standard Terms and Conditions below, shall vest in Licensor, and title thereto shall be in the name of Licensor or its respective designees. Any and all additions to, and new renderings, modifications or embellishments of, Licensed Property shall, notwithstanding their invention, creation and use by Licensee and/or its agents, be and remain the sole and exclusive property of Licensor, and Licensor may use, and license others to use, the same, subject only to the provisions of this Agreement. In all cases other than in respect of Licensee's Reserved Rights, Licensee shall enter into written agreements with all of its employees in which such employees acknowledge their status as employees (and not independent contractors). In all cases other than in respect of Licensee's Reserved Rights, Licensee shall enter into written agreements with all of its independent contractors: (i) providing that all artwork and designs created by them in the course of Licensee's performance under this Agreement shall be the property of Licensor either as works for hire under United States copyright Law or otherwise; or (ii) obligating them to assign all rights in and to such artwork and designs to Licensee, which Licensee shall be deemed to have automatically assigned to Licensor, but Licensee shall, during the Term, have a non-exclusive license to copy and use such artwork for the purposes set forth herein, subject to the terms of this Agreement. Upon the request of Licensor, Licensee shall submit to Licensor for approval: (y) all copies of all such agreements prior to the use of any material created or developed thereunder; and (z) full information concerning the invention and creation of such artwork and designs, together with the originals of assignments of all rights therein obtained from all such third parties to Licensor. Licensee shall not permit any of its employees or independent contractors to obtain or reserve, by written or oral agreement or otherwise, any rights as "authors" or "inventors" of any such artwork or designs (as such terms are used in present or future United States copyright and/or patent statutes or judicial decisions).

(c) Licensee's Reserved Rights. Licensor acknowledges that Licensee may already have in existence certain intellectual property rights ("Licensee's Existing IP Material") that it may or may not use in conjunction with Licensed Property. Further, Licensee may create new intellectual property ("Licensee's Future IP Material" and collectively with Licensee's Existing IP Material, the "Licensee's Reserved Rights") for use with the Licensed Property and other subject matter separate from the Licensed Property. To the extent that Licensee's Reserved Rights are separable from Licensed Property, Licensor's company name and/or logo and Licensor Materials (as hereinafter defined), Licensee's Reserved Rights shall remain vested in Licensee. Licensee hereby grants Licensor an irrevocable, gratis license to use any Licensee's Reserved Rights during the Term for purposes relating to this Agreement and shall,

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for that purpose, provide Licensor with Licensee's Reserved Rights as requested by Licensor from time to time, including, without limitation, photographs of Licensed Products for use on Licensor's website.

(d) Licensor's Discretion to Institute Action. Licensor and Licensee shall cooperate to ensure that third parties do not unlawfully infringe on Licensed Property or engage in any acts of unfair competition involving Licensed Property. Licensee shall promptly notify Licensor of any such infringements or acts of unfair competition by third parties that come to its attention relating to the Licensed Property. Licensor shall have the exclusive right, exercisable at its discretion, to institute in its own name and/or with Licensee's consent which shall not be unreasonably withheld, Licensee's name and to control all claims, suits and/or actions against third parties relating to the Licensed Property, and other proprietary rights in and to the same, at Licensor's sole cost and expense. With respect to any such claim, suit and/or action, Licensor shall employ counsel of its own choice to direct the handling of the claim, any litigation related thereto and any settlement thereof. Licensor shall be entitled to receive and retain all amounts awarded, if any, as damages, profits or otherwise in connection with such claims, suits and/or actions. Licensee shall not, without Licensor's prior written consent, make any claim, institute any suit or take any action on account of such infringements, acts of unfair competition or unauthorized uses. If, with Licensor's prior written consent, Licensee makes such a claim or institutes, at its sole cost and expense, such a suit or action, then Licensee shall be entitled to recover all reasonable costs and expenses incurred in connection with such claim, suit or action from any financial recovery awarded or obtained and the remainder shall be paid to Licensor, less twenty percent (20%) which Licensee may retain. If Licensee does not prevail on any such claim, suit and/or action, or if there is a discrepancy, then Licensee may not recover any sums from Licensor in connection with such claim, suit and/or action. Licensor has no obligation to commence, approve or make any claim, suit and/or action. Licensor shall incur no liability by reason of Licensor's failure or refusal to prosecute, or by Licensor's refusal to permit Licensee to prosecute, any alleged infringement by third parties, or by reason of any settlement to which Licensor may agree.

(e) Withdrawn Rights. Licensor may withdraw any or all elements of the Licensed Property, in any or all portions of the Territory and/or in certain Permitted Distribution Channels, or any component part thereof, from the rights granted pursuant to the terms of this Agreement (the "Withdrawn Rights") if Licensor determines that the exploitation thereof would or might violate or infringe the copyright, trademark or other proprietary rights of any third parties, or subject Licensor or Licensee to any liability or violate any Law, court order, government regulation or other ruling of any governmental agency or authority, or if, on account of the expiration or sooner termination of any agreement between Licensor and a third party from whom Licensor has obtained certain underlying rights relating to the exploitation of Licensed Property hereunder or otherwise, Licensor shall no longer have the right to act in the capacity herein contemplated on behalf of any third party or parties, or if Licensor determines that it cannot adequately protect its rights in Licensed Property under the copyright, trademark or other Laws of the Territory or any portion thereof. Such a withdrawal shall not be deemed a breach of this Agreement. Within five (5) business days following Licensee's receipt of written notice of such withdrawal, Licensee shall, if so requested by Licensor, in Licensor's sole discretion: (a) destroy, or (b) deliver to Licensor at Licensor's sole cost and expense any Licensed Product(s) which are in Licensee's inventory that bear or feature any of the Withdrawn Rights. Licensor shall indemnify Licensee for the direct production cost of such destroyed or returned Licensed Product(s); provided, however, that Licensee must furnish Licensor with: (i) a detailed inventory of such Licensed Product(s); (ii) source documentation supporting such landed duty paid costs; and (iii) an affidavit of destruction, if applicable, in a form acceptable to Licensor, evidencing the same. In the event that Licensor's withdrawal of any Withdrawn Rights pursuant to this Section 7(e) directly results in a quantifiable, material adverse consequence to Licensee's business under this Agreement (an "Adverse Consequence"), then Licensee and Licensor shall meet and confer in good faith regarding an adjustment and/or alteration to the terms of this Agreement that may adequately resolve such Adverse Consequence [redacted]

(f) Goodwill. Licensee recognizes the great value of the publicity and goodwill associated with the Licensed Property and all materials created or furnished by Licensor ("Licensor Materials"), and acknowledges that the Licensed Property and Licensor Materials have acquired secondary meaning in the minds of the public and agrees that the Licensed Property, Licensor Materials and all rights and goodwill in them belong exclusively to the Licensor and its subsidiaries and/or affiliates. Licensee assigns and transfers to Licensor all goodwill created by Licensee's use of the Licensed Property, Licensor Materials and Licensed Product(s). Licensee further acknowledges and agrees that it will not cause or permit any third party to register in its name any Licensed Property or Licensor Materials, or any component part thereof, and/or represent in any filing, statement, document or other presentation, that it is the owner of any of the foregoing, and shall not use or display any of the foregoing except as expressly permitted herein. Licensee's use of Licensed Property, Licensor Materials, or any portion thereof, shall inure solely to the benefit of Licensor.

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(g) Maintenance of Intellectual Property Rights. Licensee shall assist Licensor, at Licensor's request and sole cost and expense, in the procurement and maintenance of Licensor's rights in Licensed Property (including, without limitation, all intellectual property rights thereon, whether recognized currently or in the future). In connection therewith, Licensee shall, without limitation, execute and deliver to Licensor, in such manner as Licensor shall reasonably request, from time to time, including, without limitations the form attach hereto as Exhibit D, all instruments necessary to: (i) effectuate copyright and trademark protection; (ii) record Licensee as a registered user of any trademarks pursuant to this Agreement; or (iii) cancel any such registration. Such registration shall be handled by attorneys selected or approved by Licensor, in its sole discretion. Licensor makes no representation or warranty that copyright or trademark protection shall be secured in Licensed Property. Licensee hereby acknowledges that there are practical limitations on Licensor's ability to prevent third parties who purchased Licensed Products outside the Territory from re-selling such Licensed Products in the Territory, and no such sales shall be deemed a breach of this Agreement by Licensor.

(h) No Attack. Licensee shall not, during the Term and at all times thereafter: (i) attack or challenge; or (ii) lend assistance to any third party in connection with an attack or challenge of any right, title or interest of Licensor in and to Licensor's company name and/or logo, Licensed Property and Licensor's Materials, and any and all other intellectual property rights of Licensor, including, without limitation, copyrights, trademarks and/or patents owned and/or controlled by Licensor, whether by way of application for and/or an opposition of any trademark relating to the Licensed Property or anything confusingly similar thereto, or by way of lawsuit, cancellation proceeding or action or otherwise. Licensor shall not, during the Term and at all times thereafter: (i) attack or challenge; or (ii) lend assistance to any third party in connection with an attack or challenge of any right, title or interest of Licensee in and to Licensee's Reserved Rights, and any and all other intellectual property rights of Licensee, including, without limitation, copyrights, trademarks and/or patents owned and/or controlled by Licensee. Neither the Licensor nor the Licensee shall, during the Term and at all times thereafter misuse, disparage or bring into disrepute the others party's name and/or the Licensed Property and/or the Licensee's Reserved Rights nor make any negative or unfavorable statements concerning and of the same.

(i) Works Made For Hire. Licensee acknowledges and agrees that any and all intellectual property rights arising from or relating to the Licensed Product(s) that are created or developed by Licensee under this Agreement (except for Licensee's Reserved Rights) and that qualify as works of authorship belong to Licensor and are "works made for hire" as defined in Section 101 et seq. of the United States Copyright Act, Title 17, United States Code ("Copyright Act"). With respect to any and all intellectual property rights created or developed by Licensee under this Agreement, including any rights arising under Section 7(b) of the Standard Terms and Conditions above, and arising from or relating to the Licensed Product(s) which are not "works made for hire" as defined in the Copyright Act, including, without limitation, inventions, Licensee hereby assigns all right, title and interest in and to such intellectual property rights to Licensor. Licensee will execute and deliver any and all documents, including, without limitation, short form assignments, determined by Licensor to be necessary to perfect its right, title and interest in and to any such intellectual property rights. Notwithstanding the foregoing, this Section shall not apply to any intellectual property rights that Licensee owned prior to the Effective Date (as defined in the Summary of Commercial Terms), including, without limitation, Licensee's Existing IP Material. If Licensee incorporates into any Licensed Product any invention, design or other work of authorship previously owned by Licensee, or in which Licensee has an interest (each, a "Prior Work"), Licensee grants to Licensor a non-exclusive, royalty-free, irrevocable, perpetual, worldwide and assignable license to make, have made, use, or sell Licensed Product(s) employing or incorporating each such Prior Work.

8. DOMAIN NAME OWNERSHIP.

(a) Licensor shall own all right, title and interest (including, without limitation, all intellectual property rights) in any URLs and domain names that use or incorporate the Licensed Property, or any variation thereof, in the body of such URL and/or domain name ("Licensor URL"). Prior to Licensee's use of the Licensed Property on the internet or in any Permitted Distribution Channel, Licensee shall (i) use its commercially reasonable efforts to monitor any use of the Licensed Property on the internet by any Permitted Distribution Channel, and (ii) submit copies to Licensor of all proposed uses by Licensee and the Permitted Distribution Channels. Licensee agrees that, to the extent that Licensor finds any use of a Licensed Property on the internet by a Permitted Distribution Channel to be objectionable, as determined by Licensor in its sole and absolute discretion, Licensee shall use its commercially reasonable efforts to cause the Permitted Distribution Channel to cease its use of the Licensed Property on the internet.

(b) Licensee shall have no right to, and hereby agrees not to, register any URL and/or domain name incorporating, in whole or in part, Licensed Property or any variation thereof without the prior written consent of Licensor in each instance, which approval shall be granted or withheld in Licensor's sole and absolute discretion. Licensor shall have the sole right to apply for any URL and/or domain name that includes any aspect of the

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Licensed Property and/or any variation thereof in any level domain. If Licensee desires to use a URL and/or domain name that incorporates any aspect of the Licensed Property or any variation thereof, Licensee shall submit its proposal therefore to Licensor in writing. Licensor shall, in its sole and absolute discretion, approve or disapprove such URL and/or domain name, and Licensor reserves the right to register any such requested URL and/or domain name in its own name or the name of an affiliate and license it to Licensee. Licensee agrees to cooperate with Licensor in the execution, filing, application and/or registration of any URL and/or domain name that Licensor may choose to register. Should Licensee register any URL and/or domain name incorporating the Licensed Property, with or without Licensor's prior approval, Licensee shall transfer such URL and/or domain name to Licensor upon request from Licensor. Specifically and without limitation, Licensee shall immediately accept a request for transfer of the URL and/or domain name initiated by Licensor through the domain name registrar. Should Licensee fail to accept the request for transfer or other documentation (electronic or written) to transfer the URL and/or domain name, Licensor may submit this paragraph of this Agreement to the domain name registrar to effect the transfer. If the domain name registrar does not accept this provision of this Agreement to effect the transfer, Licensor may file an arbitration proceeding under ICANN to obtain the transfer of the URL and/or domain name to Licensor. Should Licensor be required to file an ICANN proceeding to obtain the return of the URL and/or domain name, Licensee shall be required to reimburse Licensor for all costs incurred whatsoever in such proceeding, including but not limited to, attorneys' fees, filing fees and other costs.

(c) Subject to Section 19 of the Summary of Commercial Terms above, Licensee shall, during the Term and at all times thereafter refrain from: (i) establishing, maintaining, or participating in any social media (i.e. Twitter, Facebook, My Space, Pinterest or other similar platforms now known or hereafter created) using the Licensed Property without Licensor's prior written consent which consent may be withheld in Licensor's sole discretion; (ii) posting (or other similar activity) any content bearing the Licensed Property to any social media or other similar website if the terms of use for such site would be violation of any of the terms of this Agreement if the conduct had been undertaken by Licensee (i.e. if by virtue of posting a picture the copyright is not protected, then Licensee may not post any materials embodying the Licensed Property on such site, e.g. Pinterest).

9. REPRESENTATIONS AND WARRANTIES.

(a) Licensor warrants and represents to Licensee that: (i) it either owns or controls the rights granted herein; and (ii) it is authorized to enter into this Agreement and to license the rights herein granted to Licensee.

(b) Licensee warrants and represents all of the following:

(i) (A) It has the full right, power and authority to enter into this Agreement and to perform all of its obligations hereunder; (B) it is adequately staffed and financially capable of undertaking the business operations which it conducts and of performing its obligations hereunder; (C) it is duly organized, validly existing and in good standing under the Laws of its state of organization; (D) all necessary acts have been effected by it to render this Agreement valid and binding upon it; and (E) in its negotiations relative to this Agreement, it has not utilized the services of any finder, broker or agent and it owes no commission or fees to any such person in relation hereto.

(ii) Licensee shall comply with and act in accordance with (A) any and all applicable Laws and other legal obligations of or in the Territory including, without limitation, local, state, federal and international directives, rules, assessments, regulations, filing requirements, ordinances, statutes, codes, judgments and civil or common Law; (B) conventions and treaties to which the United States or any legal subdivision thereof is a party; and (C) industry and trade-association standards, rules or regulations (individually and collectively, "Law" or "Laws"). There is no pending or threatened litigation which may affect Licensee's ability to fully perform its obligations herein.

(iii) (A) The Licensed Product(s) and all Advertising & Promotion by Licensee, if applicable, shall be of high quality in design, material and workmanship; (B) no injurious deleterious or defamatory material, writing or images shall be used in or on the Licensed Product(s) or Advertising & Promotion; (C) the Licensed Product(s) shall be merchantable and fit for the intended use herein, shall in all respects be safe to consumers and shall be manufactured and distributed in accordance with all applicable Laws; (D) Licensee shall undertake a level of customer service and provide warranties to consumers at least as favorable as is standard in its industry; and (E) Licensee shall comply with any and all product recalls issued by the Consumer Product Safety Commission (CPSC) or any other local, federal or state agency or Law.

(iv) Licensee shall not create, incur or permit any encumbrance, lien, security interest, mortgage, pledge, assignment or other hypothecation upon this Agreement or permit the commencement of any proceeding or

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foreclosure action on this Agreement or to obtain any assignment thereof, whether or not involving any judicial or nonjudicial foreclosure sales.

(v) Licensee has not and will not, during the Term or at any time after expiration of the Term: (A) attack any right, title or interest of Licensor in and to Licensed Property; (B) infringe upon or violate the trademark rights, copyright, right of publicity or any other intellectual property right of any other person or entity; or (C) create any expenses chargeable to Licensor without the prior written approval of Licensor.

(vi) Neither Licensee nor any of its subsidiaries and/or affiliated companies shall be involved, directly or indirectly, in any act of counterfeiting or piracy or in the unauthorized manufacture, distribution, advertising, sale and/or offering of any merchandise or products bearing the name, trademark, logo or likeness of any other person or entity. Without limiting any other provision of this Agreement, any violation by or on behalf of Licensee of this paragraph shall constitute a material breach entitling Licensor to immediately terminate this Agreement.

(vii) All costs and expenses of manufacture, advertising, promotion, Samples, Packaging, stickers, labels, tags and other costs and expenses related to the manufacture, sale, distribution, Advertising & Promotion of Licensed Product(s), including but not limited to the expense of compliance with the approval requirements set forth in Section 6 of the Standard Terms and Conditions and the cost incurred in the development, design, manufacture, distribution, sale, Advertising and Promotion or exploitation of the Licensed Product(s) shall be borne by Licensee.

(c) Licensee hereby acknowledges that Licensor does not make any warranties or representations as to the popularity, success, continued exploitation of, and/or marketing and advertising budget with respect to, the Licensed Property, and does not make any warranties or representations as to the amount of Net Sales or profits Licensee shall derive under this Agreement from the sale or distribution of the Licensed Product(s).

10. INDEMNIFICATION.

(a) Subject to Section 14(c) of the Standard Terms and Conditions below, Licensor shall indemnify, defend and hold harmless Licensee and its parents, subsidiaries, affiliated companies and their respective officers, directors, shareholders, employees, licensees, agents, attorneys, successors and assigns (each, individually, a "Licensee Indemnified Party") from and against any and all claims, liabilities, demands, causes of action, judgments, settlements, costs and expenses (including, without limitation, reasonable attorney's fees and court costs) arising solely out of or in connection with: (i) the breach by Licensor of a representation, warranty or covenant in this Agreement; (ii) the failure by Licensor to perform any of its obligations under this Agreement; (iii) the gross negligence, bad faith or unlawful conduct of Licensor; and/or (iv) Licensee's use of the Licensed Property strictly as authorized hereunder. Licensor shall not be liable to any Licensee Indemnified Party under this Section 10(a) to the extent that: (A) any loss, claim, damage, liability or expense is determined by a court of competent jurisdiction to result directly from any such Licensee Indemnified Party's willful misconduct or gross negligence; or (B) to the extent that Licensee is required to indemnify Licensor pursuant to Section 10(b) of the Standard Terms and Conditions below.

(b) Subject to Section 14(c) of the Standard Terms and Conditions below, Licensee shall indemnify, defend and hold harmless Licensor and its parents, subsidiaries, affiliated companies and their respective officers, directors, shareholders, employees, licensees, agents, attorneys, successors and assigns (each, individually, a "Licensor Indemnified Party") from and against any and all claims, liabilities, demands, causes of action, judgments, settlements, costs and expenses (including, without limitation, reasonable attorney's fees and court costs) arising out of or in connection with: (i) the breach by Licensee of a representation, warranty or covenant in this Agreement; (ii) the failure by Licensee to perform any of its obligations under this Agreement; (iii) the gross negligence, bad faith or unlawful conduct of Licensee; (iv) the design, manufacture, Packaging, distribution, shipment, Advertising & Promotion, sale and/or exploitation of Licensed Product(s) and/or Bendon Product(s) (as defined in Section 11 of the Standard terms and Conditions below); (v) any claim related to the use of third party copyrighted materials on or in connection with Licensed Product(s) and/or Bendon Products; (vi) any representation, warranty, claim, statement or promise made by Licensee with respect to Licensed Product(s) and/or Bendon Products, including, without limitation, actions claiming deceptive or misleading Advertising & Promotion related relating thereto; (vii) the use of Licensed Product(s) and/or Bendon Products, including, without limitation, any bodily injury, death or other product liability claims arising therefrom; (viii) any claims by any local, state or federal government or regulatory agency, authority or board relating to Licensed Product(s) and/or Bendon Products or any Advertisement for Licensed Product(s) and/or Bendon Products; (ix) claims of copyright infringement, trademark infringement or other intellectual property infringement relating to Licensed Product(s) and/or Bendon Products (except to the extent covered by Section 10(a) of the Standard Terms and Conditions above); and (x) any action or omission of Licensee in connection with the conduct of Licensee's business. Licensee shall not be liable to any Licensor Indemnified Party under this Section 10(b) to the extent that: (y)

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any loss, claim, damage, liability or expense is determined by a court of competent jurisdiction to result directly from any such Licensor Indemnified Party's willful misconduct or gross negligence; or (z) to the extent that Licensor is required to indemnify Licensee pursuant to Section 10(a) of the Standard Terms and Conditions above.

(c) The party to be indemnified hereunder (the "Indemnitee") must give the indemnifying party hereunder (the "Indemnitor") prompt written notice of any such action, claim or proceeding, and the Indemnitor, in its sole discretion, then may take such action as it deems advisable under the circumstances to defend such action, claim or proceeding on behalf of the Indemnitee. In the event that appropriate action is not taken by the Indemnitor within thirty (30) days after its receipt of written notice from the Indemnitee, the Indemnitee shall have the right to defend such action, claim or proceeding, but no settlement thereof may be made without the prior written approval of the Indemnitor, which approval shall not be unreasonably withheld, delayed or conditioned. Even if appropriate action is taken by the Indemnitor, the Indemnitee may, at its own cost and expense, be represented by its own counsel in such action, claim or proceeding. In any event, the Indemnitee and the Indemnitor shall keep each other fully advised of all developments and shall cooperate fully with each other in all respects in connection with any such action, claim or proceeding. The provisions of this Section shall survive expiration of this Agreement.

11. INSURANCE.

(a) Licensee shall procure and maintain, at its sole cost and expense, and inform its manufacturers of the requirement to obtain, at their sole cost and expense, comprehensive general liability insurance, including product liability insurance and insurance to defend and protect the parties against third-party claims for personal injury, death, property damage, negligent design, negligent manufacture, other product liability claims or any advertising injury arising out of or in connection with: (i) the Licensed Product(s); (ii) products manufactured by Bendon sold through the E-Commerce Site; and/or (iii) products bearing intellectual property owned and/or controlled by Bendon sold through the E-Commerce Site (collectively, "Bendon Products") or the marketing thereof. Insurance must be obtained from a company reasonably acceptable to Licensor, providing adequate protection for Licensor and Licensee against any claims or suits arising out of or in connection with the rights granted under this Agreement in an amount not less than Five Million Dollars ($5,000,000) per incident or occurrence subject to a maximum in any twelve (12) month period of Ten Million Dollars ($10,000,000), or Licensee's standard insurance policy limits, whichever is greater.

(b) Such insurance shall remain in force at all times during the Term and for a period of three (3) years thereafter. Within twenty (20) business days from the Effective Date, Licensee will submit to Licensor a certificate of insurance naming Licensor as an additional insured and prohibiting the insurer from canceling, terminating or materially modifying the underlying insurance policy unless it gives written notice of such termination, cancellation or modification to Licensor at least thirty (30) days in advance thereof. Upon receipt of such notification of canceling, terminating or modifying the underlying insurance policy in a manner that materially adversely affects the Licensor without providing details of a replacement insurance policy that satisfies the requirements of Section 11(a) of the Standard Terms and Conditions above, Licensor shall have the right, based on Licensor's sole discretion, to declare a material breach of this Agreement (which must be cured prior to any insurance lapse or result in a termination of this Agreement which termination shall take effect on the last day of coverage, notwithstanding any provision of this Agreement to the contrary) and/or the right, but not the obligation, to purchase replacement insurance from an insurance carrier of Licensor's choice, and Licensee agrees to pay all costs thereof immediately upon request by Licensor.

(c) In the event that any insurance policy required hereunder includes or permits a waiver of subrogation, such waiver shall apply to Licensor. In the event that any insurance policy required hereunder provides for a waiver of subrogation in the event that such waiver is required by a third party agreement, then this Agreement shall be deemed to require such waiver. Any claims covered by Licensee's insurance policies shall not be offset or reduced in any amount whatsoever by any other insurance which Licensor may independently maintain. Licensee shall notify Licensor of all claims regarding the Licensed Property, Licensed Materials, Licensed Product(s) under any of the foregoing policies of insurance promptly upon the filing thereof. Licensee's indemnification obligations hereunder shall not be limited by the amount of insurance requirements hereunder.

12. TERMINATION.

(a) Termination for Repetitive Breach. If Licensee breaches a material provision of this Agreement, and, assuming such breach is curable, then after receiving a written breach notice from Licensor and curing such breach pursuant to Section 12(b)(ii) below, Licensee subsequently breaches the same provision a second (2nd) time within six (6) months from the date of the first (1st) breach (a "Repetitive Breach"), Licensor shall have the right, but not the obligation to Terminate this Agreement with all amounts, [redacted] accrued hereunder

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as of the expiration and/or the effective date of any earlier termination hereof becoming due and payable immediately, as provided in Section 13(a) of the Standard Terms and Conditions.

(b) Licensor's Right to Suspend or Terminate. Licensor shall have the right to suspend its performance hereunder and/or terminate this Agreement in its entirety upon the occurrence of any of the following events:

(i) The failure of Licensee to make any payment required to be made under this Agreement, which failure is not cured within five (5) business days of Licensee's receipt of written notice from Licensor specifying the nature of such failure with particularity; or

(ii) The breach by Licensee of any of its representations or warranties herein or the failure of Licensee to comply with any of the other material terms of this Agreement or otherwise discharge its material duties hereunder, and such breach or failure is not cured within thirty (30) business days of Licensee's receipt of written notice from Licensor specifying the nature of such breach or failure with particularity; provided, however, that if Licensee is unable to complete the cure of such breach or failure within said thirty (30) business day period, Licensee shall have the right to notify Licensor of the same on or before the thirtieth (30th) business day to request an extension of time to cure, and Licensor shall have the right, in Licensor's reasonable discretion, to allow Licensee up to two (2) additional weeks to complete such cure; or

(iii) Any act of gross negligence or wanton misconduct by Licensee, and such action is not corrected within ten (10) days of Licensee's receipt of written notice from Licensor specifying the nature of such action with particularity; or

(iv) The cessation of operations by Licensee, including but not limited to Licensee's failure to continuously and diligently seek to fill all accepted purchase orders for Licensed Product(s), for a continuous period of ninety (90) days); or

(v) The making by Licensee of an assignment for the benefit of creditors, or the filing by or against Licensee of any petition under any federal, national, state or local bankruptcy, insolvency or similar Laws, if such filing shall not have been dismissed or stayed within sixty (60) days after the date thereof; or

(vi) [redacted]

(vii) Licensee hereby acknowledges that Licensee shall not have an opportunity to cure any material breach which by its terms cannot be cured: (a) transshipment of Licensed Products (i.e., the sale of Licensed Products outside the Territory); (b) sale of products using/including Licensed Property without prior approval from Licensor; (c) the use of Advertising and Promotional materials on or in connection with products which were not approved by Licensor and bring in to disrepute the Licensed Property and/or Frederick's Of Hollywood Brand pursuant to a reasonable and objective determination; and/or (d) the failure of Licensee to assist with intellectual property maintenance in the manner provided by Licensor on Exhibit D attached hereto.

(c) Licensee's Right to Suspend or Terminate. Licensee shall have the right to suspend its performance hereunder or terminate this Agreement in its entirety upon the occurrence of the breach by Licensor of any of its representations or warranties herein or the failure of Licensor to comply with the terms of this Agreement or otherwise discharge its duties hereunder, and such breach or failure is not cured within thirty (30) business days of Licensor's receipt of written notice from Licensee specifying the nature of such breach or failure with particularity; provided, however, that if Licensor is unable to complete the cure of such breach or failure within said thirty (30) business day period, Licensor shall have the right to notify Licensee of the same on or before the thirtieth (30th) business day to request an extension of time to cure, and Licensee shall have the right, in Licensee's reasonable discretion, to allow Licensor up to two (2) additional weeks to complete such cure.

13. EFFECT OF TERMINATION AND SELL-OFF.

(a) Effect of Termination or Expiration. Upon any expiration or termination of this Agreement for any reason whatsoever, all rights in and to the Licensed Property shall revert to Licensor, and Licensor shall be free to license such rights to any other person or entity, and Licensee shall have no further rights whatsoever with respect to Licensed Product(s) (except for Licensee's Reserved Rights), the Licensed Property and/or any other intellectual property rights relating thereto. Licensee shall, at its sole cost and expense, return any of Licensor's intellectual property, artwork or materials of any kind that are then in its possession or under its control. Any and all unpaid fees,

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[redacted] shall be immediately due and payable to Licensor (and shall be paid not later than (i) twenty-one (21) days from the expiration of the Term or upon such earlier date as may be set forth in the Summary of Commercial Terms, or (ii) five (5) days from the earlier termination of this Agreement for any reason). In no event shall any expiration or termination of this Agreement excuse any party from any breach or violation of this Agreement and full legal and equitable remedies shall remain available thereof, nor shall it excuse the making of any payment due under this Agreement with respect to any period prior to the date of expiration or termination. Notwithstanding any provision of this Agreement to the contrary, Sections 3, 4, 5(e), 7, 8, 9, 10, 11, 13, 14, 15 and 16 of the Standard Terms and Conditions shall survive any expiration or termination of this Agreement.

(b) Sell-Off Period. In the event that (i) this Agreement is terminated pursuant to Section 12(c) of the Standard Terms and Conditions, provided that Licensee's notice of termination sent pursuant to Section 12(c) is not sent in response to a breach notice sent by Licensor to Licensee, (ii) this Agreement has expired pursuant to its terms, (iii) Licensee is not in breach hereof, (iv) [redacted] and (v) Licensee has provided to Licensor any and all information requested, including, without limitation, inventory and trademark information, then Licensee shall have the non-exclusive right to sell-off existing inventory (as defined in Section 13(c) of the Standard Terms and Conditions) within the Territory and Permitted Distribution Channels for a period of one hundred eighty (180) days following the expiration of the Term (the "Sell-Off Period"), in which case Licensee shall account to Licensor for Royalties relating thereto as provided for herein. Licensee's right of sell-off will itself terminate automatically if Licensee breaches any term, condition, obligation, representation or warranty herein during the Sell-Off Period which may reasonably cause an adverse consequence to Licensor's business. During such period, Licensee shall not be entitled to use Licensed Property in any new or additional Licensed Product(s), Advertisements or Packaging of any kind where the same was not Approved before or during the Sell-Off Period. It is specifically understood and agreed that Licensee shall not have the right to manufacture or have manufactured any Licensed Product(s) for a period of three (3) months prior to the expiration, except to fill orders made during the Term and prior to the Sell-Off Period. Following the expiration of the Sell-Off Period, Licensor shall have the right, but not the obligation, to purchase all existing Licensed Product(s) remaining in inventory at Licensee's actual manufacturing cost thereof. If Licensor elects not to purchase any Licensed Product(s), then Licensee shall destroy the same and furnish Licensor with a certificate of destruction.

(c) Inventory and Destruction. At the expiration or earlier termination of this Agreement, subject to the sell-off provision in Section 13(b) of the Standard Terms and Conditions, Licensee shall destroy the Licensor Materials and all Licensed Product(s) and/or Advertising & Promotion materials on-hand held for Licensee's inventory or in process of manufacture (collectively, "Inventory"), unless otherwise directed by Licensor. Following the destruction and/or delivery to Licensor of the Licensor Materials and the destruction and/or sale to Licensor of the Inventory, Licensee shall submit, within thirty (30) days, a statement certified by an authorized representative of Licensee attesting to and detailing the destruction and/or delivery of such Licensor Materials and the destruction and/or sale of all such Inventory (the "Disposition of Inventory Statement").

14. CUMULATIVE RIGHTS & REMEDIES; LIMITATION OF LIABILITY.

(a) All rights and remedies conferred upon or reserved to the parties in this Agreement shall be cumulative and concurrent and shall be in addition to all other rights and remedies available to such parties at law or in equity or otherwise, including, without limitation, requests for temporary and/or permanent injunctive relief. Such rights and remedies are not intended to be exclusive of any other rights or remedies and the exercise by either party of any right or remedy herein provided shall be without prejudice to the exercise of any other right or remedy by such party provided herein or available at law or in equity.

(b) The Licensee acknowledges that any breach by Licensee shall cause Licensor irreparable harm for which there is no adequate remedy at law, and in the event of such breach, Licensor shall be entitled to, in addition to other available remedies, injunctive or other equitable relief, including, without limitation, interim or emergency relief, including, without limitation, a temporary restraining order or injunction, before any court with applicable jurisdiction, to protect or enforce its rights.

(c) To the maximum extent permissible under applicable Law, neither Licensor nor Licensee will be liable to the other party or any third party for any consequential, incidental, punitive, or special damages regardless of the form or action, whether in contract or in tort, even if Licensor or Licensee has been advised of the possibility of such damages.

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15. CONFIDENTIALITY.

(a) Each party acknowledges that it may have access to the other party's Confidential Information (as hereinafter defined), whose value may be impaired by misuse or by disclosure to a third party. The receiving party agrees that it will not disclose and/or make use of such Confidential Information except to perform its obligations under this Agreement. The receiving party shall take reasonable precautions to protect the confidentiality of the other party's Confidential Information. Such precautions may, if requested by the disclosing party, include the use of separate written confidential agreements, in a form approved by the disclosing party. Following the expiration or termination of this Agreement, no party shall disclose or use any of the other parties' Confidential Information for any purpose, unless otherwise agreed in writing by the disclosing party.

(b) All Confidential Information will remain the property of the disclosing party. The confidentiality of Confidential Information and the obligation of confidentiality hereunder shall survive any expiration or termination of this Agreement until such time as the information in question ceases to be confidential.

(c) For the purposes hereof, the term "Confidential Information" shall mean any and all proprietary information, technical data, trade secrets and know-how, including, without limitation, research, product plans, products, services, customers, customer lists, potential licensees, suppliers, retailers, manufacturers, markets, developments, inventions, processes, formulas, technology, designs, drawings, manufacturing information, marketing, finances and other business information, which is obtained, received, developed or derived by any party, either directly or indirectly, by any means of communication or expression, prior to or during the Term of this Agreement. Confidential Information shall also include the terms and conditions of this Agreement. As used in this Agreement, the term Confidential Information shall not include any information that is: (i) in the public domain through no fault of the receiving party; (ii) generally known by persons other than the disclosing party (or its subsidiaries or affiliates), or persons employed by, in control of, or otherwise affiliated with the disclosing party (or its subsidiaries or affiliates); (iii) general industry practices and industry specific information generally known or known by persons with a knowledge of the business within which the disclosing party operates; (iv) known by the receiving party, by lawful means, prior to the Effective Date (as defined in the Summary of Commercial Terms); (v) already known to the receiving party at the time of such disclosure other than as a result of disclosure from a third party subject to a confidentiality obligation; (vi) subsequently received by the receiving party in good faith from a third party having prior right to make such subsequent disclosure; (vii) independently developed by the receiving party without use of any confidential or proprietary information of the disclosing party; (viii) approved in writing for unrestricted release or unrestricted disclosure by the disclosing party; or (ix) produced or disclosed pursuant to applicable Laws, regulations or court order, provided the receiving party has given the disclosing party written notice of such request (to the extent practicable under the circumstances) such that the disclosing party has an opportunity to defend, limit or protect such production or disclosure.

(d) Each party agrees to notify the other party of the circumstances surrounding any inadvertent disclosure of Confidential Information.

16. MISCELLANEOUS.

(a) Relationship of the Parties. This agreement does not constitute and shall not be construed to constitute an agency, partnership, joint venture or any other type of unnamed relationship between Licensor and Licensee. Neither party shall have the right to obligate or to bind the other party in any manner whatsoever, and nothing contained in this Agreement shall give or is intended to give any rights of any nature to any third party. Licensor and Licensee both acknowledge and agree that state and federal franchise Laws do not and will not apply to this Agreement or to the relationship between Licensee and Licensor and their respective rights and obligations hereunder. The parties agree that, due to their respective business backgrounds and prior licensing experience, they do not need the protection of state or federal franchise Laws.

(b) Addresses and Notices.

(i) All notices, requests, demands and other communications required or permitted to be made hereunder shall be: (A) in writing; and (B) shall be deemed duly given if: (I) hand delivered against a signed receipt therefore to a corporate officer; or (II) sent by registered or certified mail, return receipt requested, first class postage prepaid or sent by a nationally recognized overnight delivery service to the party at the address listed in the Summary of Commercial Terms; or (III) sent by confirmed facsimile transmission; or (IV) sent by confirmed e-mail; or (V) sent by confirmed electronic submission to Licensor through RoyaltyZone, as applicable; in each case addressed to the party entitled to receive the same at the address specified below:

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(y) If to Licensee, then to:
the address set forth in the Summary of Commercial Terms and/or such other address as may be published on the website for Licensee listed in the Summary of Commercial Terms.

(z) If to Licensor for required Notices, then to:
legaldept@authenticbrandsgroup.com

If to Licensor for purposes of submitting Approvals, Samples, Quarterly Statements and/or Annual Statements, then through:
www.royaltyzone.com

If to Licensor for questions about submitting Approvals and Samples, then to:
schin@authenticbrandsgroup.com

If to Licensor, for questions about submitting Quarterly Statements and Annual Statements, then to:
finance@authenticbrandsgroup.com

If to Licensor, for any registered or certified mail, then to the Legal Department at the following address:
ABG-Frederick's Of Hollywood, LLC
c/o Authentic Brands Group, LLC
100 West 33rd Street, Suite 1007
New York, NY 10001
Fax: (212) 760 - 2419

(ii) Either party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section. Notice shall be deemed to be effective, if personally delivered, when delivered; if mailed, at midnight on the fifth business day after being sent by registered or certified mail; if sent by nationally recognized overnight delivery service, on the next business day following delivery to such delivery service or upon confirmed receipt, if earlier.

(c) Assignment.

(i) Subject to Section 18(b) of the Summary of Commercial Terms above, Licensee shall not assign or transfer this Agreement or any of its rights or obligations hereunder, directly or indirectly, pursuant to a Change of Control Transaction (as hereinafter defined) or otherwise, without the prior written consent of Licensor. Any attempted assignment or transfer by Licensee without the prior written consent of Licensor shall be void and of no force or effect. Licensor shall have the right to assign or transfer any or all of its obligations under this Agreement without the knowledge or consent of Licensee following the completion of such assignment or transfer. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns.

(ii) As used herein, the term "Change of Control Transaction" shall mean: (A) that Licensee, directly or indirectly, in one or more related transactions (1) consolidates or merges with or into (whether or not Licensee is the surviving entity) one or more other entities; (2) sells, assigns, transfers, conveys, encumbers or otherwise disposes of all or substantially all of its assets; (3) issues, sells or grants an option to acquire to any other person or entity membership interests equal to fifty percent (50%) or more of the then outstanding membership interests of Licensee (including, on an as if converted basis, the issuance or sale of convertible securities which may be converted into membership interests of Licensee); (4) consummates a membership interest purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another person or entity, whereby such other person or entity acquires membership interests equal to fifty percent (50%) or more of the then outstanding membership interests of Licensee (including, on an as if converted basis, the issuance or sale of convertible securities which may be converted into membership interests of Licensee); or (5) reorganize, recapitalize or reclassify its membership interests such that its membership interests are owned or acquired by any other person or entity; or (B) any one or more persons or entities, in one or a series of related transactions, directly or indirectly, acquires fifty percent (50%) or more of the then outstanding membership

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interests of Licensee (including, on an as if converted basis, convertible securities which may be converted into membership interests of Licensee).

(d) Governing Law; Jurisdiction; Mediation; Waiver of Jury Trial.

(i) This Agreement and the legal relations among the parties hereto shall be governed by and construed in accordance with the laws of the State of New York, notwithstanding any conflict of law provisions to the contrary. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

(ii) Except with respect to Licensor's right to injunctive relief, any action which in any way involves the rights, duties and obligations of any party hereto under this Agreement shall be brought in the State courts located in New York, New York, and the parties hereto hereby submit to the personal jurisdiction of such courts, and hereby agree that service of process on any party may be effected by certified mail, return receipt requested, first class postage prepaid. Each of the parties waives any objection which it may have based on improper venue or forum non conveniens to the conduct of any such suit or action in any such court. Accordingly, the parties agree that service of process deposited in certified or registered mail addressed to the other party at the address for the other party set forth in notice section hereof shall be deemed valid service of process for all purposes. Each party agrees not to contest the respective venue or jurisdiction selection.

(iii) With respect to Licensor's right to injunctive relief, Licensor may seek an injunction before any court of competent jurisdiction, not limited to a court located in New York, New York and Licensee agrees not to contest the jurisdiction of any such court nor assert, by way of motion, defense or otherwise, that this Agreement or the subject matter hereof may not be enforced in or by such court.

(iv) Except with respect to Licensor's right to injunctive relief hereunder, Licensee and Licensor agree to first attempt to settle any controversy, claim or dispute arising out of or relating to this Agreement before a JAMS mediator in New York, New York. If: (A) either party fails to respond to a request for mediation; or fails to appear; or (B) the parties do not agree upon a mediator within ten (10) days of JAMS submitting the options; or settle the matter through a JAMS mediation, then the party requesting the JAMS mediation may pursue any and all remedies available under applicable Law as modified by the terms hereof. The administrative costs of any mediation shall be split evenly between the parties, subject to 16(e) below. Each of the parties hereby waives the right to trial by jury in any and all actions or proceedings in any court, whether the same is between them or to which they may be parties, and whether arising out of, under, or by reason of this Agreement, or any acts or transactions hereunder or the interpretation or validity thereof, or out of, under or by reason of any other contract, agreement or transaction of any kind, nature or description whatsoever, whether between them or to which they may be parties.

(e) Default Expenses. If either party defaults with respect to any material obligation under this Agreement, such party shall indemnify the other party against and reimburse the other party for all reasonable attorney's fees and all other costs and/or expenses resulting or made necessary by the bringing of any action, motion or other proceeding to enforce any of the terms, covenants or conditions of this Agreement.

(f) Entire Agreement. This Agreement (inclusive of the Summary of Commercial Terms, the Standard Terms and Conditions, and all Exhibits and/or Schedules referenced herein) sets forth the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes all prior agreements, understandings, inducements and conditions, whether express or implied, oral or written, except as herein contained. The express terms hereof shall control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

(g) Amendment and Modification. This Agreement may be amended, modified and supplemented only by written agreement duly executed and delivered by each of the parties hereto.

(h) Waiver and Delays. A waiver by any party of any of the terms and conditions of, or rights under, this Agreement shall not be effective unless signed by the party waiving such term, condition or right and shall not bar the exercise of the same right on any subsequent occasion or any other right at any time or be deemed or construed to be a waiver of such terms or conditions for the future. Neither the failure of nor any delay on the part of any party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege.

PEU

(i) Severability. If any term or provision of this Agreement, as applied to either party or any circumstance, for any reason shall be declared by a court of competent jurisdiction to be invalid, illegal, unenforceable, inoperative or otherwise ineffective, that provision shall be eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable; provided, however, that if any term or provision of this Agreement pertaining to the payment of monies to either party shall be declared invalid, illegal, unenforceable, inoperative or otherwise ineffective, such party shall have the right to terminate this Agreement as provided herein.

(j) Form and Construction. Paragraph and subparagraph headings in this Agreement are included for ease of reference only and do not constitute substantive matter to be considered in construing the terms of this Agreement. As used in this Agreement, the masculine gender shall include the feminine and the singular form of words shall include the plural, or vice versa, as necessary in order that this Agreement may be interpreted so as to conform to the subject matter actually existing. In the event of any dispute regarding the definition of Licensed Products, Permitted Distribution Channels, Territory or other term defined herein, Licensor's good faith interpretation of the same shall control. Each Party has cooperated in the drafting and preparation of this Agreement, and no dispute with respect to this Agreement should be resolved based on the conclusion that either Licensee or Licensor was the drafter. Nothing contained in this Agreement shall be considered a precedent for any future agreements that Licensor or Licensor's affiliates may enter into with Licensee or any other third party, and neither party hereto shall, either during the Term of at any time thereafter, quote this Agreement as the standard of practice or agreed upon terms in any other agreement between the parties or their affiliates.

(k) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which together shall constitute one Agreement binding on all parties hereto notwithstanding that all of the parties hereto are not signatories to the same counterpart. Each of the parties agrees that a photographic or facsimile copy of the signature evidencing a party's execution of this Agreement shall be effective as an original signature and may be used in lieu of the original for any purpose.

(l) Exhibits and Schedules. All Exhibits and Schedules referenced in this Agreement, if any, are hereby incorporated by reference into, and made a part of, this Agreement.

(m) Transaction Expenses. Each party shall be responsible for its own expenses relating to the negotiation of this Agreement.

(n) Currency and Exchange Rate Issues. All sums set forth in this Agreement and any appendices and Exhibits hereto are, and are intended to be, expressed in United States Dollars. All payments of Royalties or other payments or remittances due under this Agreement shall be paid in the United States in United States Dollars at the Foreign Exchange Rate. For the purposes hereof, the term "Foreign Exchange Rate" means, for any particular currency, the spot rate for such currency as quoted at www.oanda.com (to the extent that www.oanda.com provides quotations therefore, or such other resource that is mutually satisfactory to the Licensor and Licensee) at 9:00 a.m., Eastern Standard Time, on the third business day prior to the date on which any relevant payment hereunder is made.

AGREED & ACCEPTED:

LICENSEE:
FOH Online Corp.

By: _____
Print: Paul Vassilatos
Title: Director
Date: 6/18/15

LICENSOR:
ABG-Frederick's Of Hollywood, LLC

By: _____
Print: Henry Chane
Title: CFO
Date: 6/16/15

PCL

Exhibit 4.7.1

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (the "**Agreement**"), dated as of March 27, 2019 (the "**Execution Date**"), between Naked Brand Group Limited, an Australian company (the "**Company**"), and the investors listed on the Buyer Schedules attached hereto ("**Buyer**").

RECITALS

A. The Company has outstanding ordinary shares, without par value ("**Ordinary Shares**"), which Ordinary Shares are currently traded on the Nasdaq Capital Market ("**the Principal Market**").

B. The Company and Buyers are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "**1933 Act**"), and Rule 506 of Regulation D ("**Regulation D**") as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the 1933 Act.

C. Buyers wish to purchase, and the Company wishes to sell, upon the terms and conditions stated in this Agreement, (i) the number of Ordinary Shares, as further specified herein, set forth on the Buyer Schedules and (ii) warrants to initially acquire up to the aggregate number of Ordinary Shares set forth on the Buyer Schedules, in the form attached hereto as **Exhibit A** (the "**Purchase Warrant**"). "**Warrant Shares**" means all or a portion of the total number of Ordinary Shares issuable upon full exercise of all Warrants (as defined below).

D. At the Closing (as defined below), the parties hereto shall execute and deliver a Registration Rights Agreement, in the form attached hereto as **Exhibit B** (the "**Registration Rights Agreement**"), pursuant to which the Company has agreed to provide certain registration rights with respect to the Registrable Securities (as defined in the Registration Rights Agreement), under the 1933 Act and the rules and regulations promulgated thereunder, and applicable state securities laws.

E. The Ordinary Shares, the Warrants and the Warrant Shares are collectively referred to herein as the "**Securities**."

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Buyers hereby agree as follows:

1. PURCHASE AND SALE OF ORDINARY SHARES AND WARRANTS.

(a) Ordinary Shares and Warrants.

Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6 and 7 below, the Company shall issue and sell to each Buyer, and each Buyer shall purchase from the Company on the Closing Date (as defined below), the number of Ordinary Shares as is set forth on the Buyer Schedules, along with Warrants to initially acquire up to the aggregate number of Warrant Shares as is set forth on the Buyer Schedules.

(b) Closing.

The date and time of the closing (the "**Closing**") of the purchase of the Ordinary Shares and the Warrants by each Buyer as contemplated by this Agreement shall be 9:00 a.m., New York City time, on March 27, 2019 (the "**Closing Date**"). As used herein "**Business Day**" means any day other than a Saturday, Sunday or other day on which commercial banks in New York, New York, Sydney, Australia or Aukland, New Zealand are authorized or required by law to remain closed.

(c) Purchase Price. The aggregate purchase price for the Ordinary Shares and the Warrants to be purchased by each Buyer (the applicable '**Purchase Price**") shall be paid at the Closing and in the applicable amount as set forth on the applicable Buyer Schedule.

(d) Payment of Purchase Price; Delivery of Securities On the Closing Date, (i) each Buyer shall pay the applicable Purchase Price to the Company for the respective Securities to be issued and sold to each Buyer at the Closing, by wire transfer of immediately available funds in accordance with the Company's written wire instructions and (ii) the Company shall issue to each Buyer the Ordinary Shares and the Warrants as set forth on the applicable Buyer Schedule (pursuant to which such Buyer shall have the right to acquire up to the aggregate number of Warrant Shares as is set forth on such Buyer Schedule in respect of such Warrants), in all cases, duly executed on behalf of the Company and registered in the name of each Buyer or its designee, all as set forth on the Buyer Schedules.

(e) Beneficial Ownership Limitation.

The Company shall not issue and Buyers shall not accept any Ordinary Shares under this Agreement, and Buyers shall not otherwise purchase Ordinary Shares or securities exercisable or exchangeable for or convertible into Ordinary Shares from any party, in the public market or otherwise, if such shares proposed to be sold or otherwise issued, or the Ordinary Shares proposed to be purchased or issuable upon exercise, exchange or conversion of the securities proposed to be purchased (after giving effect to any limitation on exercise, exchange or conversion therein), when aggregated with all other Ordinary Shares then owned beneficially (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) by any Buyer and its affiliates, constitute more than 9.9% of the then issued and outstanding Ordinary Shares (the "**Maximum Percentage**"). The number of Ordinary Shares constituting the Maximum Percentage determination shall be appropriately adjusted for any stock dividend, stock split, reverse stock split or similar transaction. For the avoidance of doubt, subject to Section 1(f) below, any such Ordinary Shares that are determined at any time to cause any Buyer's beneficial ownership of Ordinary Shares to exceed the Maximum Percentage upon issuance shall be issued to such Buyer at such later time to the extent such issuance would not cause such Buyer's beneficial ownership of Ordinary Shares to exceed the Maximum Percentage.

(f) Pre-Funded Warrants.

To the extent that issuance of any number of Ordinary Shares will cause any Buyer's beneficial ownership of the Ordinary Shares to exceed the Maximum Percentage, the Company shall, in lieu of issuing such Ordinary Shares that will cause such Buyer's beneficial ownership of the Ordinary Shares to exceed the Maximum Percentage, issue to such Buyer warrants, substantially in the form attached hereto as **Exhibit C**, to purchase, at a purchase price of $0.01 per share, the number of Ordinary Shares that would cause such Buyer's beneficial ownership to exceed the Maximum Percentage (the "**Pre-Funded Warrants**" and together with the Purchase Warrants, the "**Warrants**"). The Company shall also issue to such Buyer additional Pre-Funded Warrants in an amount equal in value to the aggregate exercise price of the Pre-Funded Warrants.

(g) Full Ratchet Anti-Dilution.

To the extent that the Company makes an Additional Issuance (as defined below) during the Restricted Period (as defined below) for consideration per Ordinary Share less than the consideration per Ordinary Share paid by any Buyer or makes an Additional Issuance of Convertible Securities (as defined below) with a conversion price or exercise price per Ordinary Share less than the exercise price per Warrant Share granted to such Buyer under the Warrants (in each case, as adjusted for stock splits, stock dividends, reclassifications, reorganizations or other similar transactions), in either case other than an Additional Issuance of Excluded Securities (as defined below), then the Company shall (i) issue to such Buyer, concurrently with such dilutive Additional Issuance, the number of Ordinary Shares to ensure that such Buyer has the number of Ordinary Shares that it would have had if it purchased Ordinary Shares in an offering of such Additional Issuance at such lower purchase price, and (ii) subject to and as further set forth in the Warrants, (A) reduce the exercise price of the Warrants to the lesser of (1) the lowest purchase price of Ordinary Shares of such Additional Issuance and (2) the lowest conversion price or exercise price at which any Convertible Securities of an Additional Issuance are convertible or exercisable into Ordinary Shares, and (B) increase the number of Warrant Shares issuable upon the exercise of the Warrants such that the aggregate exercise price payable under the Warrants for the adjusted number of Warrant Shares shall be the same as the aggregate exercise price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained in the Warrants).

(h) Taxes.

The Company shall pay any and all transfer, stamp or similar taxes that may be payable with respect to the issuance and delivery of any Ordinary Shares to the Buyers made under this Agreement or other Transaction Documents (as defined below).

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

Each Buyer represents and warrants to the Company, on behalf of itself, that:

(a) Organization; Authority.
Each Buyer is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents to which it is a party and otherwise to carry out its obligations hereunder and thereunder.

(b) No Public Sale or Distribution.

Each Buyer (i) is acquiring the Ordinary Shares purchased at the Closing and all Warrants being acquired at the Closing and (ii) upon exercise of its Warrants will acquire the Warrant Shares issuable upon exercise thereof, in each case, for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws, except pursuant to sales registered or exempted under the 1933 Act; provided, however, by making the representations herein, each Buyer does not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act. Each Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person (as defined below) to distribute any of the Securities in violation of applicable securities laws.

(c) Accredited Investor Status.

Each Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D.

(d) Reliance on Exemptions.

Each Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire the Securities.

(e) Information.

Each Buyer and its advisors, if any, acknowledge that they have been furnished with or provided access via EDGAR to the Company's most recent Annual Report on Form 20-F and Reports of Foreign Private Issuers on Form 6-K, if any, as well as Registration Statements on Form F-1 (including amendments thereto). Each Buyer and its advisors, if any, have been afforded the opportunity to ask questions of, and receive answers from, the Company concerning the offer and sale of the Securities and to obtain any additional information such Buyer has requested which is necessary to verify the accuracy of the information furnished to such Buyer concerning the Company and such offering. Each Buyer understands that its investment in the Securities involves a high degree of risk. Each Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities. Each Buyer acknowledges that such Buyer is basing its decision to invest in the Securities solely upon the information contained in the Transaction Documents, the Company's most recent Annual Report on Form 20-F and Reports of Foreign Private Issuers on Form 6-K, if any, and its own due diligence and, except as specifically set forth in this Agreement, has not based its investment decision upon any representations made by any Person (as defined below).

(f) No Governmental Review.

Each Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(g) Transfer or Resale.

Each Buyer understands that except as provided in the Registration Rights Agreement and Section 4(g) hereof: (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Buyer shall have delivered to the Company (if requested by the Company) an opinion of counsel to such Buyer, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Buyer provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A promulgated under the 1933 Act (or a successor rule thereto) (collectively, "**Rule 144**"); (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144, and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the Person (as defined below) through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the 1933 Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the U.S. Securities and Exchange Commission (the "**SEC**") promulgated thereunder; and (iii) neither the Company nor any other Person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(h) Validity; Enforcement.

The execution and delivery of the Transaction Documents and the consummation by each Buyer of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of such Buyer and no further consent or authorization of such Buyer or its members is required. Each Transaction Document has been duly executed by such Buyer and when delivered in accordance with terms hereof and thereof, constitutes the legal, valid and binding obligations of such Buyer enforceable against such Buyer in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(i) No Conflicts.

The execution, delivery and performance by each Buyer of this Agreement and the consummation by such Buyer of the transactions contemplated hereby will not (i) result in a violation of the organizational documents of such Buyer, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Buyer is a party or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Buyer to perform its obligations hereunder.

(j) Certain Trading Activities. Each Buyer has not directly or indirectly, nor has any Person (as defined below) acting on behalf of or pursuant to any understanding with such Buyer, engaged in any transactions in the securities of the Company (including, without limitation, any Short Sales (as defined below) involving the Company's securities) during the period commencing as of the time that such Buyer and the Company first began discussions regarding the specific investment in the Company contemplated by this Agreement and ending immediately prior to the execution of this Agreement (it being understood and agreed that for all purposes of this Agreement, and without implication that the contrary would otherwise be true, that neither transactions nor purchases nor sales shall include the location and/or reservation of borrowable Ordinary Shares). "**Short Sales**" means all "short sales" as defined in Rule 200 promulgated under Regulation SHO under the Securities Exchange Act of 1934, as amended (the "**1934 Act**").

(k) Experience of Buyer. Each Buyer has such knowledge, sophistication and experience in business and financial matter so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Each Buyer is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(l) Foreign Corrupt Practices. Each Buyer or any of its subsidiaries or affiliates, or to the knowledge of such Buyer, any director, officer, agent, employee, member or other Person acting on behalf of such Buyer or any its subsidiaries or affiliates has, in the course of its actions for, or on behalf of, such Buyer or any of its subsidiaries or affiliates (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment of any foreign or domestic government official or employee.

(m) General Solicitation. Each Buyer is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or advertisement.

(n) Patriot Act Representations.

(i) Each Buyer represents that all evidence of identity provided is genuine and all related information furnished is accurate.

(ii) Each Buyer hereby acknowledges that the Company seeks to comply with all applicable anti-money laundering laws and regulations. In furtherance of such efforts, each Buyer hereby represents and agrees that: (1) no part of the funds used by such Buyer to acquire the Securities have been, or shall be, directly or indirectly derived from, or related to, any activity that may contravene federal, state, or international laws and regulations, including anti-money laundering laws and regulations; and (ii) no payment to the Company by such Buyer shall cause the Company to be in violation of any applicable anti-money laundering laws and regulations including without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Executive Order 13224 (2001) (the "Patriot Act") issued by the President of the United States and the U.S. Department of the Treasury Office of Foreign Assets Control ("OFAC") regulations.

(iii) Each Buyer represents and warrants that the amounts to be paid by such Buyer to the Company will not be directly or indirectly derived from activities that may contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. Each Buyer represents and warrants that, to the best of its knowledge, none of: (a) such Buyer; (b) any person controlling or controlled by such Buyer; or (c) any person having a beneficial interest in such Buyer is (i) a country, territory, individual or entity named on a list maintained by OFAC, (ii) a person prohibited under the OFAC Programs, (iii) a senior foreign political figure,[1] or any immediate family member[2] or close associate[3] of a senior foreign political figure as such terms are defined in the footnotes below or (iv) a "foreign shell bank" within the meaning of the U.S. Bank Secrecy Act (31 U.S.C. §5311 et seq.), as amended (the "Bank Secrecy Act") and the regulations promulgated thereunder by the U.S. Department of the Treasury.

(iv) Each Buyer further represents and warrants that such Buyer: (i) has conducted thorough due diligence with respect to all of its beneficial owners, (ii) has established the identities of all beneficial owners and the source of each of the beneficial owner's funds and (iii) will retain evidence of any such identities, any such source of funds and any such due diligence.

(v) Neither any Buyer nor any person directly or indirectly controlling, controlled by or under common control with such Buyer is a person identified as a terrorist organization on any relevant lists maintained by governmental authorities.

(vi) Each Buyer agrees to provide the Company all information that may be reasonably requested to comply with applicable laws and regulations of any applicable jurisdiction, or to respond to requests for information concerning the identity of such Buyer from any governmental authority, self-regulatory organization or financial institution in connection with its anti-money laundering compliance procedures, or to update such information. Each Buyer agrees to notify the Company promptly if there is any change with respect to the representations and warranties provided herein. Each Buyer consents to the disclosure to regulators and law enforcement authorities by the Company and its affiliates and agents of any information about such Buyer or its constituents as the Company reasonably deems necessary or appropriate to comply with applicable anti-money laundering, anti-terrorist and asset control laws, regulations, rules and orders.

[1] A "senior foreign political figure" is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

[2] "Immediate family" of a senior foreign political figure typically includes the figure's parents, siblings, spouse, children and in-laws.

[3] A "close associate" of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Buyers the matters set forth in this Section 3, as may be qualified by the corresponding section of the Company Disclosure Schedule. These representations and warranties, and the information set forth in the Company Disclosure Schedule, are current as of the date of this Agreement, except to the extent that a representation, warranty or section of the Company Disclosure Schedule expressly states that such representation or warranty, or information in such section of the Company Disclosure Schedule, is current only as of an earlier date. If any information is so reflected as of an earlier date, there have been no material changes since such date to the date hereof.

(a) Organization and Qualification.

Each of the Company and each of its subsidiaries are entities duly organized and validly existing and in good standing under the laws of the jurisdiction in which they are formed, and have the requisite power and authorization to own their properties and to carry on their business as now being conducted and as presently proposed to be conducted. Each of the Company and each of its subsidiaries is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect. "**Material Adverse Effect**" means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof), condition (financial or otherwise) or prospects of the Company and its subsidiaries, taken as a whole, (ii) the transactions contemplated hereby or in any of the other Transaction Documents or (iii) the authority or ability of the Company or any of its subsidiaries to perform any of its respective obligations under any of the Transaction Documents (as defined below). Other than as set forth in Exhibit 8.1 to the Company's most recent Annual Report on Form 20-F, the Company has no material subsidiaries.

(b) Authorization; Enforcement; Validity.

The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of this Agreement and the other Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Ordinary Shares and the issuance of the Warrants and the reservation for issuance and issuance of the Warrant Shares issuable upon exercise of the Warrants) have been (i) duly authorized by the Company's board of directors and (ii) no further filing, consent or authorization is required by the Company, its board of directors or its stockholders or other governing body of the Company (other than the filing with the SEC of one or more Registration Statements (as defined in the Registration Rights Agreement) in accordance with the requirements of the Registration Rights Agreement, a Form D with the SEC and any other filings as may be required by any state securities agencies, the filing of required notices and/or applications to the Principal Market for the issuance and sale of the Securities, and the filings required by Section 4(h) of this Agreement). This Agreement has been, and the other Transaction Documents will be prior to the Closing, duly executed and delivered by the Company, and each constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law. "**Transaction Documents**" means, collectively, this Agreement, the Warrants, the Registration Rights Agreement, and each of the other agreements and instruments entered into or delivered by any of the parties hereto in connection with the transactions contemplated hereby and thereby, as may be amended from time to time.

(c) Issuance of Securities.

The issuance of the Ordinary Shares and the Warrants are duly authorized and, upon issuance in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, taxes, liens, charges and other encumbrances with respect to the issue thereof. As of the Closing, the Company shall have reserved from its duly authorized capital stock not less than the sum of (i) the Ordinary Shares sold at the Closing and (ii) 200% of the maximum number of Warrant Shares issuable upon exercise of the Warrants (without taking into account any limitations on the exercise of the Warrants set forth therein). The issuance of the Warrant Shares is duly authorized, and upon exercise in accordance with the Warrants, the Warrant Shares, when issued, will be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, taxes, liens, charges and other encumbrances with respect to the issue thereof, with the holders being entitled to all rights accorded to a holder of Ordinary Shares. Subject to the accuracy of the representations and warranties of the Buyers in this Agreement, the offer and issuance by the Company of the Securities is exempt from registration under the 1933 Act. Buyers will have good and marketable title to the Securities.

(d) No Conflicts.

The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Ordinary Shares, the Warrants and the Warrant Shares and the reservation for issuance of the Warrant Shares) will not (i) result in a violation of the certificate of incorporation of the Company (including, without limitation, any certificate of designation contained therein) or other organizational documents of the Company or any of its subsidiaries, any capital stock of the Company or any of its subsidiaries or bylaws or operating agreements of the Company or any of its subsidiaries, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its subsidiaries is a party or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including, without limitation, foreign, federal and state securities laws and regulations and the rules and regulations of the Principal Market applicable to the Company or by which any property or asset of the Company is bound or affected except, in the case of clause (ii) or (iii) above, to the extent such violations that could not reasonably be expected to have a Material Adverse Effect.

(e) Consents.

Neither the Company nor any subsidiary is required to obtain any consent from, authorization or order of, or make any filing or registration with any court, governmental agency or any regulatory or self-regulatory agency or any other Person (other than the filing with the SEC of one or more Registration Statements in accordance with the requirements of the Registration Rights Agreement, a Form D with the SEC and other filings as may be required by any state securities agencies, the filing of required notice and/or application to the Principal Market for the issuance and sale of the Securities and the filings required by Section 4(h) of this Agreement), in order for it to execute, deliver or perform any of its respective obligations under, or contemplated by, the Transaction Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations which the Company is required to obtain at or prior to the Closing have been obtained or effected on or prior to the Closing Date, and the Company is not aware of any facts or circumstances which might prevent the Company from obtaining or effecting any of the registration, application or filings contemplated by the Transaction Documents. Except as disclosed in the SEC Documents, the Company is not in violation of the requirements of the Principal Market and has no knowledge of any facts or circumstances which could reasonably lead to suspension of the Ordinary Shares in the foreseeable future. There is no requirement for the Company to obtain approval of the Principal Market for listing or trading of Registrable Securities which constitute Ordinary Shares.

(f) Acknowledgment Regarding Buyers' Purchase of Securities.

The Company acknowledges and agrees that each Buyer is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby and that such Buyer is not (i) an officer or director of the Company, (ii) an affiliate (as defined in Rule 405 of the 1933 Act) of the Company (an "**Affiliate**") or (iii) to its knowledge, a "beneficial owner" (as defined for purposes of Rule 13d-3 of the 1934 Act) of more than 10% of the Ordinary Shares. The Company further acknowledges that each Buyer is not acting as a financial advisor or fiduciary of the Company or any of its subsidiaries (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by such Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Buyer's purchase of the Securities. The Company further represents to such Buyer that the Company's decision to enter into the Transaction Documents to which it is a party has been based solely on the independent evaluation by the Company and its representatives.

(g) No General Solicitation; Placement Agent's Fees.

None of the Company, any of its Affiliates, or any Person acting on the behalf of the Company or any of its Affiliates, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Securities. The Company shall be responsible for the payment of any placement agent's fees, financial advisory fees, or brokers' commissions, relating to or arising out of the transactions contemplated hereby.

(h) No Integrated Offering. None of the Company, any of its Affiliates, or, to the knowledge of the Company, any Person acting on the behalf of the Company or any of its Affiliates has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the issuance of any of the Securities under the 1933 Act, whether through integration with prior offerings or otherwise, or cause this offering of the Securities to require approval of stockholders of the Company under any applicable stockholder approval provisions, including, without limitation, under the rules and regulations of any exchange or automated quotation system on which any of the securities of the Company are listed or designated for quotation. None of the Company, any of its Affiliates, or, to the knowledge of the Company, any Person acting on the behalf of the Company or any of its Affiliates will take any action or steps that would require registration of the issuance of any of the Securities under the 1933 Act or cause the offering of any of the Securities to be integrated with other offerings of securities of the Company.

(i) Dilutive Effect.

The Company understands and acknowledges that the number of Warrant Shares may increase in certain circumstances. The Company further acknowledges that, except to the extent an issuance would exceed the beneficial ownership limitation in Section 1(e) of this Agreement, its obligation to issue the Warrant Shares upon exercise of the Warrants in accordance with this Agreement is absolute and unconditional, regardless of the dilutive effect that such issuance may have on the ownership interests of other stockholders of the Company.

(j) Application of Takeover Protections; Rights Agreement.

The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested stockholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement), shareholder rights plan or other similar anti-takeover provision under the certificate of incorporation, bylaws or other organizational documents of the Company or any of its Affiliates or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to each Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and such Buyer's ownership of the Securities. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Ordinary Shares or a change in control of the Company or any of its Affiliates.

(k) SEC Documents; Financial Statements.

During the two (2) years prior to the date hereof, the Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing, as well as all registration statements under the 1933 Act, filed prior to the date hereof and all exhibits and appendices included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**"). As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of its dates, the financial statements of the Company included in the SEC Documents complied in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude the footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments which will not be material, either individually or in the aggregate). No other information provided by or on behalf of the Company to each Buyer which is not included in the SEC Documents contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein not misleading, in the light of the circumstance under which they are or were made.

(l) Absence of Certain Changes.

Since the date of the Company's most recent audited financial statements contained in a Form 20-F, except as disclosed in the SEC Documents filed subsequent to such Form 20-F, there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations (including results thereof), or condition (financial or otherwise) of the Company and its subsidiaries. Since the date of the Company's most recent audited financial statements contained in a Form 20-F, neither the Company nor any of its subsidiaries has (i) declared or paid any dividends, (ii) sold any material assets outside of the ordinary course of business or (iii) made any material capital expenditures, individually or in the aggregate, outside of the ordinary course of business. Neither the Company nor any of its subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up. Neither the Company nor any of its subsidiaries has any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so. The Company is not, and after giving effect to the transactions contemplated hereby to occur at the Closing will not be, Insolvent (as defined below). "**Insolvent**" means the present fair saleable value of the Company's assets is less than the amount required to pay the Company's total Indebtedness (as defined below). The Company has not engaged in any business or in any transaction, and is not about to engage in any business or in any transaction, for which the Company's remaining assets constitute unreasonably small capital.

(m) No Undisclosed Events, Liabilities, Developments or Circumstances.

No event, liability, development or circumstance has occurred or exists, or is reasonably expected to occur or exist with respect to the Company or any of its subsidiaries or any of their respective businesses, properties, liabilities, prospects, operations (including results thereof) or condition (financial or otherwise) that to the Company's knowledge, would have a Material Adverse Effect on the Company.

(n) Conduct of Business; Regulatory Permits.

Neither the Company nor any of its subsidiaries is in violation of any term of or in default under its organizational documents including its certificate of incorporation, bylaws, certificate of formation, any other organizational charter, any certificate of designation, preferences or rights of any outstanding series of preferred stock of the Company or any of its subsidiaries, respectively. Neither the Company nor any of its subsidiaries is in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to the Company or any of its subsidiaries, and the Company will not conduct its business in violation of any of the foregoing, except in all cases for possible violations which could not, individually or in the aggregate, have a Material Adverse Effect. Without limiting the generality of the foregoing, except as disclosed in the SEC Documents, the Company is not in violation of any of the rules, regulations or requirements of the Principal Market and has no knowledge of any facts or circumstances that could reasonably lead to suspension of the Ordinary Shares by the Principal Market in the foreseeable future. Since June 20, 2018, (i) the Ordinary Shares has been designated for quotation on the Principal Market, (ii) trading in the Ordinary Shares has not been suspended by the SEC or the Principal Market and (iii) except as disclosed in the SEC Documents, the Company has received no communication, written or oral, from the SEC or the Principal Market regarding the suspension of the Ordinary Shares from the Principal Market. The Company and each of its subsidiaries possess all certificates, authorizations and permits issued by the appropriate regulatory authorities necessary to conduct their businesses, except where the failure to possess such certificates, authorizations or permits would not have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

(o) Foreign Corrupt Practices.

Neither the Company nor any of its subsidiaries nor to the knowledge of the Company, any director, officer, agent, employee or other Person acting on behalf of the Company or any of its subsidiaries (as applicable) has, in the course of its actions for, or on behalf of, the Company or any of its subsidiaries (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(p) Sarbanes-Oxley Act.

Except as set forth in the SEC Documents, the Company and each of its subsidiaries is in material compliance with all applicable requirements of the Sarbanes-Oxley Act of 2002 and all applicable rules and regulations promulgated by the SEC thereunder.

(q) Transactions With Affiliates.

Except as disclosed in the SEC Documents, none of the officers, directors, employees or Affiliates of the Company is presently a party to any transaction with the Company (other than for ordinary course services as employees, officers or directors and immaterial transactions), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director, employee or Affiliate or, to the knowledge of the Company, any corporation, partnership, trust or other Person in which any such officer, director, employee or Affiliate has a substantial interest or is an employee, officer, director, trustee or partner.

(r) Equity Capitalization.

As of the date hereof, the authorized capital stock of the Company consists solely of (i) Ordinary Shares, of which 29,640,965 are issued and outstanding and 6,236,741 are reserved for issuance pursuant to Convertible Securities (as defined below) (other than the Warrants), and (ii) preference shares, of which none are issued and outstanding. No Ordinary Shares are held in treasury. All of such outstanding shares are duly authorized and have been, or upon issuance will be, validly issued and are fully paid and non-assessable. 1,165,628 shares of the Company's issued and outstanding Ordinary Shares, as of the date hereof, are owned by officers, directors and, to the best of the Company's knowledge, other Persons who are "affiliates" (as defined in Rule 405 of the 1933 Act and calculated based on the assumption that only officers, directors and holders of at least 10% of the Company's issued and outstanding Ordinary Shares are "affiliates" without conceding that any such Persons are "affiliates" for purposes of federal securities laws) of the Company. Except as disclosed in the SEC Documents: (i) to the Company's knowledge, no Person owns 10% or more of the Company's issued and outstanding Ordinary Shares (calculated based on the assumption that all Convertible Securities, whether or not presently exercisable or convertible, have been fully exercised or converted (as the case may be) taking account of any limitations on exercise or conversion (including "blockers") contained therein without conceding that such identified Person is a 10% stockholder for purposes of federal securities laws); (ii) the Company's capital stock and the capital stock of its subsidiaries are not subject to preemptive rights or any other similar rights or any liens or encumbrances; (iii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to issue additional capital stock or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its subsidiaries, respectively (other than as may be issued from time to time under any equity incentive plan maintained); (iv) there are no outstanding debt securities, convertible notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing Indebtedness of the Company or any of its subsidiaries or by which the Company or any of its subsidiaries is or may become bound; (v) there are no financing statements securing obligations in any amounts filed in connection with the Company or any of its subsidiaries; (vi) there are no agreements or arrangements under which the Company or any of its subsidiaries is obligated to register the sale of any of their securities under the 1933 Act (except pursuant to the Registration Rights Agreement or as set forth on Schedule 3(r)); (vii) there are no outstanding securities or instruments of the Company or any of its subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to redeem a security of the Company or any of its subsidiaries; (viii) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities; (ix) neither the Company nor any of its subsidiaries has stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement; and (x) the Company does not have any liabilities or obligations required to be disclosed in the SEC Documents which are not so disclosed in the SEC Documents, other than those incurred in the ordinary course of the Company's business and which do not and would not reasonably be expected to have a Material Adverse Effect. The SEC Documents contain true, correct and complete copies of the Company's certificate of incorporation, as amended and as in effect on the date, and the Company's bylaws, as amended and as in effect on the date hereof, and the terms of all securities convertible into, or exercisable or exchangeable for, Ordinary Shares and the material rights of the holders thereof.

(s) Indebtedness and Other Contracts.

Except as disclosed in the SEC Documents, each of the Company and its subsidiaries (i) does not have any material outstanding Indebtedness or other material debt obligations, (ii) is not a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument could reasonably be expected to result in a Material Adverse Effect, (iii) is not in violation of any term of, or in default under, any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect, and (iv) is not a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect. The Company has no current intention or expectation to file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction. "**Indebtedness**" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the purchase price of property or services (including, without limitation, "capital leases" in accordance with generally accepted accounting principles) (other than trade payables entered into in the ordinary course of business), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with generally accepted accounting principles, consistently applied for the periods covered thereby, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above. "**Contingent Obligation**" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto. "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

(t) Absence of Litigation.

Except as disclosed in the SEC Documents or as set forth in Schedule 3(t), there is no action, suit, proceeding, inquiry or investigation before or by the Principal Market, any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its subsidiaries, the Ordinary Shares or any of the Company's or its subsidiaries' executive officers or directors which would be reasonably likely to adversely affect the transactions contemplated by this Agreement or would require disclosure in the SEC Documents, except as otherwise disclosed in the SEC Documents. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company, any of its subsidiaries or any current or former director or officer of the Company or any of its subsidiaries. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the 1933 Act or the 1934 Act.

(u) Insurance.

The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its subsidiaries are engaged. Neither the Company nor any such subsidiary has been refused any insurance coverage sought or applied for, and the Company has no reason to believe that it will be unable to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(v) Employee Relations.

Neither the Company nor any of its subsidiaries is a party to any collective bargaining agreement nor does it employ any member of a union. No executive officer (as defined in Rule 501(f) promulgated under the 1933 Act) or other key employee of the Company or any of its subsidiaries has notified the Company or any such subsidiary that such officer intends to leave the Company or any such subsidiary or otherwise terminate such officer's employment with the Company or any such subsidiary. To the knowledge of the Company, no executive officer or other key employee of the Company or any of its subsidiaries is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer or other key employee (as the case may be) does not subject the Company or any of its subsidiaries to any liability with respect to any of the foregoing matters. The Company and its subsidiaries are in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(w) Title.

The Company and its subsidiaries have good and marketable title to (i) all real property owned by it and (ii) all personal property, owned by them which is material to the business of the Company and its subsidiaries, in each case, free and clear of all liens, encumbrances and defects except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and any of its subsidiaries. Any real property and facilities held under lease by the Company and any of its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company or any of its subsidiaries.

(x) Intellectual Property Rights.

The Company and its subsidiaries own or possess adequate rights or licenses to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, original works, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights and all applications and registrations therefor ("**Intellectual Property Rights**") necessary to conduct their respective businesses as now conducted and as presently proposed to be conducted. Except as disclosed in the SEC Documents, none of the Company's or its subsidiaries' Intellectual Property Rights have expired, terminated or been abandoned, or are expected to expire, terminate or be abandoned, within three years from the date of this Agreement, which could reasonably be expected to result in a Material Adverse Effect. The Company has no knowledge of any material infringement by the Company or any of its subsidiaries of Intellectual Property Rights of others, except as disclosed in the SEC Documents. There is no claim, action or proceeding being made or brought, or to the knowledge of the Company or any of its subsidiaries, being threatened, against the Company or any of its subsidiaries regarding their Intellectual Property Rights and which would reasonably be expected to have a Material Adverse Effect, except as disclosed in the SEC Documents. The Company is not aware of any facts or circumstances which might give rise to any of the foregoing infringements or claims, actions or proceedings. The Company each of its subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their Intellectual Property Rights, except where failure to take such measures would not, either individually or in the aggregate, reasonably be expected to materially affect the value of their respective Intellectual Property Rights.

(y) Environmental Laws.

The Company and its subsidiaries (i) are in compliance with all Environmental Laws (as defined below), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval where, in each of the foregoing clauses (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. "**Environmental Laws**" means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "**Hazardous Materials**") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

(z) Subsidiary Rights.

The Company or one of its subsidiaries has unrestricted right to vote, and (subject to limitations imposed by applicable law) to receive dividends and distributions on, all capital securities of its subsidiaries as owned by the Company or such subsidiary.

(aa) Tax Status.

Except for occurrences that would not, either individually or in the aggregate, reasonably be expected to result in a material tax liability, each of the Company and its subsidiaries (i) has timely made or filed all foreign, federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has timely paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply and except in each case where the failure to file, pay or set aside could not be reasonably expected to have a Material Adverse Effect. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company and it subsidiaries know of no basis for any such claim. The Company is not operated in such a manner as to qualify as a passive foreign investment company, as defined in Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

(bb) Internal Accounting and Disclosure Controls.

Except as disclosed in the SEC Documents, the Company and each of its subsidiaries maintains internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the 1934 Act) that is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, including that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. Except as disclosed in the SEC Documents, the Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the 1934 Act) that are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, including, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is accumulated and communicated to the Company's management, including its principal executive officer or officers and its principal financial officer or officers, as appropriate, to allow timely decisions regarding required disclosure. Except as disclosed in the SEC Documents, neither the Company nor any of its subsidiaries has received any notice or correspondence from any accountant or other Person relating to any potential material weakness or significant deficiency in any part of the internal controls over financial reporting of the Company or any of its subsidiaries. There are no material disagreements presently existing, or reasonably anticipated by the Company to arise, between the accountants and lawyers formerly or presently employed by the Company.

(cc) Off Balance Sheet Arrangements.

There is no transaction, arrangement, or other relationship between the Company or any of its subsidiaries and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in the SEC Documents and is not so disclosed or that otherwise could be reasonably likely to have a Material Adverse Effect.

(dd) Investment Company Status.

The Company is not, and upon consummation of the sale of the Securities will not be, an "investment company," an affiliate of an "investment company," a company controlled by an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(ee) Acknowledgement. The Company acknowledges that sales of Ordinary Shares by each Buyer following the effectiveness of the Registration Statement or pursuant to Rule 144 or otherwise pursuant to an exemption from registration may reduce the price of the Ordinary Shares. None of the foregoing shall constitute a breach of this Agreement or any other obligation of such Buyer.

(ff) Manipulation of Price.

The Company has not, and, to the knowledge of the Company, no Person acting on its behalf has, directly or indirectly, (i) taken any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company.

(gg) U.S. Real Property Holding Corporation.

Neither the Company nor any of its subsidiaries is or has ever been, and so long as any of the Securities are held by any Buyer, shall not become, a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company and each subsidiary shall so certify upon any Buyer's request.

(hh) No Disqualification Events. None of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering contemplated hereby, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the 1933 Act) connected with the Company in any capacity at the time of sale (each, an "**Issuer Covered Person**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the 1933 Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event.

(ii) Transfer Taxes. On the Closing Date, all stock transfer or other taxes (other than income or similar taxes) which are required to be paid in connection with the issuance, sale and transfer of the Securities to be sold to any Buyer hereunder will be, or will have been, fully paid or provided for by the Company, and all laws imposing such taxes will be or will have been complied with.

(jj) Bank Holding Company Act. The Company is not subject to the Bank Holding Company Act of 1956, as amended (the "**BHCA**") and to regulation by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**"). Neither the Company nor any of its affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent (25%) or more of the total equity of a bank or any equity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(kk) Shell Company Status. The Company is not, and has never been, an issuer identified in, or subject to, Rule 144(i).

(ll) Public Utility Holding Act. The Company is not a "holding company," or an "affiliate" of a "holding company," as such terms are defined in the Public Utility Holding Act of 2005.

(mm) Federal Power Act. The Company is not subject to regulation as a "public utility" under the Federal Power Act, as amended.

(nn) Fixtures and Equipment. Each of the Company and its subsidiaries (as applicable) has good title to, or a valid leasehold interest in, the tangible personal property, equipment, improvements, fixtures, and other personal property and appurtenances that are used by the Company or its subsidiary in connection with the conduct of its business (the "**Fixtures and Equipment**"). The Fixtures and Equipment are structurally sound, are in good operating condition and repair, are adequate for the uses to which they are being put, are not in need of maintenance or repairs except for ordinary, routine maintenance and repairs and are sufficient for the conduct of the Company's and/or its subsidiaries' businesses (as applicable) in the manner as conducted prior to the Closing. Each of the Company and its Subsidiaries owns all of its Fixtures and Equipment free and clear of all Encumbrances except for (a) liens for current taxes not yet due and (b) zoning laws and other land use restrictions that do not impair the present or anticipated use of the property subject thereto.

(oo) Illegal or Unauthorized Payments; Political Contributions. Neither the Company nor any of its subsidiaries nor, to the best of the Company's knowledge (after reasonable inquiry of its executive officers and directors), any of the officers, directors, employees, agents or other representatives of the Company or any of its subsidiaries or any other business entity or enterprise with which the Company or any of its subsidiaries is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (a) as a kickback or bribe to any Person or (b) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Company or any of its subsidiaries.

(pp) Money Laundering. The Company and its subsidiaries are in compliance with, and have not previously violated, the USA Patriot Act of 2001 and all other applicable U.S. and non-U.S. anti-money laundering laws and regulations, including, without limitation, the laws, regulations and Executive Orders and sanctions programs administered by the U.S. Office of Foreign Assets Control, including, without limitation, (i) Executive Order 13224 of September 23, 2001 entitled, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (66 Fed. Reg. 49079 (2001)); and (ii) any regulations contained in 31 CFR, Subtitle B, Chapter V.

(qq) Registration Rights. Except as disclosed in the SEC Documents or as set forth in the Schedule 4(qq), no holder of securities of the Company has rights to the registration of any securities of the Company because of the filing of the Registration Statement or the issuance of the Securities hereunder that could expose the Company to material liability or any Buyer to any liability or that could impair the Company's ability to consummate the issuance and sale of the Securities in the manner, and at the times, contemplated hereby, which rights have not been waived by the holder thereof as of the date hereof.

(rr) Disclosure. The Company confirms that neither it nor any other Person acting on its behalf has provided any Buyer or their agents or counsel with any information that constitutes or could reasonably be expected to constitute material, non-public information concerning the Company or any of its subsidiaries, other than the existence of the transactions contemplated by this Agreement and the other Transaction Documents. The Company understands and confirms that Buyers will rely on the foregoing representations in effecting transactions in securities of the Company. All disclosure provided to any Buyer regarding the Company, its subsidiaries, their respective businesses and the transactions contemplated hereby, including the schedules to this Agreement, furnished by or on behalf of the Company or any of its subsidiaries is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. Each press release issued by the Company during the twelve (12) months preceding the date of this Agreement did not at the time of release contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. No event or circumstance has occurred or information exists with respect to the Company or any of its subsidiaries or their respective businesses, properties, liabilities, prospects, operations (including results thereof) or conditions (financial or otherwise), which, under applicable law, rule or regulation, requires public disclosure at or before the date hereof or announcement by the Company but which has not been so publicly disclosed. The Company acknowledges and agrees that each Buyer makes no and has not made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 2.

4. COVENANTS.

(a) Registration Statement.

The Company shall file with the SEC within ten (10) calendar days from the date hereof a new registration statement covering the sale of the Securities by the Buyers, as set forth further on the Buyer Schedules, in accordance with the terms of the Registration Rights Agreement between the Company and the Buyers, dated as of the date hereof.

(b) Form D and Blue Sky.

The Company shall file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof to each Buyer promptly after filing. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to, qualify the Securities for sale to each Buyer at the Closing pursuant to this Agreement under applicable securities or "Blue Sky" laws of the states of the United States (or to obtain an exemption from such qualification), and shall provide confirmation of any such action, if applicable, so taken to such Buyer on or prior to such Closing Date. Without limiting any other obligation of the Company under this Agreement, the Company shall timely make all filings and reports relating to the offer and sale of the Securities required under all applicable securities laws (including, without limitation, all applicable federal securities laws and all applicable "Blue Sky" laws), and the Company shall comply with all applicable federal, foreign, state and local laws, statutes, rules, regulations and the like relating to the offering and sale of the Securities to such Buyer.

(c) Reporting Status.

Until the date on which the Buyers shall have sold all of the Registrable Securities (the "**Reporting Period**"), the Company shall file all reports required to be filed with the SEC pursuant to the 1934 Act, and the Company shall not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would no longer require or otherwise permit such termination.

(d) Use of Proceeds.

The Company shall use the proceeds from the sale of the Securities for general corporate purposes.

(e) Financial Information.

The Company agrees to send the following to each Buyer during the Reporting Period unless the following are filed with the SEC through EDGAR and are available to the public through the EDGAR system, (i) within one (1) Business Day after the filing thereof with the SEC, a copy of its Annual Reports on Form 20-F and Reports of Foreign Private Issuers on Form 6-K, any interim reports or any consolidated balance sheets, income statements, stockholders' equity statements and/or cash flow statements for any period other than annual, any Reports of Foreign Private Issuers on Form 6-K and any registration statements (other than on Form S-8) or amendments filed pursuant to the 1933 Act, (ii) on the same day as the release thereof, facsimile copies of all press releases issued by the Company and (iii) copies of any notices and other information made available or given to the stockholders of the Company generally, contemporaneously with the making available or giving thereof to the stockholders.

(f) Listing.

The Company shall use its commercially reasonable efforts to promptly secure the listing or designation for quotation (as the case may be) of all of the Registrable Securities consisting of Ordinary Shares upon each trading market and national securities exchange and automated quotation system, if any, upon which the Ordinary Shares are then listed or designated for quotation (as the case may be) (so that all such Registrable Securities consisting of Ordinary Shares may be traded on the foregoing, subject to official notice of issuance) (but in no event later than the Closing Date) and shall maintain such listing or designation for quotation (as the case may be) of all Registrable Securities from time to time issuable under the terms of the Transaction Documents on such national securities exchange or automated quotation system. The Company shall use its commercially reasonable efforts to maintain the Ordinary Shares' listing or designation for quotation (as the case may be) on the Principal Market, The New York Stock Exchange, the NYSE Amex, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market (each, an "**Eligible Market**"). The Company shall not take any action which could be reasonably expected to result in the delisting or suspension of the Ordinary Shares on an Eligible Market. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4(e).

(g) Fees.

The Company shall be responsible for the payment of any placement agent's fees, financial advisory fees, transfer agent fees, DTC fees or broker's commissions, relating to or arising out of the transactions contemplated hereby. The Company shall pay, and hold each Buyer harmless against, any liability, loss or expense (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) arising in connection with any claim relating to any such payment. Except as otherwise set forth in the Transaction Documents, each party to this Agreement shall bear its own expenses in connection with the sale of the Securities to each Buyer.

(h) Pledge of Securities.

Notwithstanding anything to the contrary contained in this Agreement, the Company acknowledges and agrees that the Securities may be pledged by each Buyer in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Securities. The pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and each Buyer effecting a pledge of Securities shall not be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document. At each Buyer's expense, the Company hereby agrees to execute and deliver such documentation as a pledgee of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by each Buyer provided that the Company shall be under no obligation to deliver any legal opinion required in connection therewith unless required by the Company's transfer agent to be issued by the Company's legal counsel.

(i) Disclosure of Transactions and Other Material Information.

The Company shall, on or before 8:30 a.m., New York time, on the first (1st) Business Day after the date of this Agreement, file a Current Report on Form 6-K describing all the material terms of the transactions contemplated by the Transaction Documents in the form required by the 1934 Act and attaching all the material Transaction Documents (including, without limitation, this Agreement and the form of each of the Warrants) (including all attachments, the "**6-K Filing**"). From and after the date of the 6-K Filing, the Company shall have disclosed all material, non-public information (if any) delivered to each Buyer by the Company, or any of its officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. The Company shall not, and the Company shall cause each of its officers, directors, employees and agents not to, provide each Buyer with any material, non-public information regarding the Company from and after the date of the 6-K Filing without the express prior written consent of such Buyer. Subject to the foregoing, neither the Company nor any Buyer shall issue any press releases or any other public statements with respect to the transactions contemplated hereby; provided, however, the Company shall be entitled, without the prior approval of each Buyer, to make any press release or other public disclosure with respect to such transactions (i) in substantial conformity with the 6-K Filing and contemporaneously therewith and (ii) as is required by applicable law and regulations (provided that in the case of clause (i) such Buyer shall be consulted by the Company in connection with any such press release or other public disclosure prior to its release). Without the prior written consent of each Buyer, the Company shall not (and shall cause each of its affiliates to not) disclose the name of such Buyer in any filing (other than the 6-K Filing or any filing that incorporates language from the 6-K Filing and other than the Registration Statement and other than as required by applicable law or rules and regulations), announcement, release or otherwise. Notwithstanding anything contained in this Agreement to the contrary and without implication that the contrary would otherwise be true, the Company expressly acknowledges and agrees that each Buyer has not had, and such Buyer shall not have (unless expressly agreed to by such Buyer after the date hereof in a written definitive and binding agreement executed by the Company and such Buyer), any duty of confidentiality with respect to, or a duty not to trade on the basis of, any information regarding the Company or any of its subsidiaries (as applicable) that such Buyer receives from the Company, any of its subsidiaries or any of its or its officers, directors, employees, stockholders or agents.

(j) Additional Registration Statements. Until the Applicable Date (as defined below), except as set forth in Schedule 4(j), the Company shall not file a registration statement under the 1933 Act relating to securities (including, without limitation, Excluded Securities as defined below) that are not the Registrable Securities. "**Applicable Date**" means the 30th day anniversary of the first date on which the resale by the Buyers of all Registrable Securities is covered by one or more effective Registration Statements (as defined in the Registration Rights Agreement) (and each prospectus contained therein is available for use on such date). Notwithstanding the foregoing, this Section 4(i) shall be of no further force or effect in the event that the failure to register the Registrable Securities is primarily due to information related to any Buyer and/or actions or events within the reasonable control of any Buyer.

(k) Additional Issuance of Securities. The Company agrees that for the period commencing on the date hereof and ending on the date immediately following the 90th day after the Initial Registration Statement has been declared effective by the SEC (the "**Restricted Period**"), the Company shall not directly or indirectly issue, offer, sell, grant any option or right to purchase, or otherwise dispose of (or announce any issuance, offer, sale, grant of any option or right to purchase or other disposition of) any equity security or any equity-linked or related security (including, without limitation, any "equity security" (as that term is defined under Rule 405 promulgated under the 1933 Act), any convertible securities, debt (with or related to equity), any preferred stock or any purchase rights) ("**Additional Issuance**"). Notwithstanding the foregoing, this Section 4(k) shall not apply in respect of the issuance of the following: (i) Ordinary Shares or standard options to purchase Ordinary Shares to directors (who are also employees of the Company), officers, employees or consultants of the Company pursuant to an Approved Share Plan (as defined below) or otherwise as approved by the board of directors and to directors of the Company who are not also employees of the Company, in each case, in their capacity as such, provided that the exercise price of any such options is not lowered, none of such options are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such options are otherwise materially changed in any manner that adversely affects any Buyer; (ii) Ordinary Shares issued upon the conversion or exercise of Convertible Securities (other than standard options to purchase Ordinary Shares issued pursuant to an Approved Share Plan that are covered by clause (i) above) issued prior to the date hereof, provided that the conversion or exercise (as the case may be) of any such Convertible Security is made solely pursuant to the conversion or exercise (as the case may be) provisions of such Convertible Security that were in effect on the date immediately prior to the date of this Agreement, the conversion or exercise price of any such Convertible Securities (other than standard options to purchase Ordinary Shares issued pursuant to an Approved Share Plan that are covered by clause (i) above) is not lowered, none of such Convertible Securities are (other than standard options to purchase Ordinary Shares issued pursuant to an Approved Share Plan that are covered by clause (i) above) (nor is any provision of any such Convertible Securities) amended or waived in any manner (whether by the Company or the holder thereof) to increase the number of shares issuable thereunder and none of the terms or conditions of any such Convertible Securities (other than standard options to purchase Ordinary Shares issued pursuant to an Approved Share Plan that are covered by clause (i) above) are otherwise materially changed or waived (whether by the Company or the holder thereof) in any manner that adversely affects any Buyer; (iii) the Warrants; (iv) the Warrant Shares; (v) any securities set forth on Schedule 4(k); and (vi) any restricted securities (as defined in Rule 144) for which a resale registration statement under the 1933 Act does not become effective during the Restricted Period (for the avoidance of doubt, registration statements may be filed in regard to such restricted securities; provided that the Company shall cause no such registration statement to become effective during the Restricted Period; the above securities in clauses (i)-(v) being the "**Excluded Securities**"). "**Approved Share Plan**" means any employee benefit plan which has been approved by the board of directors of the Company prior to or subsequent to the date hereof pursuant to which Ordinary Shares and standard options to purchase Ordinary Shares may be issued to any employee, officer, director or consultant for services provided to the Company in their capacity as such. "**Convertible Securities**" means any capital stock or other security of the Company that is at any time and under any circumstances directly or indirectly convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any capital stock or other security of the Company (including, without limitation, Ordinary Shares). The Company further agrees that, without prior consent of each Buyer, except as set forth on Schedule 4(k), until the earlier of (A) twelve (12) months after the date on which the Registration Statement is declare effective or (B) the date on which all Buyers have sold or disposed of all Securities, the Company will not issue any floating conversion rate or variable priced securities convertible into Ordinary Shares.

(l) Lock-Up Period. During the Restricted Period, the Company will cause each of its directors and officers listed on Exhibit D attached hereto or, where the Ordinary Shares or other securities referred to below are held by an entity represented by the relevant director or officer rather than by the director or officer himself, cause such entity to furnish, prior to the Closing Date, a letter pursuant to which each such person shall agree not to directly or indirectly offer, sell, assign, transfer, pledge, contract to sell, or otherwise transfer or dispose of any Ordinary Shares or securities convertible into or exercisable or exchangeable for Ordinary Shares or enter into any derivative or other transaction having substantially similar economic effect with respect to the shares of the Company or any such securities or announce publicly their intention to do any of the foregoing during the Restricted Period, without the prior written consent of each Buyer, subject to customary exceptions.

(m) Reservation of Shares. As long as any of the Warrants remain outstanding, the Company shall take all action necessary to at all times have authorized and reserved for the purpose of issuance, no less than 200% of the Ordinary Shares issuable upon exercise of the Warrants (Warrants are exercisable in full and without regard to any limitations on the exercise of the Warrants set forth therein).

(n) Conduct of Business. The business of the Company shall not be conducted in violation of any law, ordinance or regulation of any governmental entity, except where such violations would not result, either individually or in the aggregate, in a Material Adverse Effect.

(o) Passive Foreign Investment Company. The Company shall conduct its business in such a manner as will ensure that the Company will not be deemed to constitute a passive foreign investment company within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

(p) Corporate Existence. So long as any Buyer owns any Warrants, the Company shall not be party to any Fundamental Transaction (as defined in the Warrants) unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the Warrants.

(q) Activity Restrictions. For so long as any Buyer or any of its Affiliates holds any Securities, neither such Buyer nor any of its Affiliates will: (i) engage or participate in any actions, plans or proposals which relate to or would result in (a) acquiring additional securities of the Company, alone or together with any other Person, which would result in beneficially owning or controlling, or being deemed to beneficially own or control, more than 9.9% of the total outstanding Ordinary Shares or other voting securities of the Company, (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Company, (c) a sale or transfer of a material amount of assets of the Company, (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board, (e) any material change in the present capitalization or dividend policy of the Company, (f) any other material change in the Company's business or corporate structure, (g) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any Person, (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association, (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act, or (j) any action, intention, plan or arrangement similar to any of those enumerated above, or (ii) request the Company or its directors, officers, employees, agents or representatives to amend or waive any provision of this Section 4(q); provided, however, that notwithstanding anything to the contrary contain in clauses (i) and (ii) above, each Buyer may vote any Ordinary Shares owned or controlled by it, solicit any proxies, or seek to advise or influence any Person with respect to any voting securities of the Company.

(r) Due Diligence. In connection with any reasonable request by any Buyer made in connection with the filing of the registration statement described in Section 4(a) hereof, or any amendment or supplement thereto, such Buyer shall have the right, from time to time as such Buyer may reasonably deem appropriate, to perform reasonable due diligence on the Company during normal business hours and subject to reasonable prior notice to the Company. The Company and its officers and employees shall provide information ("**Confidential Information**") and reasonably cooperate with such Buyer in connection with such Buyer's due diligence; provided, however, that at no time is the Company required or permitted to disclose material nonpublic information to such Buyer or breach any obligation of confidentiality or non-disclosure to a third party or make any disclosure that could cause a waiver of attorney-client privilege. Except as may be required by law, court order or governmental authority, each party hereto agrees not to disclose any Confidential Information of the other party to any third party and shall not use the Confidential Information of such other party for any purpose other than in connection with, or in furtherance of, the transactions contemplated hereby. In the event a party is required by law, court order or governmental authority to disclose the Confidential Information of the other party, such party shall give the other party written notice of the information to be disclosed as far in advance of its disclosure as practicable and use its commercially reasonable efforts to obtain assurances that confidential treatment will be accorded such information. Each party hereto acknowledges that the Confidential Information shall remain the property of the disclosing party and agrees that it shall take all reasonable measures to protect the secrecy of any Confidential Information disclosed by the other party.

5. REGISTER; TRANSFER AGENT INSTRUCTIONS; LEGEND.

(a) Register.

The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to each holder of Securities), a register for the Warrants in which the Company shall record the name and address of the Person in whose name the Warrants have been issued (including the name and address of each transferee) reflecting the Warrants held by such Person. The Company shall keep the register open and available at all times during business hours for inspection by each Buyer or its legal representatives.

(b) Transfer Agent Instructions.

The Company shall issue irrevocable instructions to its transfer agent and any subsequent transfer agent in a form acceptable to each Buyer to issue certificates or credit shares to the applicable balance accounts at The Depository Trust Company ("**DTC**"), registered in the name of such Buyer or its respective nominee(s), for the Warrant Shares in such amounts as specified from time to time by such Buyer to the Company, and confirmed by the Company, upon the exercise of the Warrants (as the case may be). The Company represents and warrants that no instruction other than such irrevocable transfer agent instructions referred to in this Section 5(b), and stop transfer instructions to give effect to Section 2(g) hereof, will be given by the Company to its transfer agent with respect to the Securities, and that the Securities shall otherwise be freely transferable on the books and records of the Company, as applicable, to the extent provided in this Agreement and the other Transaction Documents. If any Buyer effects a sale, assignment or transfer of the Securities in accordance with Section 2(g), the Company shall permit the transfer and shall promptly instruct its transfer agent to issue one or more certificates or credit shares to the applicable balance accounts at DTC in such name and in such denominations as specified by such Buyer to effect such sale, transfer or assignment. In the event that such sale, assignment or transfer involves Warrant Shares sold, assigned or transferred pursuant to an effective registration statement or in compliance with Rule 144 or another exemption from registration, the transfer agent shall issue such shares to such Buyer, assignee or transferee (as the case may be) without any restrictive legend in accordance with Section 5(d) below. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to each Buyer. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5(b) will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5(b), that each Buyer shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required. The Company shall cause its counsel to issue the legal opinion referred to in the irrevocable transfer agent instructions to the Company's transfer agent on the Effective Date (as defined in the Registration Rights Agreement). Any fees (with respect to the transfer agent, counsel to the Company or otherwise) associated with the issuance of such opinion or the removal of any legends on any of the Securities shall be borne by the Company.

(c) Legends.

Each Buyer understands that the Securities have been issued (or will be issued in the case of the Conversion Shares and the Warrant Shares) pursuant to an exemption from registration or qualification under the 1933 Act and applicable state securities laws, and except as set forth below, the Securities shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

[NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN][THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN] REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

(d) Removal of Legends.

Certificates evidencing Securities shall not be required to contain the legend set forth in Section 5(c) above or any other legend (i) while a registration statement (including a Registration Statement) covering the resale of such Securities is effective under the 1933 Act (provided that each Buyer provides the Company with any certificates from such Buyer or its broker reasonably required by the Company's transfer agent), (ii) following any sale of such Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company) or a registration statement, (iii) if such Securities are eligible to be sold, assigned or transferred under Rule 144 without current public information being available (provided that each Buyer provides the Company with reasonable assurances that such Securities are eligible for sale, assignment or transfer under Rule 144, which shall not include an opinion of counsel, but which may include any certificates from such Buyer or its broker reasonably required by the Company's transfer agent), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that each Buyer provides the Company with an opinion of counsel to such Buyer from reputable counsel to the effect that such sale, assignment or transfer of the Securities may be made without registration under the applicable requirements of the 1933 Act or (v) if such legend is not required under applicable requirements of the 1933 Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC). If a legend is not required pursuant to the foregoing, the Company shall no later than five (5) Trading Days following the delivery by any Buyer to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from such Buyer as may be required above in this Section 5(d), as directed by such Buyer, either: (A) provided that the Company's transfer agent is participating in the DTC Fast Automated Securities Transfer Program and such Securities are Warrant Shares, credit the aggregate number of Ordinary Shares to which each Buyer shall be entitled to such Buyer's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system or (B) if the Company's transfer agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver (via reputable overnight courier) to such Buyer, a certificate representing such Securities that is free from all restrictive and other legends, registered in the name of such Buyer or its designee (the date by which such credit is so required to be made to the balance account of such Buyer's or Buyer's nominee with DTC or such certificate is required to be delivered to such Buyer pursuant to the foregoing is referred to herein as the "**Required Delivery Date**").

(e) Failure to Timely Deliver; Buy-In.

If the Company fails to issue and deliver (or cause to be delivered) to any Buyer by the Required Delivery Date a certificate representing the Securities so delivered to the Company by such Buyer that is free from all restrictive and other legends or credit the balance account of such Buyer's or Buyer's nominee with DTC for such number of Securities so delivered to the Company, then, in addition to all other remedies available to such Buyer, at the sole discretion of such Buyer, the Company shall:

(i) pay in cash to such Buyer on each Trading Day after the Required Delivery Date that the issuance or credit of such shares is not timely effected an amount equal to 1% of the product of (A) the number of Ordinary Shares not so delivered or credited (as the case may be) to such Buyer or Buyer's nominee multiplied by (B) the Closing Sale Price of the Ordinary Shares on the Trading Day immediately preceding the Required Delivery Date; or

(ii) if on or after the Required Delivery Date, such Buyer (or any other Person in respect, or on behalf, of such Buyer) purchases (in an open market transaction or otherwise) Ordinary Shares to deliver in satisfaction of a sale by such Buyer of all or any portion of the number of Ordinary Shares, or a sale of a number of Ordinary Shares equal to all or any portion of the number of Ordinary Shares, that such Buyer so anticipated receiving from the Company without any restrictive legend, then, within five (5) Trading Days after such Buyer's request and in such Buyer's sole discretion, either (A) pay cash to such Buyer in an amount equal to such Buyer's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the Ordinary Shares so purchased (the "**Buy-In Price**"), at which point the Company's obligation to so deliver such certificate or credit such Buyer's balance account shall terminate and such shares shall be cancelled, or (B) promptly honor its obligation to so deliver to such Buyer a certificate or certificates or credit such Buyer's DTC account representing such number of Ordinary Shares that would have been so delivered if the Company timely complied with its obligations hereunder and pay cash to such Buyer in an amount equal to the excess (if any) of the Buy-In Price over the product of (1) such number of Ordinary Shares that the Company was required to deliver to such Buyer by the Required Delivery Date multiplied by (2) the lowest Closing Sale Price (as defined in the Warrants) of the Ordinary Shares on any Trading Day during the period commencing on the date of the delivery by such Buyer to the Company of the applicable Conversion Shares or Warrant Shares (as the case may be) and ending on the date of such delivery and payment under this clause (B).

(f) Manner of Sale.

Each Buyer, severally and not jointly with the other Buyers, agrees with the Company that such Buyer will sell any Securities pursuant to either the registration requirements of the 1933 Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a registration statement, they will be sold in compliance with the plan of distribution set forth therein substantially in the form set forth in Exhibit B to the Registration Rights Agreement, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 5 is predicated upon the Company's reliance upon this understanding.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

(a) The obligation of the Company hereunder to issue and sell the Ordinary Shares and the related Warrants to each Buyer at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(i) Each Buyer shall have executed each of the other Transaction Documents to which it is a party and delivered the same to the Company.

(ii) Each Buyer shall have delivered to the Company the Purchase Price for the Ordinary Shares and Warrants being purchased by such Buyer at the Closing by wire transfer of immediately available funds pursuant to the wire instructions provided by the Company.

(iii) The representations and warranties of each Buyer shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date), and such Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Buyer at or prior to the Closing Date.

(iv) Each Buyer shall have executed and delivered, to the reasonable satisfaction of the Company, such questionnaires and documents in support thereof that the Company and its agents deem reasonably necessary (or prudent) to comply with the requirements of Regulation D with respect to the transactions contemplated by this Agreement.

7. CONDITIONS TO BUYERS' OBLIGATION TO PURCHASE.

(a) The obligation of each Buyer hereunder to purchase its Ordinary Shares and related Warrants at the Closing is subject to the satisfaction, at or before each applicable Closing Date and in respect of each such Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Company shall have duly executed and delivered to each Buyer each of the Transaction Documents to which it is a party and the Company shall have duly executed and delivered to such Buyer the Ordinary Shares and Warrants as is set forth on the applicable Buyer Schedule and the Company shall have complied in all respects with all obligations under this Agreement and the other Transaction Documents, including, without limitation, the Warrants. Notwithstanding the foregoing, the Company shall be entitled to deliver executed copies of the Ordinary Share certificates at Closing, with an obligation to deliver the originals to such Buyer within five (5) business days after the Closing.

(ii) The Company shall have delivered to each Buyer the search results from the companies register of the Australian Securities and Investments Commission which shows the due incorporation of the Company.

(iii) The Company shall have delivered to each Buyer a certificate evidencing the Company's qualification as a foreign corporation and good standing issued by the Secretary of State (or comparable office) of each jurisdiction that provides such certificates and in which the Company conducts business and is required to so qualify, each dated as of a date within ten (10) days of the Closing.

(iv) The Company shall have delivered to each Buyer a certificate, in the form previously provided to the Company by such Buyer, executed by the Secretary of the Company and dated as of the Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by the Company's board of directors in a form reasonably acceptable to such Buyer, and (ii) the certificate of incorporation and bylaws (or comparable charter documents) of the Company as in effect at the Closing.

(v) Each and every representation and warranty of the Company shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct in all material respects as of such date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Closing Date, including, without limitation the issuance of all Securities prior to the date of such Closing as required by the Transaction Documents and the Company has a sufficient number of duly authorized Ordinary Shares reserved for issuance as may be required to fulfill its obligations pursuant to the Transaction Documents. Each Buyer shall have received a certificate, executed by the Chief Executive Officer of the Company, dated as of the Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by such Buyer in the form reasonably acceptable to such Buyer.

(vi) The Company shall have delivered to each Buyer information from the Company's transfer agent certifying the number of Ordinary Shares outstanding on the Closing Date immediately prior to the Closing.

(vii) The Ordinary Shares (I) shall be designated for quotation on the Principal Market and (II) shall not have been suspended, as of the Closing Date, by the SEC or the Principal Market from trading on the Principal Market; since April 26, 2018, the Company shall have complied (without regard to any extensions) with all filing and reporting obligations under the federal securities laws; except as disclosed in the SEC Documents, the Company is in compliance with all requirements in order to maintain quotation on the Principal Market (including reporting requirements under the 1934 Act).

(viii) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities, including without limitation, those required by the Principal Market.

(ix) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents, and no actions, suits or proceedings shall be in progress or pending by any Person that seeks to enjoin, prohibit or otherwise adversely affect any of the transactions contemplated by the Transaction Documents.

(x) Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably would have or result in a Material Adverse Effect and the Company has not filed for nor is it subject to any bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors instituted by or against the Company.

(xi) The Company shall have delivered to each Buyer such other documents, instruments or certificates relating to the transactions contemplated by this Agreement reasonably required to consummate the transactions contemplated hereby.[4]

[4] NTD: Parties to confirm no broker fees payable at closing.

8. TERMINATION.

In the event that the Closing shall not have occurred within ten (10) days after the date hereof, then each Buyer shall have the right to terminate its obligations under this Agreement at any time on or after the close of business on such date without liability of such Buyer to any other party; provided, however, the right to terminate this Agreement under this Section 8 shall not be available to such Buyer if the failure of the transactions contemplated by this Agreement to have been consummated by such date is the result of such Buyer's breach of this Agreement. Notwithstanding anything to the contrary above, nothing contained in this Section 8 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents.

9. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial.

All questions concerning the construction, validity, enforcement and interpretation of this Agreement and the other Transaction Documents shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or under any of the other Transaction Documents or in connection herewith or therewith or with any transaction contemplated hereby or thereby or discussed herein or therein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude any Buyer from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to such Buyer or to enforce a judgment or other court ruling in favor of such Buyer. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Counterparts.

This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(c) Headings; Gender.

The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(d) Severability.

If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(e) Entire Agreement; Amendments.

This Agreement, the other Transaction Documents and the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all other prior oral or written agreements between the Buyers, the Company, its affiliates and Persons acting on its behalf solely with respect to the matters contained herein and therein, and this Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein contain the entire understanding of the parties solely with respect to the matters covered herein and therein. Except as specifically set forth herein or therein, neither the Company nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. For clarification purposes, the Recitals are part of this Agreement. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and each Buyer. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration also is offered to all of the parties to the Transaction Documents or all holders of the Warrants (as the case may be). The Company has not, directly or indirectly, made any agreements with any Buyer relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents. Without limiting the foregoing, the Company confirms that, except as set forth in this Agreement, no Buyer has made any commitment or promise or has any other obligation to provide any financing to the Company or otherwise. As a material inducement for each Buyer to enter into this Agreement, the Company expressly acknowledges and agrees that (i) no due diligence or other investigation or inquiry conducted by any Buyer, any of its advisors or any of its representatives shall affect such Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document and (ii) unless a provision of this Agreement or any other Transaction Document is expressly preceded by the phrase "except as disclosed in the SEC Documents," nothing contained in any of the SEC Documents shall affect any Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document.

(f) Notices.

Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, if delivered personally; (ii) when sent, if sent by e-mail (provided that such sent e-mail is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's e-mail server that such e-mail could not be delivered to such recipient) and (iii) if sent by overnight courier service, one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses and e-mail addresses for such communications shall be:

If to the Company:

Naked Brand Group Limited
c/o Bendon Limited
Building 7B, Huntley Street
Alexandria
NSW 2015, Australia
Telephone: +61 2 9384 2400
Email Address: justin.davis@bendon.com
Attention: Chief Executive officer

With a copy (for informational purposes only) to:

Graubard Miller
The Chrysler Building
405 Lexington Ave., 11th Floor
New York, NY 10174
Telephone: (212) 818-8800
E-mail: dmiller@graubard.com
jgallant@graubard.com
Attention: David Alan Miller, Esq.

If to the Transfer Agent:

Continental Stock Transfer & Trust Company
1 State Street 30th Floor
New York, NY 10004-1561
Telephone: 212.845.3256
Email: agois@continentalstock.com
Attention: Ana Gois, Vice President & Account Administrator

If to a Buyer:

Acuitas Capital LLC
11601 Wilshire Blvd Suite 1100
Los Angeles, CA 90025
Telephone: (310) 444-4321
Facsimile: (888) 975-7712
Email: Patricia@credecg.com
Attention: Patricia Rouhafza

with a copy (for informational purposes only) to:

McDermott Will & Emery LLP
340 Madison Ave.
New York, NY 10173
Telephone: (212) 547-5585
E-mail: Rcohen@mwe.com
mblee@mwe.com
Attention: Robert Cohen, Esq.

or to such other address or e-mail address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication or (B) provided by an overnight courier service shall be rebuttable evidence of personal service or receipt from an overnight courier service in accordance with clause (i) or (iii) above, respectively. A copy of the e-mail transmission containing the time, date and recipient e-mail address shall be rebuttable evidence of receipt by e-mail in accordance with clause (ii) above.

(g) Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the parties and its successors and assigns, including, as contemplated below, any assignee of any of the Securities. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Buyers, including, without limitation, by way of a Fundamental Transaction (as defined in the Warrants) (unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the applicable Warrants).

(h) No Third Party Beneficiaries.

This Agreement is intended for the benefit of the parties hereto and its permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than the Indemnitees referred to in Section 9(k).

(i) Survival.

The representations, warranties, agreements and covenants shall survive the Closing. Each Buyer shall be responsible only for its representations, warranties, agreements and covenants hereunder.

(j) Further Assurances.

Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Indemnification.

(i) In consideration of each Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless such Buyer and each holder of any Securities and all of their stockholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and reasonable and documented expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in any of the Transaction Documents, (b) any breach of any covenant, agreement or obligation of the Company contained in any of the Transaction Documents or (c) any cause of action, suit, proceeding or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company, but other than by an affiliate of any Buyer) or which otherwise involves such Indemnitee that arises out of or results from (i) the execution, delivery, performance or enforcement of any of the Transaction Documents, (ii) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities, (iii) any disclosure properly made by any Buyer pursuant to Section 4(h), or (iv) the status of any Buyer or holder of the Securities either as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents or as a party to this Agreement (including, without limitation, as a party in interest or otherwise in any action or proceeding for injunctive or other equitable relief), unless such action is based primarily upon a breach of such Buyer's representations, warranties, or covenants under the Transaction Documents, or any agreements or understandings such Buyer may have with any such third party, or any violations by such Buyer of state or federal securities laws or any conduct by such Buyer which constitutes fraud, gross negligence or willful misconduct. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

(ii) Promptly after receipt by an Indemnitee under this Section 9(k) of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving an Indemnified Liability, such Indemnitee shall, if a claim in respect thereof is to be made against the Company under this Section 9(k), deliver to the Company a written notice of the commencement thereof, and the Company shall have the right to participate in, and, to the extent the Company so desires, to assume control of the defense thereof with counsel mutually satisfactory to the Company and the Indemnitee; provided, however, that an Indemnitee shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the Company if: (i) the Company has agreed in writing to pay such fees and expenses; (ii) the Company shall have failed promptly to assume the defense of such Indemnified Liability and to employ counsel reasonably satisfactory to such Indemnitee in any such Indemnified Liability; or (iii) the named parties to any such Indemnified Liability (including any impleaded parties) include both such Indemnitee and the Company, and such Indemnitee shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnitee and the Company (in which case, if such Indemnitee notifies the Company in writing that it elects to employ separate counsel at the expense of the Company, then the Company shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Company), provided further, that in the case of clause (iii) above the Company shall not be responsible for the reasonable fees and expenses of more than one (1) separate legal counsel for such Indemnitee. The Indemnitee shall reasonably cooperate with the Company in connection with any negotiation or defense of any such action or Indemnified Liability by the Company and shall furnish to the Company all information reasonably available to the Indemnitee which relates to such action or Indemnified Liability. The Company shall keep the Indemnitee reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. The Company shall not be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the Company shall not unreasonably withhold, delay or condition its consent. The Company shall not, without the prior written consent of the Indemnitee, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnitee of a release from all liability in respect to such Indemnified Liability or litigation, and such settlement shall not include any admission as to fault on the part of the Indemnitee. Following indemnification as provided for hereunder, the Company shall be subrogated to all rights of the Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the Company within a reasonable time of the commencement of any such action shall not relieve the Company of any liability to the Indemnitee under this Section 9(k), except to the extent that the Company is materially and adversely prejudiced in its ability to defend such action.

(iii) The indemnification required by this Section 9(k) shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Liabilities are incurred.

(iv) Notwithstanding any provision in this Agreement or any other Transaction Documents, the aggregate indemnification obligations of the Company pursuant to this Section 9(k) shall not exceed 100% of the aggregate Purchase Price actually paid by the Buyers.

(v) The sole and exclusive remedies for any breach of any representation, warranty, covenant or agreement hereunder shall be the indemnification provided by this Section 9(k), and each Buyer expressly waives any other rights or remedies it may have; provided however, that equitable relief, including remedies of specific performance and injunction, shall be available with respect to any matter where money damages would not be sufficient to compensate any Buyer or to preserve the rights of such Buyer pending resolution of a dispute, and this Section 9(k) shall not relieve the Company from liability for willful misconduct, gross negligence, bad faith, fraud or willful breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

(l) Construction.

The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. Each and every reference to share prices, Ordinary Shares and any other numbers in this Agreement that relate to the Ordinary Shares shall be automatically adjusted for stock dividends, stock splits, stock combinations and other similar transactions that occur with respect to the Ordinary Shares after the date of this Agreement.

(m) Remedies.

Each Buyer and each holder of any Securities shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such holders have under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security, to the extent permitted by law), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. Furthermore, the Company recognizes that in the event that it fails to perform, observe, or discharge any or all of its obligations under the Transaction Documents, any remedy at law may prove to be inadequate relief to each Buyer. The Company therefore agrees that each Buyer shall be entitled to seek specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security.

(n) Exercise of Right.

Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever each Buyer exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Buyer may continue to exercise it other rights, elections, demands and options hereunder and under any other Transaction Document from time to time as if such original right, election, demand or option had not been exercised without prejudice to its future actions and rights and remedies.

(o) Payment Set Aside; Currency.

To the extent that the Company makes a payment or payments to any Buyer hereunder or pursuant to any of the other Transaction Documents or any Buyer enforces or exercises its rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred. Unless otherwise expressly indicated, all dollar amounts referred to in this Agreement and the other Transaction Documents are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Agreement and all other Transaction Documents shall be paid in U.S. Dollars. All amounts denominated in other currencies (if any) shall be converted into the U.S. Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into U.S. Dollars pursuant to this Agreement, the U.S. Dollar exchange rate as published in the Wall Street Journal on the relevant date of calculation.

[*signature pages follow*]

IN WITNESS WHEREOF, each Buyer and the Company has caused its signature page to this Agreement to be duly executed as of the date first written above.

COMPANY:

NAKED BRAND GROUP LIMITED

By: */s/ Justin Davis-Rice*
Name: Justin Davis-Rice
Title: Director

[Signature page to Securities Purchase Agreement]

IN WITNESS WHEREOF, each Buyer and the Company has caused its signature page to this Agreement to be duly executed as of the date first written above.

BUYER:

ACUITAS CAPITAL LLC

By: */s/ Terren Peizer*
Name: Terren Peizer
Title: Authorized Representative

[Signature page to Securities Purchase Agreement]

IN WITNESS WHEREOF, each Buyer and the Company has caused its signature page to this Agreement to be duly executed as of the date first written above.

BUYER:

MANK CAPITAL LLC

By: */s/ Jess Mogul*
Name: Jess Mogul
Title: Partner

[Signature page to Securities Purchase Agreement]

IN WITNESS WHEREOF, each Buyer and the Company has caused its signature page to this Agreement to be duly executed as of the date first written above.

BUYER:

By: */s/ James Fallon*
Name: James Fallon

[Signature page to Securities Purchase Agreement]

Exhibit 4.7.2

WARRANT

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), FROM REPUTABLE COUNSEL, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

NAKED BRAND GROUP LIMITED

Pre-Funded Warrant To Purchase Ordinary Shares

Warrant No.:
Date of Issuance: March 27, 2019 ("**Issuance Date**")

Naked Brand Group Limited, an Australian company (the "**Company**"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, , the registered holder hereof or its permitted assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this Warrant to Purchase Ordinary Shares (including any Warrants to Purchase Ordinary Shares issued in exchange, transfer or replacement hereof, the "**Warrant**"), at any time or times on or after the Issuance Date, but not after 11:59 p.m., New York time, on the Expiration Date (as defined below), (subject to adjustment as provided herein), fully paid and non-assessable Ordinary Shares (as defined below) (the "**Warrant Shares**", and such number of Warrant Shares initially issuable pursuant to this Warrant, as adjusted in accordance with Section 2, the "**Warrant Share Count**"). Except as otherwise defined herein, capitalized terms in this Warrant shall have the meanings set forth in Section 16. This Warrant is one of the Warrants to purchase Ordinary Shares (the "**SPA Warrants**") issued to Holder in lieu of Ordinary Shares purchased and issuable to Holder that would cause Holder's beneficial ownership of the Ordinary Shares of the Company to exceed the Maximum Percentage, as defined in that certain Securities Purchase Agreement, dated as of March 27, 2019, by and among the Company and the investor(s) thereunder (the "**Buyer"** or **"Buyers**" as applicable) referred to therein (the "**Securities Purchase Agreement**"), as further set forth in Section 1(f) of the Securities Purchase Agreement.

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(f)), this Warrant may be exercised by the Holder on any day on or after the Issuance Date in whole or in part, by delivery (whether via facsimile or otherwise) of a written notice, in the form attached hereto as **Exhibit A** (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. Within one (1) Trading Day following an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant was so exercised (in respect of such specific exercise, the "**Aggregate Exercise Price**") in cash or via wire transfer of immediately available funds if the Holder did not notify the Company in such Exercise Notice that such exercise was made pursuant to a Cashless Exercise (as defined in Section 1(d)). The Holder shall not be required to deliver the original of this Warrant in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate and issuance of a new Warrant certificate evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate after delivery of the Warrant Shares in accordance with the terms hereof. On or before the first (1 st) Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by facsimile an acknowledgment of confirmation of receipt of such Exercise Notice, in the form attached hereto as **Exhibit B**, to the Holder and the Company's transfer agent (the "**Transfer Agent**"). On or before the fifth (5th) Trading Day following the date on which the Company has received such Exercise Notice, the Company shall (i) provided that the Transfer Agent is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program (which the Company shall cause the Transfer Agent to do at Holder's request) and provided the legends would be eligible to be removed from such Ordinary Shares pursuant to Section 5(d) of the Securities Purchase Agreement, upon the request of the Holder, credit such aggregate number of Ordinary Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/ Withdrawal at Custodian system, or (ii) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program or the legends would not be eligible to be removed from such Ordinary Shares pursuant to Section 5(d) of the Securities Purchase Agreement, issue and deliver to the Holder or, at the Holder's instruction pursuant to the Exercise Notice, the Holder's agent or designee, in each case, sent by reputable overnight courier to the address as specified in the applicable Exercise Notice, a certificate, registered in the Company's share register in the name of the Holder or its designee (as indicated in the applicable Exercise Notice), for the number of Ordinary Shares to which the Holder is entitled pursuant to such exercise. Upon delivery of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder's DTC account or the date of delivery of the certificates evidencing such Warrant Shares (as the case may be). If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then, at the request of the Holder and upon surrender hereof by the Holder at the principal office of the Company, the Company shall as soon as practicable and in no event later than three (3) Business Days after any exercise and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant (in accordance with Section 7(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. No fractional Ordinary Shares are to be issued upon the exercise of this Warrant, but rather the number of Ordinary Shares to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all taxes and fees which may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant.

(b) Exercise Price. For purposes of this Warrant, "**Exercise Price**" means $0.01, subject to adjustment as provided herein.

(c) Company's Failure to Timely Deliver Securities. To the extent permitted by law, the Company's obligations to issue and deliver the Ordinary Shares upon exercise of the Warrant in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance that might otherwise limit such obligation of the Company to the Holder in connection with the issuance of the Ordinary Shares. Nothing herein shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver the Ordinary Shares issuable upon exercise of this Warrant as required pursuant to the terms hereof.

(d) Cashless Exercise. Notwithstanding anything contained herein to the contrary (other than Section 1(f) below), at any time commencing sixty (60) days after the Effective Date (as defined in the Securities Purchase Agreement), when the Exercise Price is higher than the previous day Closing Bid Price, the Holder may in its sole discretion (and without limiting the Holder's rights and remedies contained herein or in any of the other Transaction Documents (as defined in the Securities Purchase Agreement)), exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "Net Number" of Ordinary Shares determined according to the following formula (a "**Cashless Exercise**"):

Net Number = (A x B)/C

For purposes of the foregoing formula:

A= the total number of shares with respect to which this Warrant is then being exercised.

B= Black Scholes Value (as defined in Section 16 herein).

C= the Closing Bid Price of the Ordinary Shares as of two (2) Trading Days prior to the time of such exercise (as such Closing Bid Price is defined in Section 16 herein), but in any event not less than $0.10 (as may be adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 2(a) herein).

(e) Disputes. In the case of a dispute as to the determination of the Exercise Price, Applicable Price or the arithmetic calculation of the number of Warrant Shares to be issued pursuant to the terms hereof (including, without limitation, the Net Number), the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed, provided that following such issuance to Holder such dispute shall be resolved in accordance with Section 13.

(f) Limitations on Exercises and Exchanges. Notwithstanding anything to the contrary contained in this Warrant, this Warrant shall not be exercisable or exchangeable by the Holder hereof to the extent (but only to the extent) that the Holder or any of its affiliates would beneficially own in excess of 9.9% of the number of Ordinary Shares outstanding after giving effect to the issuance of Ordinary Shares issuable upon exercise of the Warrants calculated in accordance with Section 13(d) of the Exchange Act (the "**Maximum Percentage**"). To the extent the above limitation applies, the determination of whether this Warrant shall be exercisable or exchangeable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Holder or any of its affiliates) and of which such securities shall be exercisable or exchangeable (as among all such securities owned by the Holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to exercise or exchange this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability or exchangeability. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the 1934 Act (as defined in the Securities Purchase Agreement) and the rules and regulations promulgated thereunder. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant. The holders of Ordinary Shares shall be third party beneficiaries of this paragraph and the Company may not waive this paragraph without the consent of holders of a majority of its Ordinary Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding, including by virtue of any prior conversion or exercise or exchange of convertible or exercisable or exchangeable securities into Ordinary Shares, including, without limitation, pursuant to this Warrant or securities issued pursuant to the Securities Purchase Agreement.

(g) Reservation of Shares; Insufficient Authorized Shares. The Company shall initially reserve out of its authorized and unissued Ordinary Shares a number of Ordinary Shares equal to 200% of the maximum number of Warrant Shares issuable to satisfy the Company's obligations to issue Ordinary Shares hereunder, and the Company shall at all times keep reserved for issuance under this Warrant a number of Ordinary Shares equal to 200% of the maximum number of Warrant Shares issuable to satisfy the Company's obligation to issue Ordinary Shares hereunder.

(h) Activity Restrictions. For so long as Holder holds this Warrant or any Warrant Shares, Holder will not: (i) engage or participate in any actions, plans or proposals which relate to or would result in (a) acquiring additional securities of the Company, alone or together with any other Person, which would result in beneficially owning or controlling, or being deemed to beneficially own or control, more than 9.9% of the total outstanding Ordinary Shares or other voting securities of the Company, (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Company, (c) a sale or transfer of a material amount of assets of the Company, (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board, (e) any material change in the present capitalization or dividend policy of the Company, (f) any other material change in the Company's business or corporate structure, including but not limited to, if the Company is a registered closed-end investment company, any plans or proposals to make any changes in its investment policy for which a vote is required by Section 13 of the Investment Company Act of 1940, (g) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any Person, (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association, (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act, or (j) any action, intention, plan or arrangement similar to any of those enumerated above, or (ii) request the Company or its directors, officers, employees, agents or representatives to amend or waive any provision of this Section 1(h); provided, however, that notwithstanding anything to the contrary contain in clauses (i) and (ii) above, Buyer may vote any Ordinary Shares owned or controlled by it, solicit any proxies, or seek to advise or influence any Person with respect to any voting securities of the Company. Holder may only exercise this Warrant for a cash exercise price if the trading price at the time of exercise is greater than the then applicable Exercise Price.

2. ADJUSTMENT OF EXERCISE PRICE, ISSUANCE PRICE AND NUMBER OF WARRANT SHARES. The Exercise Price, Issuance Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 2.

(a) Stock Dividends and Splits. Without limiting any provision of Section 4, if the Company, at any time on or after the date of the Securities Purchase Agreement, (i) pays a stock dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of capital stock that is payable in Ordinary Shares, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that an Exercise Price is calculated hereunder, then the calculation of such Exercise Price shall be adjusted appropriately to reflect such event. Simultaneously with any adjustment to the Exercise Price pursuant to this Section 2(a), the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained herein).

(b) Adjustment Upon Issuance of Ordinary Shares. If, from the Issuance Date to ninety (90) days after the effectiveness of the Registration Statement (the "**Adjustment Period**"), the Company issues or sells, or in accordance with this Section 2 is deemed to have issued or sold, any Ordinary Shares (including the issuance or sale of Ordinary Shares owned or held by or for the account of the Company, but excluding any Excluded Securities (as defined in the Securities Purchase Agreement) issued or sold or deemed to have been issued or sold) for a consideration per share less than a price equal to the Issuance Price in effect immediately prior to such issue or sale or deemed issuance or sale (such Issuance Price then in effect is referred to as the "**Applicable Price**") (the foregoing a "**Dilutive Issuance**"), then immediately after such Dilutive Issuance, the Applicable Price then in effect shall be reduced (and in no event increased) to an Issuance Price equal to the lowest price per share at which any such Ordinary Share has been issued or sold (or is deemed to have been issued or sold), but in any event not less than $0.10 (as may be adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 2(a) herein, the "**Floor Price**"); provided, that if such issuance or sale (or deemed issuance or sale) was without consideration, then the Company shall be deemed to have received the Floor Price for each such share so issued or deemed to be issued. For purposes of this Warrant, "**Issuance Price**" means, initially, $0.306, as adjusted thereafter in accordance with this Section 2(b). For all purposes of the foregoing (including, without limitation, determining the adjusted Applicable Price under this Section 2(b)), the following shall be applicable:

(i) Issuance of Options. If, during the Adjustment Period, the Company in any manner grants or sells any Options and the lowest price per share for which one Ordinary Share is issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option is less than the Applicable Price, then such Ordinary Share shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting or sale of such Option for such price per share. For purposes of this Section 2(b)(i), the "lowest price per share for which one Ordinary Share is issuable upon the exercise of any such Options or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option" shall be equal to (A) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one Ordinary Share upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option minus (B) the sum of all amounts paid or payable to the holder of such Option (or any other Person) upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Option (or any other Person). Except as contemplated below, no further adjustment of the Applicable Price shall be made upon the actual issuance of such Ordinary Shares or of such Convertible Securities upon the exercise of such Options or upon the actual issuance of such Ordinary Shares upon conversion, exercise or exchange of such Convertible Securities.

(ii) Issuance of Convertible Securities. If, during the Adjustment Period, the Company in any manner issues or sells any Convertible Securities and the lowest price per share for which one Ordinary Share is issuable upon the conversion, exercise or exchange thereof is less than the Applicable Price, then such Ordinary Share shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this Section 2(b)(ii), the "lowest price per share for which one Ordinary Share is issuable upon the conversion, exercise or exchange thereof" shall be equal to (A) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one Ordinary Share upon the issuance or sale of the Convertible Security and upon conversion, exercise or exchange of such Convertible Security minus (B) the sum of all amounts paid or payable to the holder of such Convertible Security (or any other Person) upon the issuance or sale of such Convertible Security plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Convertible Security (or any other Person). Except as contemplated below, no further adjustment of the Applicable Price shall be made upon the actual issuance of such Ordinary Shares upon conversion, exercise or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Options for which adjustment of this Warrant has been or is to be made pursuant to other provisions of this Section 2(b), except as contemplated below, no further adjustment of the Applicable Price shall be made by reason of such issue or sale.

(iii) Change in Option Price or Rate of Conversion. If, during the Adjustment Period, the purchase or exercise price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exercisable or exchangeable for Ordinary Shares increases or decreases at any time, the Applicable Price in effect at the time of such increase or decrease shall be adjusted to the Applicable Price which would have been in effect at such time had such Options or Convertible Securities provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate, as the case may be, at the time initially granted, issued or sold. For purposes of this Section 2(b)(iii), if the terms of any Option or Convertible Security that was outstanding as of the date of issuance of this Warrant are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the Ordinary Shares deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this Section 2(b) shall be made if such adjustment would result in an increase of the Applicable Price then in effect.

(iv) Calculation of Consideration Received. If, during the Adjustment Period, any Option or Convertible Security is issued in connection with the issuance or sale or deemed issuance or sale of any other securities of the Company, together comprising one integrated transaction, (A) such Option or Convertible Security (as applicable) will be deemed to have been issued for consideration equal to the Black Scholes Value thereof and (B) the other securities issued or sold or deemed to have been issued or sold in such integrated transaction shall be deemed to have been issued for consideration equal to the difference of (1) the aggregate consideration received by the Company, minus (2) the Black Scholes Value of each such Option or Convertible Security (as applicable). If any Ordinary Shares, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor will be deemed to be the net amount of consideration received by the Company therefor. If any Ordinary Shares, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Company will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company for such securities will be the arithmetic average of the VWAPs of such security for each of the five (5) Trading Days immediately preceding the date of receipt. If any Ordinary Shares, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Ordinary Shares, Options or Convertible Securities, as the case may be. The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Company and the Holder. If such parties are unable to reach agreement within ten (10) days after the occurrence of an event requiring valuation (the "**Valuation Event**"), the fair value of such consideration will be determined within five (5) Trading Days after the tenth (10^{th}) day following such Valuation Event by an independent, reputable appraiser jointly selected by the Company and the Holder. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

(v) Record Date. If, during the Adjustment Period, the Company takes a record of the holders of Ordinary Shares for the purpose of entitling them (A) to receive a dividend or other distribution payable in Ordinary Shares, Options or in Convertible Securities or (B) to subscribe for or purchase Ordinary Shares, Options or Convertible Securities, then such record date will be deemed to be the date of the issue or sale of the Ordinary Shares deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase (as the case may be).

(c) Number of Warrant Shares. Simultaneously with any adjustment to the Applicable Price pursuant to paragraph (b) of this Section 2, the Warrant Share Count that may be purchased upon exercise of this Warrant shall be increased proportionately to a number equal to the then applicable Warrant Share Count multiplied by (x) the Applicable Price immediately prior to such adjustment, divided by (y) the Applicable Price immediately after such adjustment. Upon such adjustment of the Warrant Share Count, the Exercise Price payable hereunder shall be adjusted such that the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained herein). In addition, and notwithstanding anything to the contrary contained herein, upon a Cashless Exercise as set forth in Section 1(d) hereof, the number of Warrant Shares for which this Warrant is exercisable immediately following such Cashless Exercise shall be equal to (i) the number of Warrant Shares for which this Warrant was exercisable immediately prior to such Cashless Exercise less (ii) the number of Warrant Shares as to which such Cashless Exercise was exercised (such number of Warrant Shares in this clause (ii) in respect of such Cashless Exercise being equal to "A" in such Cashless Exercise formula in respect of such Cashless Exercise) and the number of such Warrant Shares issuable hereunder shall automatically be adjusted, as necessary, to enable to the Company to comply with its obligations to issue the Net Number of Ordinary Shares under Section 1(d) hereof upon any Cashless Exercise hereunder.

(d) Calculations. All calculations under this Section 2 shall be made by rounding to the nearest $1/10000^{th}$ of cent and the nearest $1/100^{th}$ of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

(e) Other Events. In the event that the Company shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 2 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors shall in good faith determine and implement an appropriate adjustment in the Exercise Price and the number of Warrant Shares (if applicable) so as to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 2(e) will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this Section 2, provided further that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's board of directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

3. RIGHTS UPON DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Section 2 above, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, indebtedness, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, other than a distribution of Ordinary Shares covered by Section 2(a)) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case, provision shall be made so that upon exercise of this Warrant, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distributions would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to such extent (or the beneficial ownership of any such Ordinary Shares as a result of such Distribution to such extent) and such Distribution to such extent shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

4. PURCHASE RIGHTS; FUNDAMENTAL TRANSACTIONS.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 2 above, if at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

(b) Fundamental Transactions. The Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes in writing all of the obligations of the Company under this Warrant and the other Transaction Documents related to this Warrant in accordance with the provisions of this Section 4(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder, including agreements confirming the obligations of the Successor Entity as set forth in this paragraph (b) and (c) and elsewhere in this Warrant and an obligation to deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant, including, without limitation, which is exercisable for a corresponding number of shares of capital stock equivalent to the Ordinary Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Ordinary Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such adjustments to the number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction). Notwithstanding the foregoing, at the election of the Holder upon exercise of this Warrant following a Fundamental Transaction, the Successor Entity shall deliver to the Holder, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 3 and 4(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of this Warrant prior to the applicable Fundamental Transaction, such shares of common stock (or its equivalent) of the Successor Entity (including its Parent Entity), or other securities, cash, assets or other property, which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(f).

(c) Black Scholes Value – FT.

Notwithstanding the foregoing and the provisions of Section 4(b) above, at the request of the Holder delivered at any time commencing on the earliest to occur of (i) the public disclosure of any Fundamental Transaction, (ii) the consummation of any Fundamental Transaction and (iii) the Holder first becoming aware of any Fundamental Transaction through the date that is ninety (90) days after the public disclosure of the consummation of such Fundamental Transaction by the Company pursuant to a Current Report on Form 6-K filed with the SEC, the Company or the Successor Entity, at the election of the Holder, shall purchase this Warrant from the Holder on the date of the consummation of such Fundamental Transaction by paying to the Holder cash in an amount equal to the Black Scholes Value – FT.

(d) Application. The provisions of this Section 4 shall apply similarly and equally to successive Fundamental Transactions and shall be applied as if this Warrant (and any such subsequent warrants issued hereunder) were fully exercisable and without regard to any limitations on the exercise of this Warrant (provided that the Holder shall continue to be entitled to the benefit of the Maximum Percentage, applied however with respect to shares of capital stock registered under the 1934 Act and thereafter receivable upon exercise of this Warrant (or any such other warrant)).

5. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its certificate of incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Ordinary Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Ordinary Shares upon the exercise of this Warrant, and (iii) shall, so long as any of the SPA Warrants are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Ordinary Shares, solely for the purpose of effecting the exercise of the SPA Warrants, the maximum number of Ordinary Shares as shall from time to time be necessary to effect the exercise of the SPA Warrants then outstanding; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(f).

6. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 6, the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company generally, contemporaneously with the giving thereof to the shareholders.

7. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 7(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 7(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, provide to the Company an opinion of counsel selected by the Holder and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred securities under the Securities Act.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 7(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 7(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional Ordinary Shares shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 7(a) or Section 7(c), the Warrant Shares designated by the Holder which, when added to the number of Ordinary Shares underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with Section 9(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant, including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) as soon as practicable upon each adjustment of the Exercise Price and the number of Warrant Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s) and (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities, indebtedness, or other property pro rata to holders of Ordinary Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information (to the extent it constitutes, or contains, material, non-public information regarding the Company shall be made known to the public prior to or in conjunction with such notice being provided to the Holder and (iii) at least ten (10) Trading Days prior to the consummation of any Fundamental Transaction. To the extent that any notice provided hereunder (whether under this Section 8 or otherwise) constitutes, or contains, material, non-public information regarding the Company, the Company shall simultaneously file such notice with the SEC (as defined in the Securities Purchase Agreement) pursuant to a Current Report on Form 6-K. It is expressly understood and agreed that the time of execution specified by the Holder in each Exercise Notice shall be definitive and may not be disputed or challenged by the Company.

9. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant (other than Section 1(f)) may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder. The Holder shall be entitled, at its option, to the benefit of any amendment of any other similar warrant issued under the Securities Purchase Agreement. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

10. SEVERABILITY. If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

11. GOVERNING LAW. This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder or to enforce a judgment or other court ruling in favor of the Holder. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

12. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant. Terms used in this Warrant but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Closing Date (as defined in the Securities Purchase Agreement) in such other Transaction Documents unless otherwise consented to in writing by the Holder.

13. DISPUTE RESOLUTION. In the case of a dispute as to the determination of the Exercise Price, the Applicable Price, the Closing Sale Price, the Closing Bid Price, the Bid Price or fair market value or the arithmetic calculation of the Warrant Shares (as the case may be), the Company or the Holder (as the case may be) shall submit the disputed determinations or arithmetic calculations (as the case may be) via facsimile (i) within two (2) Business Days after receipt of the applicable notice giving rise to such dispute to the Company or the Holder (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after the Holder or the Company (as the case may be) learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to agree upon such determination or calculation (as the case may be) of the Exercise Price, the Closing Sale Price, the Closing Bid Price, the Bid Price or fair market value or the number of Warrant Shares (as the case may be) within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Company or the Holder (as the case may be), then the Company shall, within two (2) Business Days submit via facsimile (a) the disputed arithmetic calculation of the Warrant Shares, the disputed determination of the Exercise Price, the Closing Sale Price, the Closing Bid Price, the Bid Price or fair market value (as the case may be) to an independent, reputable investment bank selected by the Holder, with the consent of the Company (which may not be unreasonably withheld, conditioned or delayed), or (b) if acceptable to the Holder, the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant (as the case may be) to perform the determinations or calculations (as the case may be) and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives such disputed determinations or calculations (as the case may be). Such investment bank's or accountant's determination or calculation (as the case may be) shall be binding upon all parties absent demonstrable error.

14. REMEDIES, CHARACTERIZATION, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Warrant (including, without limitation, compliance with Section 2 hereof). The issuance of shares and certificates for shares as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

15. TRANSFER. This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company.

16. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Bid Price**" means, for any security as of the particular time of determination, the bid price for such security on the Principal Market as reported by Bloomberg as of such time of determination, or, if the Principal Market is not the principal securities exchange or trading market for such security, the bid price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg as of such time of determination, or if the foregoing does not apply, the bid price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg as of such time of determination, or, if no bid price is reported for such security by Bloomberg as of such time of determination, the average of the bid prices of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC) as of such time of determination. If the Bid Price cannot be calculated for a security as of the particular time of determination on any of the foregoing bases, the Bid Price of such security as of such time of determination shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(b) "**Black Scholes Value**" means the Black Scholes value of an option for one Ordinary Share at the date of the applicable Cashless Exercise, as such Black Scholes value is determined, calculated using the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg utilizing (i) an underlying price per share equal to the Exercise Price, (ii) a risk-free interest rate corresponding to the U.S. Treasury rate, (iii) a strike price equal to the Exercise Price in effect at the time of the applicable Cashless Exercise, (iv) an expected volatility equal to 135%, and (v) a deemed remaining term of the Warrant of five (5) years (regardless of the actual remaining term of the Warrant).

(c) "**Black Scholes Value — FT**" means the value of the unexercised portion of this Warrant remaining on the date of the Holder's request pursuant to Section 4(c), which value is calculated using the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg utilizing (i) an underlying price per share equal to the greater of (A) the highest Closing Sale Price of the Ordinary Shares during the period beginning on the Trading Day immediately preceding the earliest to occur of (1) the public disclosure of the applicable Fundamental Transaction, (2) the consummation of the applicable Fundamental Transaction and (3) the date on which the Holder first became aware of the applicable Fundamental Transaction and ending on the Trading Day of the Holder's request pursuant to Section 4(c) and (B) the sum of the price per share being offered in cash in the applicable Fundamental Transaction (if any) plus the value of the non-cash consideration being offered in the applicable Fundamental Transaction (if any), (ii) a strike price equal to the Exercise Price in effect on the date of the Holder's request pursuant to Section 4(c), (iii) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the greater of (A) the remaining term of this Warrant as of the date of the Holder's request pursuant to Section 4(c) and (B) the remaining term of this Warrant as of the date of consummation of the applicable Fundamental Transaction or as of the date of the Holder's request pursuant to Section 4(c) if such request is prior to the date of the consummation of the applicable Fundamental Transaction and (iv) an expected volatility equal to the greater of 135% and the 100 day volatility obtained from the HVT function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the earliest to occur of (A) the public disclosure of the applicable Fundamental Transaction, (B) the consummation of the applicable Fundamental Transaction and (C) the date on which the Holder first became aware of the applicable Fundamental Transaction.

(d) "**Bloomberg**" means Bloomberg, L.P.

(e) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in New York, New York, Sydney, Australia or Aukland, New Zealand are authorized or required by law to remain closed.

(f) "**Closing Bid Price**" and "**Closing Sale Price**" means, for any security as of any date, the last closing bid price and the last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the average of the bid prices, or the ask prices, respectively, of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price (as the case may be) of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(g) "**Ordinary Shares**" means (i) the Company's ordinary shares, without par value, and (ii) any capital stock into which such ordinary shares of the Company shall have been changed or any share capital resulting from a reclassification of such ordinary shares.

(h) "**Convertible Securities**" means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any Ordinary Shares.

(i) "**Eligible Market**" means The Toronto Stock Exchange, the New York Stock Exchange, the NYSE Amex, the Nasdaq Global Select Market, the Nasdaq Global Market or the Principal Market.

(j) "**Expiration Date**" means the date that is March 27, 2024 or, if such date falls on a day other than a Business Day or on which trading does not take place on the Principal Market (a "**Holiday**"), the next date that is not a Holiday.

(k) "**Fundamental Transaction**" means that (i) the Company shall, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into (whether or not the Company is the surviving entity) any other Person unless the shareholders of the Company immediately prior to such consolidation or merger continue to hold more than 50% of the outstanding shares of Voting Stock after such consolidation or merger, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets to any other Person, in connection with which the Company is dissolved, or (3) allow any other Person to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (4) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), or (ii) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Voting Stock of the Company.

(l) "**Market Price**" means, as of any time of determination, the Closing Bid Price as of the last completed Trading Day immediately prior thereto.

(m) "**Options**" means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

(n) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(o) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(p) "**Principal Market**" means the Nasdaq Capital Market.

(q) "**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(r) "**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Ordinary Shares, then on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The New York Stock Exchange (or any successor thereto) is open for trading of securities.

(s) "**Voting Stock**" of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

(t) "**VWAP**" means, for any security as of any date, the dollar volume-weighted average price for such security on the Principal Market (or, if the Principal Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded) during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its "Volume at Price" function or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the three highest closing bid prices and the three lowest closing ask prices of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Ordinary Shares to be duly executed as of the Issuance Date set out above.

NAKED BRAND GROUP LIMITED

By: _____
Name:
Title:

EXHIBIT A

EXERCISE NOTICE
TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS
WARRANT TO PURCHASE COMMON STOCK

NAKED BRAND GROUP LIMITED

The undersigned holder hereby exercises the right to purchase _____ of the Ordinary Shares ("**Warrant Shares**") of Naked Brand Group Limited, an Australian Company (the "**Company**"), evidenced by Warrant to Purchase Ordinary Shares No. _____ (the "**Warrant**"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as:

_____ a "Cash Exercise" with respect to _____ Warrant Shares; and/or

_____ a "Cashless Exercise" with respect to _____ Warrant Shares.

In the event that the Holder has elected a Cashless Exercise with respect to some or all of the Warrant Shares, the Holder represents and warrants that _____ Ordinary Shares are to be delivered pursuant to such Cashless Exercise, as further specified in Annex A to this Exercise Notice.

2. Payment of Exercise Price. In the event that the Holder has elected a Cash Exercise with respect to some or all of the Warrant Shares, the Holder shall pay the Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares and Net Number of Ordinary Shares. The Company shall deliver to Holder, or its designee or agent as specified below, _____ Ordinary Shares in respect of the exercise contemplated hereby. Delivery shall be made to Holder, or for its benefit, to the following address:

_____
_____
_____
_____

Date: _____ __, _____

_____
Name of Registered Holder

By: _____
Name:
Title:

Account Number: _____
(if electronic book entry transfer)

Transaction Code Number: _____
(if electronic book entry transfer)

ANNEX A TO EXERCISE NOTICE

CASHLESS EXERCISE EXCHANGE CALCULATION

TO BE FILLED IN BY THE REGISTERED HOLDER TO EXCHANGE THE WARRANT TO PURCHASE COMMON A STOCK FOR COMMON STOCK IN A CASHLESS EXERCISE PURSUANT TO SECTION 1(d) OF THE WARRANT

Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

Net Number = (A x B)/C = _____ Ordinary Shares

For purposes of the foregoing formula:

A= the total number of shares with respect to which the Warrant is then being exercised = _____.

B= Black Scholes Value (as defined in Section 16 of the Warrant) = _____.

C= the Closing Bid Price of the Ordinary Shares as of two (2) Trading Days prior to the time of such exercise (as such Closing Bid Price is defined in Section 16 of the Warrant) = _____.

Date: _____ __, _____

_____

Name of Registered Holder

By: _____

Name:

Title:

EXHIBIT B

ACKNOWLEDGMENT

The Company hereby acknowledges this Exercise Notice and hereby directs _____ to issue the above indicated number of Ordinary Shares in accordance with the Transfer Agent Instructions dated _____, 20__, from the Company and acknowledged and agreed to by _____.

NAKED BRAND GROUP LIMITED

By: _____
Name:
Title:

Exhibit 4.7.3

WARRANT

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), FROM REPUTABLE COUNSEL, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

NAKED BRAND GROUP LIMITED

Warrant To Purchase Ordinary Shares

Warrant No.:
Date of Issuance: March 27, 2019 ("**Issuance Date**")

Naked Brand Group Limited, an Australian company (the "**Company**"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, , the registered holder hereof or its permitted assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this Warrant to Purchase Ordinary Shares (including any Warrants to Purchase Ordinary Shares issued in exchange, transfer or replacement hereof, the "**Warrant**"), at any time or times on or after the Issuance Date, but not after 11:59 p.m., New York time, on the Expiration Date (as defined below), (subject to adjustment as provided herein), fully paid and non-assessable Ordinary Shares (as defined below) (the "**Warrant Shares**"). Except as otherwise defined herein, capitalized terms in this Warrant shall have the meanings set forth in Section 16. This Warrant is one of the Warrants to purchase Ordinary Shares (the "**SPA Warrants**") issued to Holder pursuant to that certain Securities Purchase Agreement, dated as of March 27, 2019, by and among the Company and the investor(s) thereunder (the "**Buyer"** or **"Buyers**" as applicable) referred to therein (the "**Securities Purchase Agreement**").

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(f)), this Warrant may be exercised by the Holder on any day on or after the Issuance Date in whole or in part, by delivery (whether via facsimile or otherwise) of a written notice, in the form attached hereto as **Exhibit A** (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. Within one (1) Trading Day following an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant was so exercised (in respect of such specific exercise, the "**Aggregate Exercise Price**") in cash or via wire transfer of immediately available funds if the Holder did not notify the Company in such Exercise Notice that such exercise was made pursuant to a Cashless Exercise (as defined in Section 1(d)). The Holder shall not be required to deliver the original of this Warrant in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate and issuance of a new Warrant certificate evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate after delivery of the Warrant Shares in accordance with the terms hereof. On or before the first (1 st) Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by facsimile an acknowledgment of confirmation of receipt of such Exercise Notice, in the form attached hereto as **Exhibit B**, to the Holder and the Company's transfer agent (the "**Transfer Agent**"). On or before the fifth (5th) Trading Day following the date on which the Company has received such Exercise Notice, the Company shall (i) provided that the Transfer Agent is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program (which the Company shall cause the Transfer Agent to do at Holder's request) and provided the legends would be eligible to be removed from such Ordinary Shares pursuant to Section 5(d) of the Securities Purchase Agreement, upon the request of the Holder, credit such aggregate number of Ordinary Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/ Withdrawal at Custodian system, or (ii) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program or the legends would not be eligible to be removed from such Ordinary Shares pursuant to Section 5(d) of the Securities Purchase Agreement, issue and deliver to the Holder or, at the Holder's instruction pursuant to the Exercise Notice, the Holder's agent or designee, in each case, sent by reputable overnight courier to the address as specified in the applicable Exercise Notice, a certificate, registered in the Company's share register in the name of the Holder or its designee (as indicated in the applicable Exercise Notice), for the number of Ordinary Shares to which the Holder is entitled pursuant to such exercise. Upon delivery of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder's DTC account or the date of delivery of the certificates evidencing such Warrant Shares (as the case may be). If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then, at the request of the Holder and upon surrender hereof by the Holder at the principal office of the Company, the Company shall as soon as practicable and in no event later than three (3) Business Days after any exercise and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant (in accordance with Section 7(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. No fractional Ordinary Shares are to be issued upon the exercise of this Warrant, but rather the number of Ordinary Shares to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all taxes and fees which may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant.

(b) Exercise Price. For purposes of this Warrant, "**Exercise Price**" means $0.306, subject to adjustment as provided herein.

(c) Company's Failure to Timely Deliver Securities. To the extent permitted by law, the Company's obligations to issue and deliver the Ordinary Shares upon exercise of the Warrant in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance that might otherwise limit such obligation of the Company to the Holder in connection with the issuance of the Ordinary Shares. Nothing herein shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver the Ordinary Shares issuable upon exercise of this Warrant as required pursuant to the terms hereof.

(d) Cashless Exercise. Notwithstanding anything contained herein to the contrary (other than Section 1(f) below), at any time commencing sixty (60) days after the Effective Date (as defined in the Securities Purchase Agreement), when the Exercise Price is higher than the previous day Closing Bid Price, the Holder may in its sole discretion (and without limiting the Holder's rights and remedies contained herein or in any of the other Transaction Documents (as defined in the Securities Purchase Agreement)), exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "Net Number" of Ordinary Shares determined according to the following formula (a "**Cashless Exercise**"):

Net Number = (A x B)/C

For purposes of the foregoing formula:

A= the total number of shares with respect to which this Warrant is then being exercised.

B= Black Scholes Value (as defined in Section 16 herein).

C= the Closing Bid Price of the Ordinary Shares as of two (2) Trading Days prior to the time of such exercise (as such Closing Bid Price is defined in Section 16 herein), but in any event not less than $0.10 (as may be adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 2(a) herein).

(e) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the number of Warrant Shares to be issued pursuant to the terms hereof (including, without limitation, the Net Number), the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed, provided that following such issuance to Holder such dispute shall be resolved in accordance with Section 13.

(f) Limitations on Exercises and Exchanges. Notwithstanding anything to the contrary contained in this Warrant, this Warrant shall not be exercisable or exchangeable by the Holder hereof to the extent (but only to the extent) that the Holder or any of its affiliates would beneficially own in excess of 9.9% of the number of Ordinary Shares outstanding after giving effect to the issuance of Ordinary Shares issuable upon exercise of the Warrants calculated in accordance with Section 13(d) of the Exchange Act (the "**Maximum Percentage**"). To the extent the above limitation applies, the determination of whether this Warrant shall be exercisable or exchangeable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Holder or any of its affiliates) and of which such securities shall be exercisable or exchangeable (as among all such securities owned by the Holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to exercise or exchange this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability or exchangeability. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the 1934 Act (as defined in the Securities Purchase Agreement) and the rules and regulations promulgated thereunder. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant. The holders of Ordinary Shares shall be third party beneficiaries of this paragraph and the Company may not waive this paragraph without the consent of holders of a majority of its Ordinary Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding, including by virtue of any prior conversion or exercise or exchange of convertible or exercisable or exchangeable securities into Ordinary Shares, including, without limitation, pursuant to this Warrant or securities issued pursuant to the Securities Purchase Agreement.

(g) Reservation of Shares; Insufficient Authorized Shares. The Company shall initially reserve out of its authorized and unissued Ordinary Shares a number of Ordinary Shares equal to 200% of the maximum number of Warrant Shares issuable to satisfy the Company's obligations to issue Ordinary Shares hereunder, and the Company shall at all times keep reserved for issuance under this Warrant a number of Ordinary Shares equal to 200% of the maximum number of Warrant Shares issuable to satisfy the Company's obligation to issue Ordinary Shares hereunder.

(h) Activity Restrictions. For so long as Holder holds this Warrant or any Warrant Shares, Holder will not: (i) engage or participate in any actions, plans or proposals which relate to or would result in (a) acquiring additional securities of the Company, alone or together with any other Person, which would result in beneficially owning or controlling, or being deemed to beneficially own or control, more than 9.9% of the total outstanding Ordinary Shares or other voting securities of the Company, (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Company, (c) a sale or transfer of a material amount of assets of the Company, (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board, (e) any material change in the present capitalization or dividend policy of the Company, (f) any other material change in the Company's business or corporate structure, including but not limited to, if the Company is a registered closed-end investment company, any plans or proposals to make any changes in its investment policy for which a vote is required by Section 13 of the Investment Company Act of 1940, (g) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any Person, (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association, (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act, or (j) any action, intention, plan or arrangement similar to any of those enumerated above, or (ii) request the Company or its directors, officers, employees, agents or representatives to amend or waive any provision of this Section 1(h); provided, however, that notwithstanding anything to the contrary contain in clauses (i) and (ii) above, Buyer may vote any Ordinary Shares owned or controlled by it, solicit any proxies, or seek to advise or influence any Person with respect to any voting securities of the Company. Holder may only exercise this Warrant for a cash exercise price if the trading price at the time of exercise is greater than the then applicable Exercise Price.

2. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 2.

(a) Stock Dividends and Splits. Without limiting any provision of Section 4, if the Company, at any time on or after the date of the Securities Purchase Agreement, (i) pays a stock dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of capital stock that is payable in Ordinary Shares, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that an Exercise Price is calculated hereunder, then the calculation of such Exercise Price shall be adjusted appropriately to reflect such event.

(b) Adjustment Upon Issuance of Ordinary Shares. If, from the Issuance Date to ninety (90) days after the effectiveness of the Registration Statement (the "**Adjustment Period**"), the Company issues or sells, or in accordance with this Section 2 is deemed to have issued or sold, any Ordinary Shares (including the issuance or sale of Ordinary Shares owned or held by or for the account of the Company, but excluding any Excluded Securities (as defined in the Securities Purchase Agreement) issued or sold or deemed to have been issued or sold) for a consideration per share (the "**New Issuance Price**") less than a price equal to the Exercise Price in effect immediately prior to such issue or sale or deemed issuance or sale (such Exercise Price then in effect is referred to as the "**Applicable Price**") (the foregoing a "**Dilutive Issuance**"), then immediately after such Dilutive Issuance, the Exercise Price then in effect shall be reduced (and in no event increased) to an Exercise Price equal to the lowest price per share at which any such Ordinary Share has been issued or sold (or is deemed to have been issued or sold), but in any event not less than $0.10 (as may be adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 2(a) herein, the "**Floor Price**"); provided, that if such issuance or sale (or deemed issuance or sale) was without consideration, then the Company shall be deemed to have received the Floor Price for each such share so issued or deemed to be issued. For all purposes of the foregoing (including, without limitation, determining the adjusted Exercise Price and consideration per share under this Section 2(b)), the following shall be applicable:

(i) Issuance of Options. If, during the Adjustment Period, the Company in any manner grants or sells any Options and the lowest price per share for which one Ordinary Share is issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option is less than the Applicable Price, then such Ordinary Share shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting or sale of such Option for such price per share. For purposes of this Section 2(b)(i), the "lowest price per share for which one Ordinary Share is issuable upon the exercise of any such Options or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option" shall be equal to (A) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one Ordinary Share upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option minus (B) the sum of all amounts paid or payable to the holder of such Option (or any other Person) upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Option (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Ordinary Shares or of such Convertible Securities upon the exercise of such Options or upon the actual issuance of such Ordinary Shares upon conversion, exercise or exchange of such Convertible Securities.

(ii) Issuance of Convertible Securities. If, during the Adjustment Period, the Company in any manner issues or sells any Convertible Securities and the lowest price per share for which one Ordinary Share is issuable upon the conversion, exercise or exchange thereof is less than the Applicable Price, then such Ordinary Share shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this Section 2(b)(ii), the "lowest price per share for which one Ordinary Share is issuable upon the conversion, exercise or exchange thereof" shall be equal to (A) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one Ordinary Share upon the issuance or sale of the Convertible Security and upon conversion, exercise or exchange of such Convertible Security minus (B) the sum of all amounts paid or payable to the holder of such Convertible Security (or any other Person) upon the issuance or sale of such Convertible Security plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Convertible Security (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Ordinary Shares upon conversion, exercise or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Options for which adjustment of this Warrant has been or is to be made pursuant to other provisions of this Section 2(b), except as contemplated below, no further adjustment of the Exercise Price shall be made by reason of such issue or sale.

(iii) Change in Option Price or Rate of Conversion. If, during the Adjustment Period, the purchase or exercise price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exercisable or exchangeable for Ordinary Shares increases or decreases at any time, the Exercise Price in effect at the time of such increase or decrease shall be adjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate, as the case may be, at the time initially granted, issued or sold. For purposes of this Section 2(b)(iii), if the terms of any Option or Convertible Security that was outstanding as of the date of issuance of this Warrant are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the Ordinary Shares deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this Section 2(b) shall be made if such adjustment would result in an increase of the Exercise Price then in effect.

(iv) Calculation of Consideration Received. If, during the Adjustment Period, any Option or Convertible Security is issued in connection with the issuance or sale or deemed issuance or sale of any other securities of the Company, together comprising one integrated transaction, (A) such Option or Convertible Security (as applicable) will be deemed to have been issued for consideration equal to the Black Scholes Value thereof and (B) the other securities issued or sold or deemed to have been issued or sold in such integrated transaction shall be deemed to have been issued for consideration equal to the difference of (1) the aggregate consideration received by the Company, minus (2) the Black Scholes Value of each such Option or Convertible Security (as applicable). If any Ordinary Shares, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor will be deemed to be the net amount of consideration received by the Company therefor. If any Ordinary Shares, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Company will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company for such securities will be the arithmetic average of the VWAPs of such security for each of the five (5) Trading Days immediately preceding the date of receipt. If any Ordinary Shares, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Ordinary Shares, Options or Convertible Securities, as the case may be. The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Company and the Holder. If such parties are unable to reach agreement within ten (10) days after the occurrence of an event requiring valuation (the "**Valuation Event**"), the fair value of such consideration will be determined within five (5) Trading Days after the tenth (10^{th}) day following such Valuation Event by an independent, reputable appraiser jointly selected by the Company and the Holder. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

(v) Record Date. If, during the Adjustment Period, the Company takes a record of the holders of Ordinary Shares for the purpose of entitling them (A) to receive a dividend or other distribution payable in Ordinary Shares, Options or in Convertible Securities or (B) to subscribe for or purchase Ordinary Shares, Options or Convertible Securities, then such record date will be deemed to be the date of the issue or sale of the Ordinary Shares deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase (as the case may be).

(c) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to paragraph (a) or (b) of this Section 2, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained herein). In addition, and notwithstanding anything to the contrary contained herein, upon a Cashless Exercise as set forth in Section 1(d) hereof, the number of Warrant Shares for which this Warrant is exercisable immediately following such Cashless Exercise shall be equal to (i) the number of Warrant Shares for which this Warrant was exercisable immediately prior to such Cashless Exercise less (ii) the number of Warrant Shares as to which such Cashless Exercise was exercised (such number of Warrant Shares in this clause (ii) in respect of such Cashless Exercise being equal to "A" in such Cashless Exercise formula in respect of such Cashless Exercise) and the number of such Warrant Shares issuable hereunder shall automatically be adjusted, as necessary, to enable to the Company to comply with its obligations to issue the Net Number of Ordinary Shares under Section 1(d) hereof upon any Cashless Exercise hereunder.

(d) Calculations. All calculations under this Section 2 shall be made by rounding to the nearest 1/10000th of cent and the nearest 1/100th of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

(e) Other Events. In the event that the Company shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 2 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors shall in good faith determine and implement an appropriate adjustment in the Exercise Price and the number of Warrant Shares (if applicable) so as to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 2(e) will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this Section 2, provided further that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's board of directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

3. RIGHTS UPON DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Section 2 above, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, indebtedness, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, other than a distribution of Ordinary Shares covered by Section 2(a)) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case, provision shall be made so that upon exercise of this Warrant, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distributions would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to such extent (or the beneficial ownership of any such Ordinary Shares as a result of such Distribution to such extent) and such Distribution to such extent shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

4. PURCHASE RIGHTS; FUNDAMENTAL TRANSACTIONS.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 2 above, if at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

(b) Fundamental Transactions. The Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes in writing all of the obligations of the Company under this Warrant and the other Transaction Documents related to this Warrant in accordance with the provisions of this Section 4(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder, including agreements confirming the obligations of the Successor Entity as set forth in this paragraph (b) and (c) and elsewhere in this Warrant and an obligation to deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant, including, without limitation, which is exercisable for a corresponding number of shares of capital stock equivalent to the Ordinary Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Ordinary Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such adjustments to the number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction). Notwithstanding the foregoing, at the election of the Holder upon exercise of this Warrant following a Fundamental Transaction, the Successor Entity shall deliver to the Holder, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 3 and 4(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of this Warrant prior to the applicable Fundamental Transaction, such shares of common stock (or its equivalent) of the Successor Entity (including its Parent Entity), or other securities, cash, assets or other property, which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(f).

(c) Black Scholes Value – FT. Notwithstanding the foregoing and the provisions of Section 4(b) above, at the request of the Holder delivered at any time commencing on the earliest to occur of (i) the public disclosure of any Fundamental Transaction, (ii) the consummation of any Fundamental Transaction and (iii) the Holder first becoming aware of any Fundamental Transaction through the date that is ninety (90) days after the public disclosure of the consummation of such Fundamental Transaction by the Company pursuant to a Current Report on Form 6-K filed with the SEC, the Company or the Successor Entity, at the election of the Holder, shall purchase this Warrant from the Holder on the date of the consummation of such Fundamental Transaction by paying to the Holder cash in an amount equal to the Black Scholes Value – FT.

(d) Application. The provisions of this Section 4 shall apply similarly and equally to successive Fundamental Transactions and shall be applied as if this Warrant (and any such subsequent warrants issued hereunder) were fully exercisable and without regard to any limitations on the exercise of this Warrant (provided that the Holder shall continue to be entitled to the benefit of the Maximum Percentage, applied however with respect to shares of capital stock registered under the 1934 Act and thereafter receivable upon exercise of this Warrant (or any such other warrant)).

5. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its certificate of incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Ordinary Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Ordinary Shares upon the exercise of this Warrant, and (iii) shall, so long as any of the SPA Warrants are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Ordinary Shares, solely for the purpose of effecting the exercise of the SPA Warrants, the maximum number of Ordinary Shares as shall from time to time be necessary to effect the exercise of the SPA Warrants then outstanding; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(f).

6. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 6, the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company generally, contemporaneously with the giving thereof to the shareholders.

7. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 7(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 7(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, provide to the Company an opinion of counsel selected by the Holder and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred securities under the Securities Act.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 7(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 7(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional Ordinary Shares shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 7(a) or Section 7(c), the Warrant Shares designated by the Holder which, when added to the number of Ordinary Shares underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with Section 9(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant, including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) as soon as practicable upon each adjustment of the Exercise Price and the number of Warrant Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s) and (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities, indebtedness, or other property pro rata to holders of Ordinary Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information (to the extent it constitutes, or contains, material, non-public information regarding the Company shall be made known to the public prior to or in conjunction with such notice being provided to the Holder and (iii) at least ten (10) Trading Days prior to the consummation of any Fundamental Transaction. To the extent that any notice provided hereunder (whether under this Section 8 or otherwise) constitutes, or contains, material, non-public information regarding the Company, the Company shall simultaneously file such notice with the SEC (as defined in the Securities Purchase Agreement) pursuant to a Current Report on Form 6-K. It is expressly understood and agreed that the time of execution specified by the Holder in each Exercise Notice shall be definitive and may not be disputed or challenged by the Company.

9. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant (other than Section 1(f)) may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder. The Holder shall be entitled, at its option, to the benefit of any amendment of any other similar warrant issued under the Securities Purchase Agreement. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

10. SEVERABILITY. If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

11. GOVERNING LAW. This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder or to enforce a judgment or other court ruling in favor of the Holder. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

12. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant. Terms used in this Warrant but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Closing Date (as defined in the Securities Purchase Agreement) in such other Transaction Documents unless otherwise consented to in writing by the Holder.

13. DISPUTE RESOLUTION. In the case of a dispute as to the determination of the Exercise Price, the Closing Sale Price, the Closing Bid Price, the Bid Price or fair market value or the arithmetic calculation of the Warrant Shares (as the case may be), the Company or the Holder (as the case may be) shall submit the disputed determinations or arithmetic calculations (as the case may be) via facsimile (i) within two (2) Business Days after receipt of the applicable notice giving rise to such dispute to the Company or the Holder (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after the Holder or the Company (as the case may be) learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to agree upon such determination or calculation (as the case may be) of the Exercise Price, the Closing Sale Price, the Closing Bid Price, the Bid Price or fair market value or the number of Warrant Shares (as the case may be) within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Company or the Holder (as the case may be), then the Company shall, within two (2) Business Days submit via facsimile (a) the disputed arithmetic calculation of the Warrant Shares, the disputed determination of the Exercise Price, the Closing Sale Price, the Closing Bid Price, the Bid Price or fair market value (as the case may be) to an independent, reputable investment bank selected by the Holder, with the consent of the Company (which may not be unreasonably withheld, conditioned or delayed), or (b) if acceptable to the Holder, the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant (as the case may be) to perform the determinations or calculations (as the case may be) and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives such disputed determinations or calculations (as the case may be). Such investment bank's or accountant's determination or calculation (as the case may be) shall be binding upon all parties absent demonstrable error.

14. REMEDIES, CHARACTERIZATION, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Warrant (including, without limitation, compliance with Section 2 hereof). The issuance of shares and certificates for shares as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

15. TRANSFER. This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company.

16. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Bid Price**" means, for any security as of the particular time of determination, the bid price for such security on the Principal Market as reported by Bloomberg as of such time of determination, or, if the Principal Market is not the principal securities exchange or trading market for such security, the bid price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg as of such time of determination, or if the foregoing does not apply, the bid price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg as of such time of determination, or, if no bid price is reported for such security by Bloomberg as of such time of determination, the average of the bid prices of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC) as of such time of determination. If the Bid Price cannot be calculated for a security as of the particular time of determination on any of the foregoing bases, the Bid Price of such security as of such time of determination shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(b) "**Black Scholes Value**" means the Black Scholes value of an option for one Ordinary Share at the date of the applicable Cashless Exercise, as such Black Scholes value is determined, calculated using the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg utilizing (i) an underlying price per share equal to the Exercise Price, (ii) a risk-free interest rate corresponding to the U.S. Treasury rate, (iii) a strike price equal to the Exercise Price in effect at the time of the applicable Cashless Exercise, (iv) an expected volatility equal to 135%, and (v) a deemed remaining term of the Warrant of five (5) years (regardless of the actual remaining term of the Warrant).

(c) "**Black Scholes Value — FT**" means the value of the unexercised portion of this Warrant remaining on the date of the Holder's request pursuant to Section 4(c), which value is calculated using the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg utilizing (i) an underlying price per share equal to the greater of (A) the highest Closing Sale Price of the Ordinary Shares during the period beginning on the Trading Day immediately preceding the earliest to occur of (1) the public disclosure of the applicable Fundamental Transaction, (2) the consummation of the applicable Fundamental Transaction and (3) the date on which the Holder first became aware of the applicable Fundamental Transaction and ending on the Trading Day of the Holder's request pursuant to Section 4(c) and (B) the sum of the price per share being offered in cash in the applicable Fundamental Transaction (if any) plus the value of the non-cash consideration being offered in the applicable Fundamental Transaction (if any), (ii) a strike price equal to the Exercise Price in effect on the date of the Holder's request pursuant to Section 4(c), (iii) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the greater of (A) the remaining term of this Warrant as of the date of the Holder's request pursuant to Section 4(c) and (B) the remaining term of this Warrant as of the date of consummation of the applicable Fundamental Transaction or as of the date of the Holder's request pursuant to Section 4(c) if such request is prior to the date of the consummation of the applicable Fundamental Transaction and (iv) an expected volatility equal to the greater of 135% and the 100 day volatility obtained from the HVT function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the earliest to occur of (A) the public disclosure of the applicable Fundamental Transaction, (B) the consummation of the applicable Fundamental Transaction and (C) the date on which the Holder first became aware of the applicable Fundamental Transaction.

(d) "**Bloomberg**" means Bloomberg, L.P.

(e) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in New York, New York, Sydney, Australia or Aukland, New Zealand are authorized or required by law to remain closed.

(f) "**Closing Bid Price**" and "**Closing Sale Price**" means, for any security as of any date, the last closing bid price and the last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the average of the bid prices, or the ask prices, respectively, of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price (as the case may be) of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(g) "**Ordinary Shares**" means (i) the Company's ordinary shares, without par value, and (ii) any capital stock into which such ordinary shares of the Company shall have been changed or any share capital resulting from a reclassification of such ordinary shares.

(h) "**Convertible Securities**" means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any Ordinary Shares.

(i) "**Eligible Market**" means The Toronto Stock Exchange, the New York Stock Exchange, the NYSE Amex, the Nasdaq Global Select Market, the Nasdaq Global Market or the Principal Market.

(j) "**Expiration Date**" means the date that is March 27, 2024 or, if such date falls on a day other than a Business Day or on which trading does not take place on the Principal Market (a "**Holiday**"), the next date that is not a Holiday.

(k) "**Fundamental Transaction**" means that (i) the Company shall, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into (whether or not the Company is the surviving entity) any other Person unless the shareholders of the Company immediately prior to such consolidation or merger continue to hold more than 50% of the outstanding shares of Voting Stock after such consolidation or merger, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets to any other Person, in connection with which the Company is dissolved, or (3) allow any other Person to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (4) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), or (ii) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Voting Stock of the Company.

(l) "**Market Price**" means, as of any time of determination, the Closing Bid Price as of the last completed Trading Day immediately prior thereto.

(m) "**Options**" means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

(n) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(o) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(p) "**Principal Market**" means the Nasdaq Capital Market.

(q) "**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(r) "**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Ordinary Shares, then on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The New York Stock Exchange (or any successor thereto) is open for trading of securities.

(s) "**Voting Stock**" of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

(t) "**VWAP**" means, for any security as of any date, the dollar volume-weighted average price for such security on the Principal Market (or, if the Principal Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded) during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its "Volume at Price" function or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the three highest closing bid prices and the three lowest closing ask prices of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Ordinary Shares to be duly executed as of the Issuance Date set out above.

NAKED BRAND GROUP LIMITED

By: _____
Name:
Title:

EXHIBIT A

EXERCISE NOTICE

TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS WARRANT TO PURCHASE COMMON STOCK

NAKED BRAND GROUP LIMITED

The undersigned holder hereby exercises the right to purchase _____ of the Ordinary Shares ("**Warrant Shares**") of Naked Brand Group Limited, an Australian Company (the "**Company**"), evidenced by Warrant to Purchase Ordinary Shares No. _____ (the "**Warrant**"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as:

_____ a "Cash Exercise" with respect to _____ Warrant Shares; and/or

_____ a "Cashless Exercise" with respect to _____ Warrant Shares.

In the event that the Holder has elected a Cashless Exercise with respect to some or all of the Warrant Shares, the Holder represents and warrants that _____ Ordinary Shares are to be delivered pursuant to such Cashless Exercise, as further specified in Annex A to this Exercise Notice.

2 . Payment of Exercise Price. In the event that the Holder has elected a Cash Exercise with respect to some or all of the Warrant Shares, the Holder shall pay the Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3 . Delivery of Warrant Shares and Net Number of Ordinary Shares. The Company shall deliver to Holder, or its designee or agent as specified below, _____ Ordinary Shares in respect of the exercise contemplated hereby. Delivery shall be made to Holder, or for its benefit, to the following address:

_____
_____
_____
_____

Date: _____ __, _____

_____
Name of Registered Holder

By: _____
Name:
Title:

Account Number: _____
(if electronic book entry transfer)
Transaction Code Number: _____
(if electronic book entry transfer)

ANNEX A TO EXERCISE NOTICE

CASHLESS EXERCISE EXCHANGE CALCULATION

TO BE FILLED IN BY THE REGISTERED HOLDER TO EXCHANGE THE WARRANT TO PURCHASE COMMON A STOCK FOR COMMON STOCK IN A CASHLESS EXERCISE PURSUANT TO SECTION 1(d) OF THE WARRANT

Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

Net Number = (A x B)/C = _____ Ordinary Shares

For purposes of the foregoing formula:

A= the total number of shares with respect to which the Warrant is then being exercised = _____.

B= Black Scholes Value (as defined in Section 16 of the Warrant) = _____.

C= the Closing Bid Price of the Ordinary Shares as of two (2) Trading Days prior to the time of such exercise (as such Closing Bid Price is defined in Section 16 of the Warrant) = _____.

Date: _____ __, _____

_____
Name of Registered Holder

By: _____
Name:
Title:

EXHIBIT B

ACKNOWLEDGMENT

The Company hereby acknowledges this Exercise Notice and hereby directs _____ to issue the above indicated number of Ordinary Shares in accordance with the Transfer Agent Instructions dated _____, 20__, from the Company and acknowledged and agreed to by _____.

NAKED BRAND GROUP LIMITED

By: _____
Name:
Title:

Exhibit 4.7.4

REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this "**Agreement**"), dated as of March 27, 2019, is by and among Naked Brand Group Limited, an Australian company (the "**Company**"), and the undersigned buyers (the "**Buyers**").

RECITALS

A. In connection with the Securities Purchase Agreement by and between the parties hereto, dated as of March 27, 2019 (the '**Securities Purchase Agreement**"), the Company has agreed, upon the terms and subject to the conditions of the Securities Purchase Agreement, to issue and sell to the Buyers (i) the Ordinary Shares (as defined in the Securities Purchase Agreement) and (ii) the Warrants (as defined in the Securities Purchase Agreement), which will be exercisable or exchangeable to purchase Warrant Shares (as defined in the Securities Purchase Agreement) in accordance with the terms of the Warrants.

B. To induce the Buyers to consummate the transactions contemplated by the Securities Purchase Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "**1933 Act**"), and applicable state securities laws.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Buyers hereby agree as follows:

1. Definitions.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

(a) "**Business Day**" means any day other than (i) Saturday, Sunday or any other day on which commercial banks in New York, New York, Sydney, Australia or Aukland, New Zealand are authorized or required by law to remain closed or (ii) with respect to dates on which filings are required to be made with the SEC, any day on which the SEC is not open and available to accept filings.

(b) "**Closing Date**" shall have the meaning set forth in the Securities Purchase Agreement with respect to the Closing (as defined in the Securities Purchase Agreement).

(c) "**Effective Date**" means the date that the applicable Registration Statement has been declared effective by the SEC.

(d) "**Effectiveness Deadline**" means (i) with respect to the Initial Registration Statement required to be filed pursuant to Section 2(a), the earlier of the (A) 55th calendar day after the Closing Date and (B) 2nd Business Day after the date the Company is notified (orally or in writing, whichever is earlier) by the SEC that such Registration Statement will not be reviewed or will not be subject to further review and (ii) with respect to any additional Registration Statements that may be required to be filed by the Company pursuant to this Agreement, the earlier of the (A) 45th calendar day following the date on which the Company was required to file such additional Registration Statement and (B) 2nd Business Day after the date the Company is notified (orally or in writing, whichever is earlier) by the SEC that such Registration Statement will not be reviewed or will not be subject to further review. Notwithstanding the foregoing or anything to the contrary herein, if the Effectiveness Deadline falls on a day that is not a Business Day, the Effectiveness Deadline shall be on the next succeeding Business Day.

(e) "**Filing Deadline**" means (i) with respect to the Initial Registration Statement required to be filed pursuant to Section 2(a), the 10th calendar day after the Closing Date and (ii) with respect to any additional Registration Statements that may be required to be filed by the Company pursuant to this Agreement, the date on which the Company was required to file such additional Registration Statement pursuant to the terms of this Agreement. Notwithstanding the foregoing or anything to the contrary herein, if the Filing Deadline falls on a day that is not a Business Day, the Filing Deadline shall be on the next succeeding Business Day.

(f) "**Investor**" means a Buyer or any transferee or assignee of any Registrable Securities or Warrants, as applicable, to whom such Buyer assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9 and any transferee or assignee thereof to whom a transferee or assignee of any Registrable Securities or Warrants, as applicable, assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9.

(g) "**Initial Required Registration Amount**" means of the sum of (i) the Ordinary Shares issued pursuant to the Securities Purchase Agreement and (ii) 150% of the initial number of Warrant Shares issued and issuable upon a cash exercise pursuant to the Warrants (or the number of Warrant Shares so issued and issuable as of the filing of the Initial Registration Statement, if more).

(h) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, or any other entity of any kind or nature whatsoever, a trust, an unincorporated organization or a government or any department or agency or portion thereof.

(i) "**register**," "**registered**," and "**registration**" refer to a registration effected by preparing and filing one or more Registration Statements in compliance with the 1933 Act and pursuant to Rule 415 and the declaration of effectiveness of such Registration Statement(s) by the SEC.

(j) "**Registrable Securities**" means (i) the Ordinary Shares issued pursuant to the Securities Purchase Agreement, (ii) the Warrant Shares and (iii) any capital stock of the Company issued or issuable with respect to such Ordinary Shares, the Warrant Shares or the Warrants, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which the Ordinary Shares are converted or exchanged and shares of capital stock of a Successor Entity (as defined in the Warrants) into which the Ordinary Shares are converted or exchanged, in each case, without regard to any limitations on exercise or exchange of the Warrants. As to any Registrable Securities, such securities shall cease to be Registrable Securities when: (a) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement; (b) such securities shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company, and subsequent public distribution of them shall not require registration under the Securities Act; or (c) such securities are freely saleable under Rule 144 under the Securities Act without the requirement for current public information and without volume or manner of sale limitations.

(k) "**Registration Statement**" means a registration statement or registration statements of the Company filed under the 1933 Act covering Registrable Securities (and the term **"Initial Registration Statement"** shall mean the first Registration Statement filed pursuant to this Agreement).

(l) "**Required Holders**" means the holders of a majority in interest of the Registrable Securities (in the case of the Registrable Securities issuable upon exercise of the Warrants, based on the number of Ordinary Shares then issuable upon a cash exercise thereof).

(m) "**Required Registration Amount**" means the sum of the Ordinary Shares issued pursuant to the Securities Purchase Agreement (including any issued Warrant Shares) and the maximum number of Warrant Shares issuable upon a cash exercise pursuant to the Warrants, in each case, as of the Trading Day (as defined in the Warrants) immediately preceding the applicable date of determination (without taking into account any limitations on the exercise or exchange of the Warrants set forth therein).

(n) "**Rule 144**" means Rule 144 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC that may at any time permit the Investors to sell securities of the Company to the public without registration.

(o) "**Rule 415**" means Rule 415 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC providing for offering securities on a continuous or delayed basis.

(p) "**SEC**" means the United States Securities and Exchange Commission or any successor thereto.

2. Registration.

(a) Mandatory Registration. The Company shall prepare and, as soon as practicable, but in no event later than the Filing Deadline, file with the SEC an initial Registration Statement on Form F-1 covering the resale of all of the Registrable Securities, provided that such Initial Registration Statement shall register for resale at least the number of Ordinary Shares equal to the Initial Required Registration Amount as of the date such Registration Statement is initially filed with the SEC (together with such other number of Ordinary Shares constituting Registrable Securities as may be registered thereunder pursuant to Rule 416 or otherwise). Such Initial Registration Statement, and each other Registration Statement required to be filed pursuant to the terms of this Agreement, shall contain (except if otherwise directed by the Required Holders) the "Selling Shareholder" and "Plan of Distribution" sections in substantially the form attached hereto as **Exhibit B**. The Company shall use its best efforts to have such Initial Registration Statement, and each other Registration Statement required to be filed pursuant to the terms of this Agreement, declared effective by the SEC as soon as practicable, but in no event later than the applicable Effectiveness Deadline for such Registration Statement.

(b) Legal Counsel. Subject to Section 5 hereof, Acuitas Capital LLC ("**Acuitas**") shall have the right to select one (1) legal counsel to review and oversee, solely on its behalf, any registration pursuant to this Section 2 ("**Legal Counsel**"), which shall be McDermott Will & Emery LLP or such other counsel as thereafter designated by Acuitas.

(c) Form F-3. The Company shall undertake to register the resale of the Registrable Securities on Form F-3 as soon as such form is available, provided that the Company shall maintain the effectiveness of all Registration Statements then in effect and the availability for use of each prospectus contained therein until such time as a Registration Statement on Form F-3 covering the resale of all the Registrable Securities has been declared effective by the SEC and the prospectus contained therein is available for use or, if sooner, the expiration of the Registration Period (as defined below).

(d) Sufficient Number of Shares Registered. In the event the number of shares available under any Registration Statement is insufficient to cover from time to time the Required Registration Amount, the Company shall amend such Registration Statement (if permissible), or file with the SEC a new Registration Statement (on the short form available therefor, if applicable), or both, so as to cover at least the Required Registration Amount as of the Trading Day immediately preceding the date of the filing of such amendment or new Registration Statement, in each case, as soon as practicable, but in any event not later than fifteen (15) days after the necessity therefor arises (but taking account of the position of the staff of the SEC (the "**Staff**") with respect to the date on which the Staff will permit such amendment to the Registration Statement and/or such new Registration Statement (as the case may be) to be filed with the SEC). The Company shall use its best efforts to cause such amendment to such Registration Statement and/or such new Registration Statement (as the case may be) to become effective as soon as practicable following the filing thereof with the SEC, but in no event later than the applicable Effectiveness Deadline for such Registration Statement. For purposes of the foregoing provision, the number of shares available under a Registration Statement shall be deemed "insufficient to cover all of the Registrable Securities" if at any time the number of Ordinary Shares available for resale under the applicable Registration Statement is less than the Required Registration Amount as of such time.

(e) Effect of Failure to File and Obtain and Maintain Effectiveness of any Registration Statement. If (i) a Registration Statement covering the resale of all of the Registrable Securities required to be covered thereby and required to be filed by the Company pursuant to this Agreement is (A) not filed with the SEC on or before the Filing Deadline for such Registration Statement (a "**Filing Failure**") (it being understood that if the Company files a Registration Statement without affording each Investor the opportunity to review and comment on the same as required by Section 3(c) hereof, the Company shall be deemed to not have satisfied this clause (i)(A) and such event shall be deemed to be a Filing Failure) or (B) not declared effective by the SEC on or before the Effectiveness Deadline for such Registration Statement (an "**Effectiveness Failure**") (it being understood that if on the Business Day immediately following the Effective Date for such Registration Statement the Company shall not have filed a "final" prospectus for such Registration Statement with the SEC under Rule 424(b) in accordance with Section 3(b) (whether or not such a prospectus is technically required by such rule), the Company shall be deemed to not have satisfied this clause (i)(B) and such event shall be deemed to be an Effectiveness Failure), (ii) on any day after the Effective Date of a Registration Statement sales of all of the Registrable Securities required to be included on such Registration Statement cannot be made pursuant to such Registration Statement (including, without limitation, because of a failure to keep such Registration Statement effective, a failure to disclose such information as is necessary for sales to be made pursuant to such Registration Statement, a suspension or delisting of (or a failure to timely list) the Ordinary Shares on the Principal Market (as defined in the Securities Purchase Agreement), or a failure to register a sufficient number of Ordinary Shares or by reason of a stop order) or the prospectus contained therein is not properly available for use for any reason (a "**Maintenance Failure**"), for more than five (5) consecutive calendar days or more than an aggregate of ten (10) calendar days (which need not be consecutive calendar days) during any 12-month period, provided that a Maintenance Failure shall not be deemed to occur for the purposes of this section to the extent a post-effective amendment to the Registration Statement is required for the purpose of meeting the requirements of section 10(a)(3) of the 1933 Act and the resulting Maintenance Failure continues for fifteen (15) days or less, or (iii) a Registration Statement is not effective for any reason or the prospectus contained therein is not properly available for use for any reason, and the Company fails to file with the SEC any required reports under Section 13 or 15(d) of the 1934 Act such that it is not in compliance with Rule 144(c)(1) (or Rule 144(i)(2), if applicable) (a "**Current Public Information Failure**") as a result of which any of the Investors are unable to sell Registrable Securities without restriction under Rule 144 (including, without limitation, volume restrictions), then, as partial relief for the damages to any holder by reason of any such delay in, or reduction of, its ability to sell the underlying Ordinary Shares (which remedy shall not be exclusive of any other remedies available at law or in equity), the Company shall pay to each holder of Registrable Securities relating to such Registration Statement an amount in cash equal to two percent (2%) of such Investor's total committed purchase price for the Registrable Securities affected by such failure pursuant to the Securities Purchase Agreement (i.e., 2.0% of $2,500,000, or $50,000) (1) within three (3) Business Days after the date of such Filing Failure, Effectiveness Failure, Maintenance Failure or Current Public Information Failure, as applicable, and (2) on every thirty (30) day anniversary of (I) a Filing Failure until such Filing Failure is cured; (II) an Effectiveness Failure until such Effectiveness Failure is cured; (III) a Maintenance Failure until such Maintenance Failure is cured; and (IV) a Current Public Information Failure until the earlier of (i) the date such Current Public Information Failure is cured and (ii) such time that such public information is no longer required pursuant to Rule 144 (in each case, pro rated for periods totaling less than thirty (30) days). The payments to which a holder of Registrable Securities shall be entitled pursuant to this Section 2(e) are referred to herein as "**Registration Delay Payments**." Following the initial Registration Delay Payment for any particular event or failure (which shall be paid on the date of such event or failure, as set forth above), without limiting the foregoing, if an event or failure giving rise to the Registration Delay Payments is cured prior to any thirty (30) day anniversary of such event or failure, then no further Registration Delay Payment(s) shall accrue after such cure. In the event the Company fails to make Registration Delay Payments in a timely manner in accordance with the foregoing, such Registration Delay Payments shall bear interest at the rate of one percent (1%) per month (prorated for partial months) until paid in full. Notwithstanding the foregoing, no Registration Delay Payments shall be owed to an Investor: (i) with respect to an Effectiveness Failure, a Maintenance Failure or a Current Public Information Failure, for any period after the date on which such Investor may conduct a resale of all of its Registrable Securities in reliance on a valid exemption from registration in accordance with Rule 144 and (ii) with respect to any Registrable Securities excluded from a Registration Statement by election of an Investor. Notwithstanding anything herein to the contrary, except in connection with a Current Public Information Failure, the Company shall not be required to make more than an aggregate of twelve (12) Registration Delay Payments pursuant to this Section 2(e), where any such payment pursuant to clause (2) of this Section 2(e) covering less than a 30-day period shall constitute a fraction of a Registration Delay Payment (i.e., no more than 24% in the aggregate).

(f) Offering. Notwithstanding anything to the contrary contained in this Agreement, the Company agrees with the Buyers that each Registration Statement required to become effective hereunder shall become effective and be used for resales by the Investors such that it does not constitute and is not deemed to constitute an offering of securities by, or on behalf of, the Company, and that permits the continuous resale at the market by the Investors participating therein (or as otherwise may be acceptable to each Investor) without being named therein as an "underwriter."

(g) Piggyback Registrations. Without limiting any obligation of the Company hereunder (including its obligations under Section 2(h)) or under the Securities Purchase Agreement, if there is not an effective Registration Statement covering all of the Registrable Securities or the prospectus contained therein is not available for use and the Company shall determine to prepare and file with the SEC a registration statement relating to an offering for its own account or the account of others under the 1933 Act of any of its equity securities (other than on Form S-4 or Form S-8 (each as promulgated under the 1933 Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's stock option or other employee benefit plans), then the Company shall deliver to each Investor a written notice of such determination and, if within fifteen (15) days after the date of the delivery of such notice, any such Investor shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Investor requests to be registered; provided, however, the Company shall not be required to register any Registrable Securities pursuant to this Section 2(g) that are eligible for resale pursuant to Rule 144 without restriction (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or that are the subject of a then-effective Registration Statement. Notwithstanding anything else to the contrary in this Section 2(g), if (i) the Commission or any position of the Staff sets forth a limitation on the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering or (ii) the Registration Statement is in the form of an underwritten offering and the managing underwriter(s) advise the Company that the dollar amount or number of Registrable Securities, taken together with all of the other securities which the Company desires to sell or for which registration has been requested pursuant to written contractual piggy-back registration rights held by other stockholders, exceeds the maximum dollar amount or maximum number of securities that can be sold in such offering without adversely affecting the proposed offering price, timing, distribution method, or probability of success (collectively, such limitation the "**Maximum Number of Securities**"), then the Company shall limit the securities to be included on such Registration Statement to: first, the number of securities which the Company desires to sell for itself without exceeding the Maximum Number of Securities; and second, securities (including Registrable Securities) for which registration has been requested pursuant to written contractual piggy-back registration rights, pro rata in accordance with the number of securities that each such person has requested be included in such registration regardless of the number of securities held by each such person, that can be sold without exceeding the Maximum Number of Securities.

(h) No Inclusion of Other Securities. Except as set forth in Schedule 2(h) hereto, in no event shall the Company include any securities other than Registrable Securities on any Registration Statement without the prior written consent of the Required Holders. Until the Applicable Date (as defined in the Securities Purchase Agreement), except as set forth in Schedule 4(j) of the Securities Purchase Agreement, the Company shall not enter into any agreement providing any registration rights to any of its security holders and the Company shall not file any other registration statement until such time.

3. Related Obligations.

The Company shall use its best efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof, and, pursuant thereto, the Company shall have the following obligations:

(a) The Company shall promptly prepare and file with the SEC a Registration Statement with respect to all the Registrable Securities (but in no event later than the applicable Filing Deadline) and use its best efforts to cause such Registration Statement to become effective as soon as practicable after such filing (but in no event later than the Effectiveness Deadline). The Company shall keep each Registration Statement effective (and the prospectus contained therein available for use) pursuant to Rule 415 for resales by the Investors on a delayed or continuous basis at then-prevailing market prices (and not fixed prices) at all times until the earlier of (i) the date as of which all of the Investors may sell all of the Registrable Securities required to be covered by such Registration Statement without restriction pursuant to Rule 144 (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or (ii) the date on which the Investors shall have sold all of the Registrable Securities covered by such Registration Statement (the "**Registration Period**"). Notwithstanding anything to the contrary contained in this Agreement, the Company shall ensure that, when filed and at all times while effective, each Registration Statement (including, without limitation, all amendments and supplements thereto) and the prospectus (including, without limitation, all amendments and supplements thereto) used in connection with such Registration Statement (1) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of prospectuses, in the light of the circumstances in which they were made) not misleading and (2) will disclose (whether directly or through incorporation by reference to other SEC filings to the extent permitted) all material information regarding the Company and its securities. The Company shall submit to the SEC, within one (1) Business Day after the later of the date that (i) the Company learns that no review of a particular Registration Statement will be made by the Staff or that the Staff has no further comments on a particular Registration Statement (as the case may be) and (ii) the consent of Legal Counsel is obtained pursuant to Section 3(c) (which consent shall be immediately sought), a request for acceleration of effectiveness of such Registration Statement to a time and date not later than forty-eight (48) hours after the submission of such request.

(b) The Company shall prepare and file with the SEC such amendments (including, without limitation, post-effective amendments) and supplements to each Registration Statement and the prospectus used in connection with each such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the 1933 Act, as may be necessary to keep each such Registration Statement effective at all times during the Registration Period for such Registration Statement, and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company required to be covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement; provided, however, by 8:30 a.m. (New York time) on the Business Day immediately following each Effective Date, the Company shall file with the SEC in accordance with Rule 424(b) under the 1933 Act the final prospectus to be used in connection with sales pursuant to the applicable Registration Statement (whether or not such a prospectus is technically required by such rule). In the case of amendments and supplements to any Registration Statement which are required to be filed pursuant to this Agreement (including, without limitation, pursuant to this Section 3(b)) by reason of the Company filing a report on Form 20-F or any similar or successor report under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the SEC on the same day on which the 1934 Act report is filed which created the requirement for the Company to amend or supplement such Registration Statement.

(c) The Company shall (A) permit Legal Counsel to review and comment upon (i) each Registration Statement at least two (2) Business Days prior to its filing with the SEC and (ii) all amendments and supplements to each Registration Statement (including, without limitation, the prospectus contained therein) (except for Annual Reports on Form 20-F, Report of Foreign Private Issuer on Form 6-K, and any similar or successor reports) within a reasonable number of days prior to their filing with the SEC, and (B) not file any Registration Statement or amendment or supplement thereto in a form to which Legal Counsel reasonably objects. The Company shall not submit a request for acceleration of the effectiveness of a Registration Statement or any amendment or supplement thereto or to any prospectus contained therein without the prior consent of Legal Counsel, which consent shall not be unreasonably withheld. The Company shall promptly furnish to Legal Counsel without charge, (i) copies of any correspondence from the SEC or the Staff to the Company or its representatives relating to each Registration Statement, provided that such correspondence shall not contain any material, non-public information regarding the Company or any of its Subsidiaries (as defined in the Securities Purchase Agreement), (ii) after the same is prepared and filed with the SEC, one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, and all exhibits and (iii) upon the effectiveness of each Registration Statement, one (1) copy of the prospectus included in such Registration Statement and all amendments and supplements thereto. The Company shall reasonably cooperate with Legal Counsel in performing the Company's obligations pursuant to this Section 3.

(d) The Company shall promptly furnish to each Investor whose Registrable Securities are included in any Registration Statement, without charge, (i) after the same is prepared and filed with the SEC, one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, all exhibits and each preliminary prospectus, (ii) upon the effectiveness of each Registration Statement, one (1) copy of the prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as such Investor may reasonably request from time to time) and (iii) such other documents, including, without limitation, copies of any preliminary or final prospectus, as such Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor.

(e) The Company shall use its best efforts to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by Investors of the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of all applicable jurisdictions in the United States, (ii) prepare and file in those jurisdictions, such amendments (including, without limitation, post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, the Company shall not be required in connection therewith or as a condition thereto to (y) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(e) or (z) subject itself to general taxation in any such jurisdiction. The Company shall promptly notify Legal Counsel and each Investor who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

(f) The Company shall notify Legal Counsel and each Investor in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, non-public information regarding the Company or any of its Subsidiaries), and promptly prepare a supplement or amendment to such Registration Statement and such prospectus contained therein to correct such untrue statement or omission and deliver ten (10) copies of such supplement or amendment to Legal Counsel and each Investor (or such other number of copies as Legal Counsel, legal counsel for each other Investor or such Investor may reasonably request). The Company shall also promptly notify Legal Counsel and each Investor in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to Legal Counsel and each Investor by facsimile or e-mail on the same day of such effectiveness and by overnight mail), and when the Company receives written notice from the SEC that a Registration Statement or any post-effective amendment will be reviewed by the SEC, (ii) of any request by the SEC for amendments or supplements to a Registration Statement or related prospectus or related information, (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate; and (iv) of the receipt of any request by the SEC or any other federal or state governmental authority for any additional information relating to the Registration Statement or any amendment or supplement thereto or any related prospectus. The Company shall respond as promptly as practicable to any comments received from the SEC with respect to each Registration Statement or any amendment thereto (it being understood and agreed that the Company's response to any such comments shall be delivered to the SEC no later than five (5) Business Days after the receipt thereof).

(g) The Company shall (i) use its best efforts to prevent the issuance of any stop order or other suspension of effectiveness of each Registration Statement or the use of any prospectus contained therein, or the suspension of the qualification, or the loss of an exemption from qualification, of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and (ii) notify Legal Counsel and each Investor who holds Registrable Securities of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(h) The Company shall hold in confidence and not make any disclosure of information concerning an Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws or delivered to the Company for the purpose of inclusion in a Registration Statement, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required to be disclosed in such Registration Statement pursuant to the 1933 Act, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document. The Company agrees that it shall, upon learning that disclosure of such information concerning an Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at such Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(i) Without limiting any obligation of the Company under the Securities Purchase Agreement, the Company shall use its best efforts either to cause all of the Registrable Securities covered by each Registration Statement to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange, or (ii) if, despite the Company's best efforts to satisfy the preceding clause (i) the Company is unsuccessful in satisfying the preceding clause (i), without limiting the generality of the foregoing, to use its best efforts to arrange for at least two market makers to register with the Financial Industry Regulatory Authority ("FINRA") as such with respect to such Registrable Securities.

(j) The Company shall cooperate with the Investors who hold Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates to be in such denominations or amounts (as the case may be) as the Investors may reasonably request from time to time and registered in such names as the Investors may request.

(k) If requested by an Investor, the Company shall as soon as practicable after receipt of notice from such Investor and, (i) incorporate in a prospectus supplement or post-effective amendment such information as an Investor reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement or prospectus contained therein if reasonably requested by an Investor holding any Registrable Securities.

(l) The Company shall use its best efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(m) The Company shall make generally available to its security holders as soon as practical, but not later than ninety (90) days after the close of the period covered thereby, an earnings statement (in form complying with, and in the manner provided by, the provisions of Rule 158 under the 1933 Act) covering a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the applicable Effective Date of each Registration Statement.

(n) The Company shall otherwise use its best efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(o) Within one (1) Business Day after a Registration Statement which covers Registrable Securities is declared effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investors whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC in the form attached hereto as **Exhibit A**.

(p) Once eligible, the Company shall use its best efforts to maintain eligibility for use of Form F-3 (or any successor form thereto) for the registration of the resale of all the Registrable Securities.

(q) The Company shall take all other reasonable actions necessary to expedite and facilitate disposition by each Investor of its Registrable Securities pursuant to each Registration Statement.

4. Obligations of the Investors.

(a) At least five (5) Business Days prior to the first anticipated filing date of each Registration Statement, the Company shall notify each Investor in writing of the information the Company seeks from each such Investor with respect to such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of a particular Investor that such Investor shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required, in the good faith judgment of such Investor, to effect and maintain the effectiveness of the registration of such Registrable Securities

(b) Each Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of 3(f), such Investor will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until such Investor's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(g) or the first sentence of Section 3(f) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary in this Section 4(b), the Company shall cause its transfer agent to deliver unlegended Ordinary Shares to a transferee of an Investor in accordance with the terms of the Securities Purchase Agreement in connection with any sale of Registrable Securities with respect to which such Investor has entered into a contract for sale prior to the Investor's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f) and for which such Investor has not yet settled.

(c) Each Investor covenants and agrees that it will comply with the prospectus delivery requirements of the 1933 Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement.

5. Expenses of Registration.

All reasonable expenses, other than underwriting discounts and commissions, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, FINRA filing fees (if any) and fees and disbursements of counsel for the Company shall be paid by the Company.

6. Indemnification.

(a) To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend each Investor and each of its directors, officers, managers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) and each Person, if any, who controls such Investor within the meaning of the 1933 Act or the 1934 Act and each of the directors, officers, managers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) of such controlling Persons (each, an "**Indemnified Person**"), against any losses, obligations, claims, damages, liabilities, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, court costs, reasonable attorneys' fees and costs of defense and investigation), amounts paid in settlement or expenses, joint or several, (collectively, "**Claims**") incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("**Indemnified Damages**"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered ("**Blue Sky Filing**"), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading or (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement (the matters in the foregoing clauses (i) through (iii) being, collectively, "**Violations**") unless such Violations are based primarily upon a breach of Investor's representations, warranties, or covenants under the Transaction Documents or any violations by Investor of state or federal securities laws or any conduct by Investor which constitutes fraud, gross negligence or willful misconduct. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. Subject to Section 6(c), the Company shall reimburse the Indemnified Persons, promptly as such expenses are incurred and are due and payable, for any legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (i) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person for such Indemnified Person expressly for use in connection with the preparation of such Registration Statement or any such amendment thereof or supplement thereto and (ii) shall not be available to a particular Investor to the extent such Claim is based on a failure of such Investor to deliver or to cause to be delivered the prospectus made available by the Company (to the extent applicable), including, without limitation, a corrected prospectus, if such prospectus or corrected prospectus was timely made available by the Company pursuant to Section 3(d) and then only if, and to the extent that, following the receipt of the corrected prospectus no grounds for such Claim would have existed; and (iii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(b) In connection with any Registration Statement in which an Investor is participating, such Investor agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement and each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act (each, an "**Indemnified Party**"), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case, to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by such Investor expressly for use in connection with such Registration Statement; and, subject to Section 6(c) and the below provisos in this Section 6(b), such Investor will reimburse an Indemnified Party any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Claim; provided, however, the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Investor, which consent shall not be unreasonably withheld or delayed, provided further that such Investor shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Investor as a result of the applicable sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party (as the case may be) under this Section 6 of notice of the commencement of any action or proceeding (including, without limitation, any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party (as the case may be) shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party (as the case may be); provided, however, an Indemnified Person or Indemnified Party (as the case may be) shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the indemnifying party if: (i) the indemnifying party has agreed in writing to pay such fees and expenses; (ii) the indemnifying party shall have failed promptly to assume the defense of such Claim and to employ counsel reasonably satisfactory to such Indemnified Person or Indemnified Party (as the case may be) in any such Claim; or (iii) the named parties to any such Claim (including, without limitation, any impleaded parties) include both such Indemnified Person or Indemnified Party (as the case may be) and the indemnifying party, and such Indemnified Person or such Indemnified Party (as the case may be) shall have been advised by counsel in writing that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Person or such Indemnified Party and the indemnifying party (in which case, if such Indemnified Person or such Indemnified Party (as the case may be) notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, then the indemnifying party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the indemnifying party, provided further that in the case of clause (iii) above the indemnifying party shall not be responsible for the reasonable fees and expenses of more than one (1) separate legal counsel for such Indemnified Person or Indemnified Party (as the case may be)). The Indemnified Party or Indemnified Person (as the case may be) shall reasonably cooperate with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person (as the case may be) which relates to such action or Claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person (as the case may be) reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent; provided, however, the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person (as the case may be), which shall not be unreasonably withheld, conditioned or delayed, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person (as the case may be) of a release from all liability in respect to such Claim or litigation, and such settlement shall not include any admission as to fault on the part of the Indemnified Party. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person (as the case may be) with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party (as the case may be) under this Section 6, except to the extent that the indemnifying party is materially and adversely prejudiced in its ability to defend such action.

(d) No Person involved in the sale of Registrable Securities who is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to indemnification from any Person involved in such sale of Registrable Securities who is not guilty of fraudulent misrepresentation.

(e) The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

(f) The indemnity and contribution agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. Contribution.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, then indemnifying party, in lieu of indemnifying such Indemnified Party or Indemnified Person, shall contribute to the amount paid or payable by such Indemnified Party or Indemnified Person as a result of such Claim or Indemnified Damages in such proportion as is appropriate to reflect the relative fault of the Indemnified Party or Indemnified Person and the indemnifying party in connection with the actions or omissions which resulted in Claim or Indemnified Damages, as well as any other relevant equitable considerations. The relative fault of any Indemnified Party or Indemnified Person and any indemnifying party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such Indemnified Party or such Indemnifying Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding sentence. Notwithstanding the foregoing: (i) no contribution shall be made under circumstances where the maker would not have been liable for indemnification under the fault standards set forth in Section 6 of this Agreement, (ii) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (iii) contribution by any seller of Registrable Securities shall be limited in amount to the amount of net proceeds received by such seller from the applicable sale of such Registrable Securities pursuant to such Registration Statement. Notwithstanding the provisions of this Section 7, no Investor shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Investor from the applicable sale of the Registrable Securities subject to the Claim exceeds the amount of any damages that such Investor has otherwise been required to pay, or would otherwise be required to pay under Section 6(b), by reason of such untrue or alleged untrue statement or omission or alleged omission.

8. Reports Under the 1934 Act.

With a view to making available to the Investors the benefits of Rule 144, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to such requirements (it being understood and agreed that nothing herein shall limit any obligations of the Company under the Securities Purchase Agreement) and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to each Investor so long as such Investor owns Registrable Securities, promptly upon request, (i) a written statement by the Company, if true, that it has complied with the reporting, submission and posting requirements of Rule 144 and the 1934 Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company with the SEC if such reports are not publicly available via EDGAR, and (iii) such other information as may be reasonably requested to permit the Investors to sell such securities pursuant to Rule 144 without registration.

9. Assignment of Registration Rights.

All or any portion of the rights under this Agreement shall be automatically assignable by each Investor to any transferee or assignee (as the case may be) of all or any portion of such Investor's Registrable Securities or Warrants if: (i) such Investor agrees in writing with such transferee or assignee (as the case may be) to assign all or any portion of such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such transfer or assignment (as the case may be); (ii) the Company is, within a reasonable time after such transfer or assignment (as the case may be), furnished with written notice of (a) the name and address of such transferee or assignee (as the case may be), and (b) the securities with respect to which such registration rights are being transferred or assigned (as the case may be); (iii) immediately following such transfer or assignment (as the case may be) the further disposition of such securities by such transferee or assignee (as the case may be) is restricted under the 1933 Act or applicable state securities laws if so required; (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence such transferee or assignee (as the case may be) agrees in writing with the Company to be bound by all of the provisions contained herein; (v) such transfer or assignment (as the case may be) shall have been made in accordance with the applicable requirements of the Securities Purchase Agreement and the Warrants (as the case may be); and (vi) such transfer or assignment (as the case may be) shall have been conducted in accordance with all applicable federal and state securities laws.

10. Amendment of Registration Rights.

Provisions of this Agreement may be amended only with the written consent of the Company and the Required Holders. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

11. Miscellaneous.

(a) Solely for purposes of this Agreement, a Person is deemed to be a holder of Registrable Securities whenever such Person owns, or is deemed to own, of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from such record owner of such Registrable Securities.

(b) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by e-mail (provided confirmation of transmission is electronically generated and kept on file by the sending party); or (iii) one (1) Business Day after deposit with a nationally recognized overnight delivery service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses and e-mail addresses for such communications shall be:

If to the Company:

Naked Brand Group Limited
c/o Bendon Limited
Building 7B, Huntley Street
Alexandria
NSW 2015, Australia
Telephone: +61 2 9384 2400
Email Address: justin.davis@bendon.com
Attention: Chief Executive Officer

With a copy (for informational purposes only) to:

Graubard Miller
The Chrysler Building
405 Lexington Ave., 11th Floor
New York, NY 10174
Telephone: (212) 818-8800
E-mail: dmiller@graubard.com
igallant@graubard.com
Attention: David Alan Miller, Esq.

If to the Transfer Agent:

Continental Stock Transfer & Trust Company
1 State Street 30th Floor
New York, NY 10004-1561
Telephone: 212.845.3256
Email: agois@continentalstock.com
Attention: Ana Gois, Vice President & Account Administrator

If to a Buyer:

Acuitas Capital LLC
11601 Wilshire Blvd Suite 1100
Los Angeles, CA 90025
Telephone: (310) 444-4321
Email: Patricia@credecg.com
Attention: Patricia Rouhafza

If to Legal Counsel:

McDermott Will & Emery LLP
340 Madison Avenue
New York, NY 10017
Telephone: (212) 547-5885
E-mail: Rcohen@mwe.com
mblee@mwe.com
Attention: Robert Cohen, Esq.

or to such address or e-mail address (as the case may be) set forth on the applicable Buyer Schedule attached to the Securities Purchase Agreement, with copies to such Buyer's representatives as set forth on the applicable Buyer Schedule, or to such other address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change, provided that Legal Counsel shall only be provided notices sent to each Buyer. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's e-mail transmission containing the time, date and e-mail address or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(c) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof. The Company and each Investor acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each party hereto shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement by any other party hereto and to enforce specifically the terms and provisions hereof (without the necessity of showing economic loss and without any bond or other security being required), this being in addition to any other remedy to which any party may be entitled by law or equity.

(d) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(e) This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein constitute the entire agreement among the parties hereto and thereto solely with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all prior agreements and understandings among the parties hereto solely with respect to the subject matter hereof and thereof; provided, however, nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements any Investor has entered into with, or any instrument that any Investor received from, the Company prior to the date hereof with respect to any prior investment made by such Investor in the Company, (ii) waive, alter, modify or amend in any respect any obligations of the Company or any rights of or benefits to any Investor or any other Person in any agreement entered into prior to the date hereof between or among the Company and any Investor or any instrument that any Investor received prior to the date hereof from the Company and all such agreements and instruments shall continue in full force and effect or (iii) limit any obligations of the Company under any of the other Transaction Documents.

(f) Subject to compliance with Section 9 (if applicable), this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto. This Agreement is not for the benefit of, nor may any provision hereof be enforced by, any Person, other than the parties hereto, their respective permitted successors and assigns and the Persons referred to in Sections 6 and 7 hereof.

(g) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(h) This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(i) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(j) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party. Notwithstanding anything to the contrary set forth in Section 10, terms used in this Agreement but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Closing Date in such other Transaction Documents unless otherwise consented to in writing by each Investor.

(k) All consents and other determinations required to be made by the Investors pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by the Required Holders.

(l) The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor under this Agreement or any other Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be deemed to constitute the Investors as, and the Company acknowledges that the Investors do not so constitute, a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Investors are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by the Transaction Documents or any matters, and the Company acknowledges that the Investors are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or the transactions contemplated by this Agreement or any of the other the Transaction Documents. Each Investor shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents, and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained herein was solely in the control of the Company, not the action or decision of any Investor, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Investor. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and an Investor, solely, and not between the Company and the Investors collectively and not between and among Investors.

[*signature pages follow*]

IN WITNESS WHEREOF, each of the Buyers and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

COMPANY

NAKED BRAND GROUP LIMITED

By: */s/ Justin Davis-Rice*
Name: Justin Davis-Rice
Title: Director

[Signature page to Registration Rights Agreement]

IN WITNESS WHEREOF, each of the Buyers and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

BUYERS:

ACUITAS CAPITAL LLC

By: */s/ Terren Peizer*
Name: Terren Peizer
Title: Authorized Representative

MANK CAPITAL LLC

By: */s/ Jess Mogul*
Name: Jess Mogul
Title: Partner

By: */s/ James Fallon*
Name: James Fallon

[Signature page to Registration Rights Agreement]

Exhibit 4.8.1

Securities Purchase Agreement

This Securities Purchase Agreement (this "**Agreement**"), dated as of May 13, 2019, is entered into by and betweenNaked Brand Group Limited, an Australia corporation ("**Company**"), and St. George Investments LLC, a Utah limited liability company, its successors and/or assigns ("**Investor**").

A. Company and Investor are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the Securities Act of 1933, as amended (the "**1933 Act**"), and the rules and regulations promulgated thereunder by the United States Securities and Exchange Commission (the "**SEC**").

B. Investor desires to purchase and Company desires to issue and sell, upon the terms and conditions set forth in this Agreement, a Secured Convertible Promissory Note, in the form attached hereto as Exhibit A, in the original principal amount of $3,320,000.00 (the "**Note**"), convertible into ordinary shares, no par value per share, of Company (the "**Ordinary Shares**"), upon the terms and subject to the limitations and conditions set forth in such Note.

C. This Agreement, the Note, the Security Agreement (as defined below), the Subordination Deed (as defined below), and all other certificates, documents, agreements, resolutions and instruments delivered to any party under or in connection with this Agreement, as the same may be amended from time to time, are collectively referred to herein as the "**Transaction Documents**".

D. For purposes of this Agreement: "**Conversion Shares**" means all Ordinary Shares issuable upon conversion of all or any portion of the Note; and "**Securities**" means the Note and the Conversion Shares.

NOW, THEREFORE, in consideration of the above recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and Investor hereby agree as follows:

1. Purchase and Sale of Securities.

1.1. Purchase of Securities. Company shall issue and sell to Investor and Investor shall purchase from Company the Note. In consideration thereof, Investor shall pay the Purchase Price (as defined below) to Company.

1.2. Form of Payment. On the Closing Date (as defined below), Investor shall pay the Purchase Price to Company via wire transfer of immediately available funds against delivery of the Note.

1.3. Closing Date. Subject to the satisfaction (or written waiver) of the conditions set forth in Section 5 and Section 6 below, the date of the issuance and sale of the Note pursuant to this Agreement (the "**Closing Date**") shall be May 13, 2019, or another mutually agreed upon date. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall occur on the Closing Date by means of the exchange by email of signed .pdf documents, but shall be deemed for all purposes to have occurred at the offices of Hansen Black Anderson Ashcraft PLLC in Lehi, Utah.

1.4. Collateral for the Note. The Note shall be secured by the collateral set forth in that certain Security Agreement attached hereto as Exhibit B listing all of Company's assets as security for Company's obligations under the Note (the "**Security Agreement**").

1.5. Subordination. This Agreement, the other Transaction Documents, and the obligations of Company hereunder are subject in all respects to the terms of that certain Deed of Priority and Subordination by and among Company, Investor and Bank of New Zealand of even date herewith (as amended, modified or supplemented, the "**Subordination Deed**"), a copy of which is attached hereto as Exhibit C.

1.6. Original Issue Discount; Transaction Expense Amount. The Note carries an original issue discount of $300,000.00 (the "**OID**"). In addition, Company agrees to pay $20,000.00 to Investor to cover Investor's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of the Securities (the "**Transaction Expense Amount**"), all of which amount is included in the initial principal balance of the Note. The "**Purchase Price**", therefore, shall be $3,000,000.00, computed as follows: $3,320,000.00 initial principal balance, less the OID, less the Transaction Expense Amount.

2. Investor's Representations and Warranties. Investor represents and warrants to Company that as of the Closing Date: (i) this Agreement has been duly and validly authorized and all action on Investor's part required for the execution and delivery of this Agreement and the other Transaction Documents has been taken; (ii) this Agreement constitutes a valid and binding agreement of Investor enforceable in accordance with its terms; (iii) Investor is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the 1933 Act; (iv) Investor is purchasing the Note (and any Conversion Shares) for its own account, for investment purposes only and has no current arrangements or understandings for the resale or distribution to others and will only resell such Securities or any part thereof pursuant to a registration or an available exemption under applicable law; (v) Investor acknowledges that the offer and sale of the Securities have not been registered under the 1933 Act or the securities laws of any state or other jurisdiction, and that the Securities are being (and the Conversion Shares will be) offered and sold pursuant to an exemption from registration contained in the 1933 Act, and cannot be disposed of unless they are subsequently registered under the 1933 Act and any applicable state laws or an exemption from such registration is available; (vi) Investor has reviewed this Agreement and the information set forth in the reports filed by Company with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), and has had both the opportunity to ask questions and receive answers from the officers and directors of Company concerning the business and operations of Company and to obtain any additional information regarding Company and its business and operations, to the extent Company possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of such information; (vii) Investor possesses sufficient knowledge and experience in financial and business matters to enable it to evaluate the merits and risks of the purchase of the Note and the transactions contemplated by this Agreement; and (viii) neither Company nor any of its officers, directors, stockholders, employees, agents or representatives has made any representations or warranties to Investor or any of its officers, directors, employees, agents or representatives except as expressly set forth in the Transaction Documents and, in making its decision to enter into the transactions contemplated by the Transaction Documents, Investor is not relying on any representation, warranty, covenant or promise of Company or its officers, directors, members, managers, employees, agents or representatives other than as set forth in the Transaction Documents.

3. Company's Representations and Warranties. Company represents and warrants to Investor that as of the Closing Date: (i) Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has the requisite corporate power to own its properties and to carry on its business as now being conducted; (ii) Company is duly qualified as a foreign corporation to do business and is in good standing in each jurisdiction where the nature of the business conducted or property owned by it makes such qualification necessary; (iii) Company has registered its Ordinary Shares under Section 12(b) of the 1934 Act, and is obligated to file reports pursuant to Section 13 or Section 15(d) of the 1934 Act; (iv) there is no limit on the number of Ordinary Shares the Company is authorized to issue under its formation documents or applicable company law; (v) each of the Transaction Documents and the transactions contemplated hereby and thereby, have been duly and validly authorized by Company and all necessary corporate actions related thereto have been taken; (vi) the Transaction Documents have been duly executed and delivered by Company and constitute the valid and binding obligations of Company enforceable in accordance with their terms; (vii) the execution and delivery of the Transaction Documents by Company, the issuance of Securities in accordance with the terms hereof, and the consummation by Company of the other transactions contemplated by the Transaction Documents do not and will not conflict with or result in a breach by Company of any of the terms or provisions of, or constitute a default under (a) Company's formation documents, each as currently in effect, (b) any indenture, mortgage, deed of trust, or other material agreement or instrument to which Company is a party or by which it or any of its properties or assets are bound, including, without limitation, any listing agreement for the Ordinary Shares, or (c) any existing applicable law, rule, or regulation or any applicable decree, judgment, or order of any court, United States federal, state or foreign regulatory body, administrative agency, or other governmental body having jurisdiction over Company or any of Company's properties or assets; (viii) no further authorization, approval or consent of any court, governmental body, regulatory agency, self-regulatory organization, or stock exchange or market or the stockholders or any lender of Company is required to be obtained by Company for the issuance of the Securities to Investor or the entering into of the Transaction Documents, other than any filings required to be made with the SEC; (ix) none of Company's filings with the SEC contained, at the time they were filed, any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (x) Company has filed all reports, schedules, forms, statements and other documents required to be filed by Company with the SEC under the 1934 Act; (xi) except as disclosed to the Investor in writing, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the knowledge of Company, threatened against or affecting Company before or by any governmental authority or non-governmental department, commission, board, bureau, agency or instrumentality or any other person, wherein an unfavorable decision, ruling or finding would have a material adverse effect on Company or which would adversely affect the validity or enforceability of, or the authority or ability of Company to perform its obligations under, any of the Transaction Documents; (xii) Company has not consummated any financing transaction that has not been disclosed in a periodic filing or current report with the SEC under the 1934 Act; (xiii) Company is not, nor has it been at any time in the previous twelve (12) months, a "Shell Company," as such type of "issuer" is described in Rule 144(i)(1) under the 1933 Act; (xiv) with respect to any commissions, placement agent or finder's fees or similar payments that will or would become due and owing by Company to any person or entity as a result of this Agreement or the transactions contemplated hereby ("**Broker Fees**"), any such Broker Fees will be made in full compliance with all applicable laws and regulations and only to a person or entity that is a registered investment adviser or registered broker-dealer; (xv) Investor shall have no obligation with respect to any Broker Fees or with respect to any claims made by or on behalf of other persons for fees of a type contemplated in this subsection that may be due in connection with the transactions contemplated hereby and Company shall indemnify and hold harmless each of Investor, Investor's employees, officers, directors, stockholders, members, managers, agents, and partners, and their respective affiliates, from and against all claims, losses, damages, costs (including the costs of preparation and attorneys' fees) and expenses suffered in respect of any such claimed Broker Fees; (xvi) when issued, the Conversion Shares will be duly authorized, validly issued, fully paid for and non-assessable, free and clear of all liens, claims, charges and encumbrances, other than restrictions under the securities laws; (xvii) neither Investor nor any of its officers, directors, stockholders, members, managers, employees, agents or representatives has made any representations or warranties to Company or any of its officers, directors, employees, agents or representatives except as expressly set forth in the Transaction Documents and, in making its decision to enter into the transactions contemplated by the Transaction Documents, Company is not relying on any representation, warranty, covenant or promise of Investor or its officers, directors, members, managers, employees, agents or representatives other than as set forth in the Transaction Documents; (xviii) Company acknowledges that the State of Utah has a reasonable relationship and sufficient contacts to the transactions contemplated by the Transaction Documents and any dispute that may arise related thereto such that the laws and venue of the State of Utah, as set forth more specifically in Section 10.2 below, shall be applicable to the Transaction Documents and the transactions contemplated therein; and (xix) Company has performed due diligence and background research on Investor and its affiliates including, without limitation, John M. Fife, and, to its satisfaction, has made inquiries with respect to all matters Company may consider relevant to the undertakings and relationships contemplated by the Transaction Documents including, among other things, the following: http://investing.businessweek.com/research/stocks/people/person.asp?personId=7505107&ticker=UAHC; SEC Civil Case No. 07-C-0347 (N.D. Ill.); SEC Civil Action No. 07-CV-347 (N.D. Ill.); and FINRA Case #2011029203701. Company, being aware of the matters described in subsection (xix) above, acknowledges and agrees that such matters, or any similar matters, have no bearing on the transactions contemplated by the Transaction Documents and covenants and agrees it will not use any such information as a defense to performance of its obligations under the Transaction Documents or in any attempt to avoid, modify or reduce such obligations.

4. Company Covenants. Until all of Company's obligations under all of the Transaction Documents are paid and performed in full, or within the timeframes otherwise specifically set forth below, Company will at all times comply with the following covenants: (i) so long as Investor beneficially owns any of the Securities and for at least twenty (20) Trading Days (as defined in the Note) thereafter, Company will timely file on the applicable deadline all reports required to be filed with the SEC pursuant to Sections 13 or 15(d) of the 1934 Act, and will take all reasonable action under its control to ensure that adequate current public information with respect to Company, as required in accordance with Rule 144 of the 1933 Act, is publicly available, and will not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would permit such termination; (ii) when issued, the Conversion Shares will be duly authorized, validly issued, fully paid for and non-assessable, free and clear of all liens, claims, charges and encumbrances; (iii)Company will use reasonable efforts to ensure that the Ordinary Shares shall be listed or quoted for trading on any of (a) NYSE, (b) NASDAQ, (c) OTCQX, (d) OTCQB, or (e) OTC Pink Current Information; and (iv) Company will not make any Restricted Issuance (as defined below) after the Closing Date in which Company receives net proceeds of less than $3,000,000.00 without Investor's prior written consent, which consent may be granted or withheld in Investor's sole and absolute discretion. For purposes hereof, the term "**Restricted Issuance**" means any issuance of any debt instrument or incurrence of any debt other than (a) trade payables in the ordinary course of business, obligations for the deferred purchase price of property or services, and lease obligations, (b) debt incurred from a bank, and (c) debt subordinated in priority and right of payment to the Note.

5. Conditions to Company's Obligation to Sell. The obligation of Company hereunder to issue and sell the Note to Investor at the Closing is subject to the satisfaction, on or before the Closing Date, of each of the following conditions:

5.1. Investor shall have executed this Agreement and delivered the same to Company.

5.2. Investor shall have delivered the Purchase Price to Company in accordance with Section 1.2 above.

6. Conditions to Investor's Obligation to Purchase. The obligation of Investor hereunder to purchase the Note at the Closing is subject to the satisfaction, on or before the Closing Date, of each of the following conditions, provided that these conditions are for Investor's sole benefit and may be waived by Investor at any time in its sole discretion:

6.1. Company shall have executed this Agreement, the Note, and the Security Agreement and delivered the same to Investor.

6.2. Company shall have delivered to Investor a fully executed Irrevocable Letter of Instructions to Transfer Agent (the "**TA Letter**") substantially in the form attached hereto as Exhibit D acknowledged and agreed to in writing by Company's transfer agent (the "**Transfer Agent**").

6.3. Company shall have delivered to Investor a fully executed Secretary's Certificate substantially in the form attached hereto as Exhibit E evidencing Company's approval of the Transaction Documents.

6.4. Company shall have delivered to Investor a fully executed Share Issuance Resolution substantially in the form attached hereto as Exhibit F to be delivered to the Transfer Agent.

6.5. Company shall have delivered to Investor fully executed copies of all other Transaction Documents required to be executed by Company herein or therein.

7. [Intentionally Omitted].

8. OFAC; Patriot Act.

8.1. OFAC Certification. Company certifies that (i) it is not acting on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department, through its Office of Foreign Assets Control ("**OFAC**") or otherwise, as a terrorist, "Specially Designated Nation", "Blocked Person", or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule or regulation that is enforced or administered by OFAC or another department of the United States government, and (ii) Company is not engaged in this transaction on behalf of, or instigating or facilitating this transaction on behalf of, any such person, group, entity or nation.

8.2. Foreign Corrupt Practices. Neither Company, nor any of its subsidiaries, nor any director, officer, agent, employee or other person acting on behalf of Company or any subsidiary has, in the course of his actions for, or on behalf of, Company, used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

8.3. Patriot Act. Company shall not (i) be or become subject at any time to any law, regulation, or list of any government agency (including, without limitation, the OFAC) that prohibits or limits Investor from making any advance or extension of credit to Company or from otherwise conducting business with Company, or (ii) fail to provide documentary and other evidence of Company's identity as may be requested by Investor at any time to enable Investor to verify Company's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318. Company shall comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect. Upon Investor's request from time to time, Company shall certify in writing to Investor that Company's representations, warranties and obligations under this Section 8.3 remain true and correct and have not been breached. Company shall immediately notify Investor in writing if any of such representations, warranties or covenants are no longer true or have been breached or if Company has a reasonable basis to believe that they may no longer be true or have been breached. In connection with such an event, Company shall comply with all requirements of law and directives of governmental authorities and, at Investor's request, provide to Investor copies of all notices, reports and other communications exchanged with, or received from, governmental authorities relating to such an event. Company shall also reimburse Investor any expense incurred by Investor in evaluating the effect of such an event on the loan secured hereby, in obtaining any necessary license from governmental authorities as may be necessary for Investor to enforce its rights under the Transaction Documents, and in complying with all requirements of law applicable to Investor as the result of the existence of such an event and for any penalties or fines imposed upon Investor as a result thereof.

9. [Intentionally Omitted].

10. Miscellaneous. The provisions set forth in this Section 10 shall apply to this Agreement, as well as all other Transaction Documents as if these terms were fully set forth therein; provided, however, that in the event there is a conflict between any provision set forth in this Section 10 and any provision in any other Transaction Document, the provision in such other Transaction Document shall govern.

10.1. Arbitration of Claims. The parties shall submit all Claims (as defined in Exhibit G) arising under this Agreement or any other Transaction Document or any other agreement between the parties and their affiliates to binding arbitration pursuant to the arbitration provisions set forth in Exhibit G attached hereto (the "**Arbitration Provisions**") and the International Dispute Resolution Procedures (the "**IDR Procedures**") established by the International Centre for Dispute Resolution ("**ICDR**"), the international division of the American Arbitration Association. In the event of any conflict between or among the Arbitration Provisions and those of the ICDR, the Arbitration Provisions shall prevail. For the avoidance of doubt, the parties agree that the injunction described in Section 10.3 below may be pursued in an arbitration that is separate and apart from any other arbitration regarding all other Claims arising under the Transaction Documents. The parties hereby acknowledge and agree that the Arbitration Provisions are binding on the parties hereto and are severable from all other provisions of this Agreement. By executing this Agreement, Company represents, warrants and covenants that Company has reviewed the Arbitration Provisions carefully, consulted with legal counsel about such provisions (or waived its right to do so), understands that the Arbitration Provisions are intended to allow for the expeditious and efficient resolution of any dispute hereunder, agrees to the terms and limitations set forth in the Arbitration Provisions. Company acknowledges and agrees that Investor may rely upon the foregoing representations and covenants of Company regarding the Arbitration Provisions.

10.2. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. Each party consents to and expressly agrees that the exclusive venue for arbitration of any dispute arising out of or relating to any Transaction Document or the relationship of the parties or their affiliates shall be in Salt Lake County, Utah. Without modifying the parties' obligations to resolve disputes hereunder pursuant to the Arbitration Provisions, for any litigation arising in connection with any of the Transaction Documents, each party hereto hereby (i) consents to and expressly submits to the exclusive personal jurisdiction of any state or federal court sitting in Salt Lake County, Utah, (ii) expressly submits to the exclusive venue of any such court for the purposes hereof, (iii) agrees to not bring any such action outside of any state or federal court sitting in Salt Lake County, Utah, and (iv) waives any claim of improper venue and any claim or objection that such courts are an inconvenient forum or any other claim, defense or objection to the bringing of any such proceeding in such jurisdiction or to any claim that such venue of the suit, action or proceeding is improper. Finally, Company covenants and agrees to name Investor as a party in interest in, and provide written notice to Investor in accordance with Section 10.9 below prior to bringing or filing, any action (including without limitation any filing or action against any person or entity that is not a party to this Agreement, including without limitation the Transfer Agent) that is related in any way to the Transaction Documents or any transaction contemplated herein or therein, including without limitation any action brought by Company to enjoin or prevent the issuance of any Ordinary Shares to Investor by the Transfer Agent, and further agrees to timely name Investor as a party to any such action. Company acknowledges that the governing law and venue provisions set forth in this Section 10.2 are material terms to induce Investor to enter into the Transaction Documents and that but for Company's agreements set forth in this Section 10.2 Investor would not have entered into the Transaction Documents.

10.3. Specific Performance. Company acknowledges and agrees that Investor may suffer irreparable harm in the event that Company fails to perform any material provision of this Agreement or any of the other Transaction Documents in accordance with its specific terms. It is accordingly agreed that Investor shall be entitled to seek an injunction in connection with an alleged breach of the provisions of this Agreement or such other Transaction Document and to enforce specifically the terms and provisions hereof or thereof, this being in addition to any other remedy to which the Investor may be entitled under the Transaction Documents, at law or in equity. Company specifically agrees that following an Event of Default (as defined in the Note) under the Note for: (a) failure to deliver Conversion Shares, (b) failure to make a payment mutually agreed to be made in Ordinary Shares, or (c) failure to timely pay any Redemption Amount (as defined in the Note), Investor shall have the right to seek and receive injunctive relief from a court or an arbitrator prohibiting Company from issuing any of its Ordinary Shares or any of its preferred shares to any party unless at least fifty (50%) of the proceeds from such issuance will be paid simultaneously to Investor. Company specifically acknowledges that Investor's right to seek specific performance constitutes bargained for leverage and that the loss of such leverage would result in irreparable harm to Investor. For the avoidance of doubt, in the event Investor seeks to obtain an injunction from a court or an arbitrator against Company or specific performance of any provision of any Transaction Document, such action shall not be a waiver of any right of Investor under any Transaction Document, at law, or in equity, including without limitation its rights to arbitrate any Claim pursuant to the terms of the Transaction Documents, nor shall Investor's pursuit of an injunction prevent Investor, under the doctrines of claim preclusion, issues preclusion, res judicata or other similar legal doctrines, from pursuing other Claims in the future in a separate arbitration.

10.4. Counterparts. Each Transaction Document may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. The parties hereto confirm that any electronic copy of another party's executed counterpart of a Transaction Document (or such party's signature page thereof) will be deemed to be an executed original thereof.

10.5. Headings. The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.

10.6. Severability. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

10.7. Entire Agreement. This Agreement, together with the other Transaction Documents, contains the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither Company nor Investor makes any representation, warranty, covenant or undertaking with respect to such matters. For the avoidance of doubt, all prior term sheets or other documents between Company and Investor, or any affiliate thereof, related to the transactions contemplated by the Transaction Documents (collectively, "**Prior Agreements**"), that may have been entered into between Company and Investor, or any affiliate thereof, are hereby null and void and deemed to be replaced in their entirety by the Transaction Documents. To the extent there is a conflict between any term set forth in any Prior Agreement and the term(s) of the Transaction Documents, the Transaction Documents shall govern.

10.8. Amendments. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by both parties hereto.

10.9. Notices. Any notice required or permitted hereunder shall be given in writing (unless otherwise specified herein) and shall be deemed effectively given on the earliest of: (i) the date delivered, if delivered by personal delivery as against written receipt therefor or by email to an executive officer named below or such officer's successor, or by facsimile (with successful transmission confirmation which is kept by sending party), (ii) the earlier of the date delivered or the seventh Trading Day after deposit, postage prepaid, in the United States Postal Service by certified mail, or (iii) the earlier of the date delivered or the seventh Trading Day after mailing by express courier, with delivery costs and fees prepaid, in each case, addressed to each of the other parties thereunto entitled at the following addresses (or at such other addresses as such party may designate by seven (7) calendar days' advance written notice similarly given to each of the other parties hereto):

If to Company:

Naked Brand Group Limited
Attn: Anna Johnson
c/o Bendon Limited
Building 7B, Huntley Street
NSW 2015, Australia

If to Investor:

St. George Investments LLC
Attn: John Fife
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

With a copy to (which copy shall not constitute notice):

Hansen Black Anderson Ashcraft PLLC
Attn: Jonathan Hansen
3051 West Maple Loop Drive, Suite 325
Lehi, Utah 84043

10.10. Successors and Assigns. This Agreement or any of the severable rights and obligations inuring to the benefit of or to be performed by Investor hereunder may be assigned by Investor to a third party, including its affiliates, in whole or in part, in connection with the transfer or all or a portion of the Note or the Conversion Shares, without the need to obtain Company's consent thereto. Company may not assign its rights or obligations under this Agreement or delegate its duties hereunder without the prior written consent of Investor.

10.11. Survival. The representations and warranties of Company and the agreements and covenants set forth in this Agreement shall survive the Closing hereunder notwithstanding any due diligence investigation conducted by or on behalf of Investor. Company agrees to indemnify and hold harmless Investor and all its officers, directors, employees, attorneys, and agents for loss or damage arising as a result of or related to any breach or alleged breach by Company of any of its representations, warranties and covenants set forth in this Agreement or any of its covenants and obligations under this Agreement, including advancement of expenses as they are incurred.

10.12. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

10.13. Investor's Rights and Remedies Cumulative. All rights, remedies, and powers conferred in this Agreement and the Transaction Documents are cumulative and not exclusive of any other rights or remedies, and shall be in addition to every other right, power, and remedy that Investor may have, whether specifically granted in this Agreement or any other Transaction Document, or existing at law, in equity, or by statute, and any and all such rights and remedies may be exercised from time to time and as often and in such order as Investor may deem expedient.

10.14. Attorneys' Fees and Cost of Collection. In the event of any arbitration or action at law or in equity to enforce or interpret the terms of this Agreement or any of the other Transaction Documents, the parties agree that the party who is awarded the most money (which, for the avoidance of doubt, shall be determined without regard to any statutory fines, penalties, fees, or other charges awarded to any party) shall be deemed the prevailing party for all purposes and shall therefore be entitled to an additional award of the full amount of the attorneys' fees, deposition costs, and expenses paid by such prevailing party in connection with arbitration or litigation without reduction or apportionment based upon the individual claims or defenses giving rise to the fees and expenses. Nothing herein shall restrict or impair an arbitrator's or a court's power to award fees and expenses for frivolous or bad faith pleading. If (i) the Note is placed in the hands of an attorney for collection or enforcement prior to commencing arbitration or legal proceedings, or is collected or enforced through any arbitration or legal proceeding, or Investor otherwise takes action to collect amounts due under the Note or to enforce the provisions of the Note, or (ii) there occurs any bankruptcy, reorganization, receivership of Company or other proceedings affecting Company's creditors' rights and involving a claim under the Note; then Company shall pay the costs incurred by Investor for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees, expenses, deposition costs, and disbursements.

10.15. Waiver. No waiver of any provision of this Agreement shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

10.16. Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHTS SUCH PARTY MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT, OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING UNDER COMMON LAW OR ANY APPLICABLE STATUTE, LAW, RULE OR REGULATION. FURTHER, EACH PARTY HERETO ACKNOWLEDGES THAT SUCH PARTY IS KNOWINGLY AND VOLUNTARILY WAIVING SUCH PARTY'S RIGHT TO DEMAND TRIAL BY JURY.

10.17. Time is of the Essence. Time is expressly made of the essence with respect to each and every provision of this Agreement and the other Transaction Documents.

[*Remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, the undersigned Investor and Company have caused this Agreement to be duly executed as of the date first above written.

SUBSCRIPTION AMOUNT:

Principal Amount of Note:	$	3,320,000.00
Purchase Price:	$	3,000,000.00

INVESTOR:

St. George Investments LLC

By: Fife Trading, Inc., its Manager

By: */s/ John M. Fife*
John M. Fife, President

COMPANY:

Naked Brand Group Limited

By: */s/ Justin Davis-Rice*
Printed Name: Justin Davis-Rice
Title: Director

[Signature Page to Securities Purchase Agreement]

Exhibit 4.8.2

SECURED CONVERTIBLE PROMISSORY NOTE

Effective Date: May 13, 2019 U.S. $3,320,000.00

FOR VALUE RECEIVED, Naked Brand Group Limited, an Australia corporation ("**Borrower**"), promises to pay to St. George Investments LLC, a Utah limited partnership, or its successors or assigns ("**Lender**"), $3,320,000.00 and any interest, fees, charges, and late fees accrued hereunder on the date (the "**Maturity Date**") that is eighteen (18) months after the date first written above (the "**Effective Date**") in accordance with the terms set forth herein and to pay interest on the Outstanding Balance at the rate of ten percent (10%) per annum from the Effective Date until the same is paid in full. All interest calculations hereunder shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months, shall compound daily and shall be payable in accordance with the terms of this Note. This Note is issued pursuant to that certain Securities Purchase Agreement dated May 13, 2019, as the same may be amended from time to time, by and between Borrower and Lender (the "**Purchase Agreement**"). Certain capitalized terms used herein are defined in Attachment 1 attached hereto and incorporated herein by this reference.

This Note carries an OID of $300,000.00. In addition, Borrower agrees to pay $20,000.00 to Lender to cover Lender's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of this Note (the "**Transaction Expense Amount**"), all of which amount is fully earned and included in the initial principal balance of this Note. The purchase price for this Note shall be $3,000,000.00 (the "**Purchase Price**"), computed as follows: $3,320,000.00 original principal balance, less the OID, less the Transaction Expense Amount. The Purchase Price shall be payable by Lender by wire transfer of immediately available funds.

1. Payment; Prepayment.

1.1. Payment. All payments owing hereunder shall be in lawful money of the United States of America or Conversion Shares (as defined below), as provided for herein, and delivered to Lender at the address or bank account furnished to Borrower for that purpose. All payments shall be applied first to (a) costs of collection, if any, then to (b) fees and charges, if any, then to (c) accrued and unpaid interest, and thereafter, to (d) principal.

1.2. Prepayment. Notwithstanding the foregoing, Borrower shall have the right to prepay all or any portion of the Outstanding Balance (less such portion of the Outstanding Balance for which Borrower has received a Conversion Notice (as defined below) from Lender where the applicable Conversion Shares have not yet been delivered). If Borrower exercises its right to prepay this Note, Borrower shall make payment to Lender of an amount in cash equal to 115% multiplied by the portion of the Outstanding Balance Borrower elects to prepay.

2. Security; Subordination. This Note is secured by all of Borrower's assets pursuant to that certain Security Agreement of even date herewith (the "**Security Agreement**"), executed by Borrower in favor of Lender, all the terms and conditions of which are hereby incorporated into and made a part of this Note. This Note is subject in all respects to the Subordination Deed (as defined in the Purchase Agreement).

3. Lender Optional Conversion.

3.1. Conversions. Lender has the right at any time after the Effective Date until the Outstanding Balance has been paid in full, at its election, to convert ("**Conversion**") all or any portion of the Outstanding Balance into shares ("**Conversion Shares**") of fully paid and non-assessable ordinary shares, no par value per share ("**Ordinary Shares**"), of Borrower as per the following conversion formula: the number of Conversion Shares equals the amount being converted (the "**Conversion Amount**") divided by the Conversion Price (as defined below). Conversion notices in the form attached hereto as Exhibit A (each, a "**Conversion Notice**") may be effectively delivered to Borrower by any method set forth in the "Notices" Section of the Purchase Agreement, and all Conversions shall be cashless and not require further payment from Lender. Borrower shall deliver the Conversion Shares from any Conversion to Lender in accordance with Section 9 below.

3.2. Conversion Price. Subject to adjustment as set forth in this Note, the price at which Lender has the right to convert all or any portion of the Outstanding Balance into Ordinary Shares is $0.90 per Ordinary Share (the "**Conversion Price**").

4. Defaults and Remedies.

4.1. Defaults. The following are events of default under this Note (each, an "**Event of Default**"): (a) Borrower fails to pay (i) the Outstanding Balance at the Maturity Date, (ii) any Redemption Amount when due and payable, or (iii) any other principal, interest, fees, charges, or any other amount within five (5) days of when due and payable hereunder (for the avoidance of doubt, the foregoing five (5) day cure period only applies to clause (iii); (b) Borrower fails to deliver any Conversion Shares within two (2) Trading Days of when due hereunder or otherwise fails to deliver any Conversion Shares in accordance with the terms hereof; (c) a receiver, trustee or other similar official shall be appointed over Borrower or a material part of its assets and such appointment shall remain uncontested for twenty (20) days or shall not be dismissed or discharged within sixty (60) days; (d) Borrower becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any; (e) Borrower makes a general assignment for the benefit of creditors; (f) Borrower files a petition for relief under any bankruptcy, insolvency or similar law (domestic or foreign); (g) an involuntary bankruptcy proceeding is commenced or filed against Borrower and such proceeding shall remain uncontested for twenty (20) days or shall not be dismissed or discharged within sixty (60) days; (h) Borrower or any pledgor, trustor, or guarantor of this Note defaults or otherwise fails to observe or perform any material covenant, obligation, condition or agreement of Borrower or such pledgor, trustor, or guarantor contained herein or in any other Transaction Document (as defined in the Purchase Agreement), other than those specifically set forth in this Section 4.1 and Section 4 of the Purchase Agreement; (i) any representation, warranty or other statement made or furnished by or on behalf of Borrower or any pledgor, trustor, or guarantor of this Note to Lender herein, in any Transaction Document, or otherwise in connection with the issuance of this Note is false, incorrect, incomplete or misleading in any material respect when made or furnished; (j) the occurrence of a Fundamental Transaction without Lender's prior written consent; (k) Borrower effectuates a reverse split of its Ordinary Shares without ten (10) Trading Days prior written notice to Lender; (l) any money judgment, writ or similar process is entered or filed against Borrower or any subsidiary of Borrower or any of its property or other assets for more than $500,000.00, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) calendar days unless otherwise consented to by Lender; (m) Borrower fails to be DWAC Eligible; (n) Borrower fails to observe or perform any covenant set forth in Section 4 of the Purchase Agreement (other than the covenant with respect to Restricted Issuances); (o) Borrower makes any Restricted Issuance without Lender's prior written consent; or (p) Borrower, any affiliate of Borrower, or any pledgor, trustor, or guarantor of this Note breaches any covenant or other term or condition contained in any Other Agreements. Notwithstanding the foregoing, the occurrence of any of the events specified in Section 4.1(h) – (p) above shall not be considered an Event of Default if cured within thirty (30) days of the occurrence of such event.

4.2. Remedies. At any time and from time to time after Lender becomes aware of the occurrence of any Event of Default, Lender may accelerate this Note by written notice to Borrower, with the Outstanding Balance becoming immediately due and payable in cash at the Mandatory Default Amount. Notwithstanding the foregoing, at any time following the occurrence of any Event of Default, Lender may, at its option, elect to increase the Outstanding Balance by applying the Default Effect (subject to the limitation set forth below) via written notice to Borrower without accelerating the Outstanding Balance, in which event the Outstanding Balance shall be increased as of the date of the occurrence of the applicable Event of Default pursuant to the Default Effect, but the Outstanding Balance shall not be immediately due and payable unless so declared by Lender (for the avoidance of doubt, if Lender elects to apply the Default Effect pursuant to this sentence, it shall reserve the right to declare the Outstanding Balance immediately due and payable at any time and no such election by Lender shall be deemed to be a waiver of its right to declare the Outstanding Balance immediately due and payable as set forth herein unless otherwise agreed to by Lender in writing). Notwithstanding the foregoing, upon the occurrence of any Event of Default described in clauses (c), (d), (e), (f) or (g) of Section 4.1, the Outstanding Balance as of the date of acceleration shall become immediately and automatically due and payable in cash at the Mandatory Default Amount, without any written notice required by Lender. At any time following the occurrence of any Event of Default, upon written notice given by Lender to Borrower, interest shall accrue on the Outstanding Balance beginning on the date the applicable Event of Default occurred at an interest rate equal to the lesser of twenty-two percent (22%) per annum or the maximum rate permitted under applicable law ("**Default Interest**"). For the avoidance of doubt, Lender may continue making Conversions at any time following an Event of Default until such time as the Outstanding Balance is paid in full. In connection with acceleration described herein, except as described herein, Lender need not provide, and Borrower hereby waives, any presentment, demand, protest or other notice of any kind, and Lender may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Lender at any time prior to payment hereunder and Lender shall have all rights as a holder of the Note until such time, if any, as Lender receives full payment pursuant to this Section 4.2. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon. Nothing herein shall limit Lender's right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to Borrower's failure to timely deliver Conversion Shares upon Conversion of the Note as required pursuant to the terms hereof.

5. Unconditional Obligation; No Offset. Borrower acknowledges that this Note is an unconditional, valid, binding and enforceable obligation of Borrower not subject to offset, deduction or counterclaim of any kind. Borrower hereby waives any rights of offset it now has or may have hereafter against Lender, its successors and assigns, and agrees to make the payments or Conversions called for herein in accordance with the terms of this Note.

6. Waiver. No waiver of any provision of this Note shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

7. Adjustment of Conversion Price upon Subdivision or Combination of Ordinary Shares. Without limiting any provision hereof, if Borrower at any time on or after the Effective Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding Ordinary Shares into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. Without limiting any provision hereof, if Borrower at any time on or after the Effective Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding Ordinary Shares into a smaller number of shares, the Conversion Price in effect immediately prior to such combination will be proportionately increased. Any adjustment pursuant to this Section 7 shall become effective immediately after the effective date of such subdivision or combination.

8. Borrower Redemptions. Beginning on the date that is seven (7) months from the Effective Date and at any time thereafter until this Note is paid in full, Lender shall have the right to cause the Borrower to redeem any portion of the Note (the amount of each exercise, the "**Redemption Amount**") up the Maximum Monthly Redemption Amount in any given calendar month by providing written notice (each, a "**Redemption Notice**") delivered to Borrower by facsimile, email, mail, overnight courier, or personal delivery. Upon receipt of any Redemption Notice, Borrower shall pay the applicable Redemption Amount in cash to Lender within three (3) Trading Days of Borrower's receipt of such Redemption Notice (the "**Redemption Amount Payment Date**"). For the avoidance of doubt, in the event Borrower fails to pay any Redemption Amount to Lender by the applicable Redemption Amount Payment Date for any reason, including, but not limited to, Borrower's inability to make such payment in cash as a result of its payment restrictions or other obligations under the Subordination Deed, such failure to pay the Redemption Amount shall still be considered an Event of Default hereunder.

9. Method of Conversion Share Delivery. On or before the close of business on the third (3rd) Trading Day following the date of delivery of a Conversion Notice (the "**Delivery Date**"), Borrower shall, provided it is DWAC Eligible at such time, deliver or cause its transfer agent to deliver the applicable Conversion Shares electronically via DWAC to the account designated by Lender in the applicable Conversion Notice. If Borrower is not DWAC Eligible, it shall deliver to Lender or its broker (as designated in the Conversion Notice), via reputable overnight courier, a certificate representing the number of Ordinary Shares equal to the number of Conversion Shares to which Lender shall be entitled, registered in the name of Lender or its designee. For the avoidance of doubt, Borrower has not met its obligation to deliver Conversion Shares by the Delivery Date unless Lender or its broker, as applicable, has actually received the certificate representing the applicable Conversion Shares no later than the close of business on the relevant Delivery Date pursuant to the terms set forth above. Moreover, and notwithstanding anything to the contrary herein or in any other Transaction Document, in the event Borrower or its transfer agent refuses to deliver any Conversion Shares without a restrictive securities legend to Lender on grounds that such issuance is in violation of Rule 144 under the Securities Act of 1933, as amended ("**Rule 144**"), Borrower shall deliver or cause its transfer agent to deliver the applicable Conversion Shares to Lender with a restricted securities legend, but otherwise in accordance with the provisions of this Section 9. In conjunction therewith, Borrower will also deliver to Lender a written explanation from its counsel or its transfer agent's counsel explaining why the issuance of the applicable Conversion Shares violates Rule 144. The Lender acknowledges that the Conversion Shares shall bear a legend so long as the applicable holding period under Rule 144 has not been met or any other conditions of Rule 144, including the requirement for current public information to be available, would apply to sale of the Conversion Shares.

10. Conversion Delays. If Borrower fails to deliver Conversion Shares in accordance with the timeframe stated in Section 9, Lender may at any time prior to receiving the applicable Conversion Shares rescind in whole or in part such Conversion, with a corresponding increase to the Outstanding Balance (any returned amount will tack back to the Effective Date for purposes of determining the holding period under Rule 144). In addition, for each Conversion, in the event that Conversion Shares are not delivered by the third (3rd) Trading Day (inclusive of the day of the Conversion), a late fee equal to 2% of the applicable Conversion Share Value rounded to the nearest multiple of $100.00 but with a floor of $500.00 per day (but in any event the cumulative amount of such late fees for each Conversion shall not exceed 100% of the applicable Conversion Share Value) will be assessed for each day after the fifth (5th) Trading Day (inclusive of the day of the Conversion) until Conversion Share delivery is made; and such late fee will be added to the Outstanding Balance (such fees, the "**Conversion Delay Late Fees**")

11. Approved Restricted Issuance. The Outstanding Balance will automatically be increased by five percent (5%) for each Approved Restricted Issuance made by Borrower (without the need for Lender to provide any notice to Borrower of such increase), if and only if such Approved Restricted Issuance provides for the issuance of Ordinary Shares upon conversion, exchange or exercise at a price that is based upon and/or varies with the trading prices of or quotations for the Ordinary Shares or that is subject to being reset at some future date after the Restricted Issuance or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Ordinary Shares, which increase will be effective as of the date of each applicable Approved Restricted Issuance.

12. Restriction on Equity Sales. If at any time after the date that is six (6) months from the Purchase Price Date, Borrower is unable to issue Ordinary Shares to Lender as result of any lock-up or other agreement or restriction prohibiting the issuance of Ordinary Shares for a certain period of time (the "**Lock-Up**"), then, at Lender's option, the Outstanding Balance will be increased by three percent (3%) for each thirty (30) day period that Borrower is prohibited from issuing Ordinary Shares (which increase shall be pro-rated for any partial period). For the avoidance of doubt, if Lender elects to increase the Outstanding Balance as set forth in the previous sentence, Lender shall be deemed to have waived its right to call an Event of Default for failure to deliver Conversion Shares as a result of the Lock-Up.

13. Ownership Limitation. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, Borrower shall not effect any conversion of this Note to the extent that after giving effect to such conversion would cause Lender (together with its affiliates) to beneficially own a number of shares exceeding 4.99% of the number of Ordinary Shares outstanding on such date (including for such purpose the Ordinary Shares issuable upon such issuance) (the "**Maximum Percentage**"). For purposes of this section, beneficial ownership and the percentage of beneficial ownership of Ordinary Shares will be determined pursuant to Section 13(d) of the 1934 Act. Notwithstanding the forgoing, the term "4.99%" above shall be replaced with "9.99%" at such time as the Market Capitalization is less than $10,000,000.00. Notwithstanding any other provision contained herein, if the term "4.99%" is replaced with "9.99%" pursuant to the preceding sentence, such increase to "9.99%" shall remain at 9.99% until increased, decreased or waived by Lender as set forth below. By written notice to Borrower, Lender may increase, decrease or waive the Maximum Percentage, up to a maximum of 9.99%, but any such waiver will not be effective until the 61st day after delivery thereof. The foregoing 61-day notice requirement is enforceable, unconditional and non-waivable and shall apply to all affiliates and assigns of Lender.

14. Opinion of Counsel. In the event that an opinion of counsel is needed for any matter related to this Note, Lender has the right to have any such opinion provided by its counsel, provided such counsel is reasonably acceptable to Borrower.

15. Governing Law; Venue. This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. The provisions set forth in the Purchase Agreement to determine the proper venue for any disputes are incorporated herein by this reference.

16. Arbitration of Disputes. By its issuance or acceptance of this Note, each party agrees to be bound by the Arbitration Provisions (as defined in the Purchase Agreement) set forth as an exhibit to the Purchase Agreement.

17. Cancellation. After repayment or conversion of the entire Outstanding Balance, this Note shall be deemed paid in full, shall automatically be deemed canceled, and shall not be reissued.

18. Amendments. The prior written consent of both parties hereto shall be required for any change or amendment to this Note.

19. Assignments. Borrower may not assign this Note without the prior written consent of Lender. This Note and any Ordinary Shares issued upon conversion of this Note may be offered, sold, assigned or transferred by Lender without the consent of Borrower.

20. Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with the subsection of the Purchase Agreement titled "Notices."

21. Liquidated Damages. Lender and Borrower agree that in the event Borrower fails to comply with any of the terms or provisions of this Note, Lender's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates, future share prices, future trading volumes and other relevant factors. Accordingly, Lender and Borrower agree that any fees, balance adjustments, Default Interest or other charges assessed under this Note are not penalties but instead are intended by the parties to be, and shall be deemed, liquidated damages (under Lender's and Borrower's expectations that any such liquidated damages will tack back to the Effective Date for purposes of determining the holding period under Rule 144).

22. Severability. If any part of this Note is construed to be in violation of any law, such part shall be modified to achieve the objective of Borrower and Lender to the fullest extent permitted by law and the balance of this Note shall remain in full force and effect.

[*Remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the Effective Date.

BORROWER:

Naked Brand Group Limited

By: */s/ Justin Davis-Rice*
Name: Justin Davis-Rice
Title: Director

ACKNOWLEDGED, ACCEPTED AND AGREED:

LENDER:

St. George Investments LLC

By: Fife Trading, Inc., its Manager

By: */s/ John M. Fife*
John M. Fife, President

[*Signature Page to Secured Convertible Promissory Note*]

ATTACHMENT 1

DEFINITIONS

For purposes of this Note, the following terms shall have the following meanings:

A1. "**Approved Restricted Issuance**" means a Restricted Issuance (as defined in the Purchase Agreement) for which Borrower received Lender's written consent prior to the applicable issuance.

A2. "**Closing Trade Price**" means the last closing trade price for the Ordinary Shares on its principal market, as reported by Bloomberg, or, if its principal market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last trade price, respectively, of the Ordinary Shares prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or if the foregoing does not apply, the last closing trade price of the Ordinary Shares in the over-the-counter market on the electronic bulletin board for the Ordinary Shares as reported by Bloomberg, or, if no closing trade price is reported for the Ordinary Shares by Bloomberg, the average of the bid and ask prices of any market makers for the Ordinary Shares as reported by OTC Markets Group, Inc., and any successor thereto. If the Closing Trade Price cannot be calculated for the Ordinary Shares on a particular date on any of the foregoing bases, the Closing Trade Price of the Ordinary Shares on such date shall be the fair market value as mutually determined by Lender and Borrower. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

A3. "**Conversion Share Value**" means the product of the number of Conversion Shares deliverable pursuant to any Conversion Notice multiplied by the Closing Trade Price of the Ordinary Shares on the Delivery Date for such Conversion.

A4. "**Default Effect**" means multiplying the Outstanding Balance as of the date the applicable Event of Default occurred by (a) fifteen percent (15%) for each occurrence of any Major Default, (b) ten percent (10%) for each occurrence of an Unapproved Restricted Issuance Default, or (c) five percent (5%) for each occurrence of any Minor Default, and then adding the resulting product to the Outstanding Balance as of the date the applicable Event of Default occurred, with the sum of the foregoing then becoming the Outstanding Balance under this Note as of the date the applicable Event of Default occurred; provided that the Default Effect may only be applied two (2) times hereunder with respect to Major Defaults, three (3) times with respect to Unapproved Restricted Issuance Defaults and three (3) times hereunder with respect to Minor Defaults; provided, further, that the Default Effect shall not in any event result in the addition, in the aggregate, of an amount in excess of twenty-five percent (25%) of the Outstanding Balance to the Outstanding Balance; and provided further that the Default Effect shall not apply to any Event of Default pursuant to Section 4.1(b) hereof.

A5. "**DTC**" means the Depository Trust Company or any successor thereto.

A6. "**DTC/FAST Program**" means the DTC's Fast Automated Securities Transfer program.

A7. "**DWAC**" means the DTC's Deposit/Withdrawal at Custodian system.

A8. "**DWAC Eligible**" means that (a) Borrower's Ordinary Shares is eligible at DTC for full services pursuant to DTC's operational arrangements, including without limitation transfer through DTC's DWAC system; (b) Borrower has been approved (without revocation) by DTC's underwriting department; (c) Borrower's transfer agent is approved as an agent in the DTC/FAST Program; (d) the Conversion Shares are otherwise eligible for delivery via DWAC; and (e) Borrower's transfer agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC.

A9. "**Fundamental Transaction**" means that (a) (i) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consolidate or merge with or into (whether or not Borrower or any of its subsidiaries is the surviving corporation) any other person or entity, unless the holders of the voting securities of Borrower prior to such transaction own 50% or more of the outstanding voting securities of the surviving person or entity, or (ii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets to any other person or entity, or (iii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, allow any other person or entity to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the person or persons making or party to, or associated or affiliated with the persons or entities making or party to, such purchase, tender or exchange offer), or (iv) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other person or entity whereby such other person or entity acquires more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock or share purchase agreement or other business combination), or (v) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, reorganize, recapitalize or reclassify the Ordinary Shares, other than an increase in the number of authorized shares of Borrower's Ordinary Shares, or (b) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding voting stock of Borrower.

A10. "**Major Default**" means any Event of Default occurring under Sections 4.1(a) or 4.1(n).

A11. "**Mandatory Default Amount**" means the Outstanding Balance following the application of the Default Effect.

A12. "**Market Capitalization**" means a number equal to (a) the average VWAP of the Ordinary Shares for the immediately preceding fifteen (15) Trading Days, multiplied by (b) the aggregate number of outstanding Ordinary Shares as reported on Borrower's most recently filed Form 10-Q or Form 10-K.

A13. "**Maximum Monthly Redemption Amount**" means $400,000.00.

A14. "**Minor Default**" means any Event of Default that is not a Major Default or an Unapproved Restricted Issuance Default.

A15. "**OID**" means an original issue discount.

A16. "**Other Agreements**" means, collectively, (a) all existing and future agreements and instruments between, among or by Borrower (or an affiliate), on the one hand, and Lender (or an affiliate), on the other hand, and (b) any financing agreement or a material agreement that affects Borrower's ongoing business operations.

A17. "**Outstanding Balance**" means as of any date of determination, the Purchase Price, as reduced or increased, as the case may be, pursuant to the terms hereof for payment, Conversion, offset, or otherwise, plus the OID, the Transaction Expense Amount, accrued but unpaid interest, collection and enforcements costs (including attorneys' fees) incurred by Lender, transfer, stamp, issuance and similar taxes and fees related to Conversions, and any other fees or charges (including without limitation Conversion Delay Late Fees) incurred under this Note.

A18. "**Trading Day**" means any day on which the New York Stock Exchange (or such other principal market for the Ordinary Shares) is open for trading.

A19. "**Unapproved Restricted Issuance**" means a Restricted Issuance for which Borrower did not receive Lender's written consent prior to the applicable issuance.

A20. "**Unapproved Restricted Issuance Default**" means an Event of Default occurring under Section 4.1(o) of this Note.

A21. "**VWAP**" means the volume weighted average price of the Ordinary Shares on the principal market for a particular Trading Day or set of Trading Days, as the case may be, as reported by Bloomberg.

[Remainder of page intentionally left blank]

EXHIBIT A

St. George Investments LLC
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

Naked Brand Group Limited
Attn: Anna Johnson
c/o Bendon Limited
Building 7B, Huntley Street
Alexandria
NSW 2015, Australia

Date: _____

CONVERSION NOTICE

The above-captioned Lender hereby gives notice to Naked Brand Group Limited, an Australia corporation (the "**Borrower**"), pursuant to that certain Secured Convertible Promissory Note made by Borrower in favor of Lender on May 13, 2019 (the "**Note**"), that Lender elects to convert the portion of the Note balance set forth below into fully paid and non-assessable Ordinary Shares of Borrower as of the date of conversion specified below. Said conversion shall be based on the Conversion Price set forth below. In the event of a conflict between this Conversion Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of Conversion Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

A. Date of Conversion: _____
B. Conversion #: _____
C. Conversion Amount: _____
D. Conversion Price: _____
E. Conversion Shares: _____ (C divided by D)
F. Remaining Outstanding Balance of Note: _____*

* Subject to adjustments for corrections, defaults, interest and other adjustments permitted by the Transaction Documents (as defined in the Purchase Agreement), the terms of which shall control in the event of any dispute between the terms of this Conversion Notice and such Transaction Documents.

Please transfer the Conversion Shares electronically (via DWAC) to the following account:

Broker: _____ Address: _____
DTC#: _____ _____
Account #: _____ _____
Account Name: _____

To the extent the Conversion Shares are not able to be delivered to Lender electronically via the DWAC system, deliver all such certificated shares to Lender via reputable overnight courier after receipt of this Conversion Notice (by facsimile transmission or otherwise) to:

_____

_____

_____

[Signature Page Follows]

Sincerely,

Lender:

St. George Investments LLC

By: Fife Trading, Inc., its Manager

By: _____
John M. Fife, President

Exhibit 4.8.3

Security Agreement

This Security Agreement (this "**Agreement**"), dated as of May 13, 2019, is executed by Naked Brand Group Limited, an Australia corporation ("**Debtor**"), in favor of St. George Investments LLC, a Utah limited liability company ("**Secured Party**").

A. Debtor has issued to Secured Party a certain Secured Convertible Promissory Note of even date herewith, as may be amended from time to time, in the original face amount of $3,320,000.00 (the "**Note**").

B. In order to induce Secured Party to extend the credit evidenced by the Note, Debtor has agreed to enter into this Agreement and to grant Secured Party a security interest in the Collateral (as defined below).

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor hereby agrees with Secured Party as follows:

1. Definitions and Interpretation. When used in this Agreement, the following terms have the following respective meanings:

"**Collateral**" has the meaning given to that term in Section 2 hereof.

"**Intellectual Property**" means all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses (software or otherwise), information, know-how, inventions, discoveries, published and unpublished works of authorship, processes, any and all other proprietary rights, and all rights corresponding to all of the foregoing throughout the world, now owned and existing or hereafter arising, created or acquired.

"**Lien**" shall mean, with respect to any property, any security interest, mortgage, pledge, lien, claim, charge or other encumbrance in, of, or on such property or the income therefrom, including, without limitation, the interest of a vendor or lessor under a conditional sale agreement, capital lease or other title retention agreement, or any agreement to provide any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or comparable law of any jurisdiction.

"**Obligations**" means (a) all loans, advances, future advances, debts, liabilities and obligations, howsoever arising, owed by Debtor to Secured Party or any affiliate of Secured Party of every kind and description, now existing or hereafter arising, whether created by the Note, this Agreement, that certain Securities Purchase Agreement of even date herewith, entered into by and between Debtor and Secured Party (the "**Purchase Agreement**"), any other Transaction Documents (as defined in the Purchase Agreement), any other agreement between Debtor and Secured Party (or any affiliate of Secured Party) or any other promissory note issued by Debtor in favor of Secured Party (or any affiliate of Secured Party), any modification or amendment to any of the foregoing, guaranty of payment or other contract or by a quasi-contract, tort, statute or other operation of law, whether incurred or owed directly to Secured Party or as an affiliate of Secured Party or acquired by Secured Party or an affiliate of Secured Party by purchase, pledge or otherwise, (b) all costs and expenses, including attorneys' fees, incurred by Secured Party or any affiliate of Secured Party in connection with the Note or in connection with the collection or enforcement of any portion of the indebtedness, liabilities or obligations described in the foregoing clause (a), (c) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Agreement, and (d) the performance of the covenants and agreements of Debtor contained in this Agreement and all other Transaction Documents.

"**Permitted Liens**" means (a) Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established, (b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other similar Liens imposed by law, arising in the ordinary course of business, (c) Liens in favor of Secured Party under this Agreement or arising under the other Transaction Documents or prior agreements between Debtor and Secured Party, and (d) a Lien in in favor of Bank of New Zealand.

"**UCC**" means the Uniform Commercial Code as in effect in the jurisdiction whose laws would govern the security interest in, including without limitation the perfection thereof, and foreclosure of the applicable Collateral, or any equivalent laws in Australia that govern the grant of a security interest in the types of assets encumbered by this Agreement.

Unless otherwise defined herein, all terms defined in the UCC have the respective meanings given to those terms in the UCC.

2. Grant of Security Interest. As security for the Obligations, Debtor hereby pledges to Secured Party and grants to Secured Party a security interest in all right, title, interest, claims and demands of Debtor in and to the property described in Schedule A hereto, and all replacements, proceeds, products, and accessions thereof (collectively, the "**Collateral**").

3. Authorization to File Financing Statements. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction or other jurisdiction of Debtor or its subsidiaries any financing statements or documents having a similar effect and amendments thereto that provide any other information required by the Uniform Commercial Code (or similar law of any non-United States jurisdiction, if applicable) of such state or jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Debtor is an organization, the type of organization and any organization identification number issued to Debtor. Debtor agrees to furnish any such information to Secured Party promptly upon Secured Party's request.

4. General Representations and Warranties. Debtor represents and warrants to Secured Party that (a) Debtor is the owner of the Collateral and that no other person has any right, title, claim or interest (by way of Lien or otherwise) in, against or to the Collateral, other than Permitted Liens, (b) upon the filing of UCC-1 financing statements with the appropriate state office (or an equivalent in the appropriate foreign office), Secured Party shall have a perfected security interest in the Collateral to the extent that a security interest in the Collateral can be perfected by such filing, subject to the Permitted Liens, (c) Debtor has received at least a reasonably equivalent value in exchange for entering into this Agreement, (d) Debtor is not insolvent, as defined in any applicable state or federal statute, nor will Debtor be rendered insolvent by the execution and delivery of this Agreement to Secured Party; and (e) as such, this Agreement is a valid and binding obligation of Debtor.

5. Additional Covenants. Debtor hereby agrees:

5.1. to perform all acts that may be necessary to maintain, preserve, protect and perfect in the Collateral, the Lien granted to Secured Party therein, and the perfection and priority of such Lien;

5.2. to procure, execute (including endorse, as applicable), and deliver from time to time any endorsements, assignments, financing statements, certificates of title, and all other instruments, documents and/or writings reasonably deemed necessary or appropriate by Secured Party to perfect, maintain and protect Secured Party's Lien hereunder and the priority thereof;

5.3. to provide at least ten (10) days prior written notice to Secured Party of any of the following events: (a) any changes or alterations of Debtor's name, (b) any changes with respect to Debtor's address or principal place of business, and (c) the formation of any subsidiaries of Debtor;

5.4. upon the occurrence of an Event of Default (as defined in the Note) under the Note and so long as such Event of Default is continuing, at Secured Party's request, to endorse (up to the outstanding amount under such promissory notes at the time of Secured Party's request), assign and deliver any promissory notes and all other instruments, documents, or writings included in the Collateral to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time to time specify;

5.5. to the extent the Collateral is not delivered to Secured Party pursuant to this Agreement, to keep the Collateral at the principal office of Debtor (unless otherwise agreed to by Secured Party in writing), and not to relocate the Collateral to any other locations without the prior written consent of Secured Party;

5.6. [Intentionally omitted]

5.7. not to, directly or indirectly, allow, grant or suffer to exist any Lien upon any of the Collateral, other than Permitted Liens;

5.8. [Intentionally omitted]

5.9. to the extent commercially reasonable and in Debtor's good faith business judgment: (a) to file and prosecute diligently any patent, trademark or service mark applications pending as of the date hereof or hereafter until all Obligations shall have been paid in full, (b) to make application on unpatented but patentable inventions and on trademarks and service marks, (c) to preserve and maintain all rights in all of its Intellectual Property, and (d) to ensure that all of its Intellectual Property is and remains enforceable. Any and all costs and expenses incurred in connection with each of Debtor's obligations under this Section 5.9 shall be borne by Debtor. Debtor shall not knowingly and unreasonably abandon any right to file a patent, trademark or service mark application, or abandon any pending patent application, or any other of its Intellectual Property, without the prior written consent of Secured Party except for Intellectual Property that Debtor determines, in the exercise of its good faith business judgment, is not or is no longer material to its business;

5.10. upon the request of Secured Party at any time or from time to time, and at the sole cost and expense (including, without limitation, reasonable attorneys' fees) of Debtor, Debtor shall take all actions and execute and deliver any and all instruments, agreements, assignments, certificates and/or documents reasonably required by Secured Party to collaterally assign any and all of Debtor's patent, copyright and trademark registrations and applications now owned or hereafter acquired to and in favor of Secured Party; and

5.11. at any time amounts paid by Secured Party under the Transaction Documents are used to purchase Collateral, Debtor shall perform all acts that may be necessary, and otherwise fully cooperate with Secured Party, to cause (a) any such amounts paid by Secured Party to be disbursed directly to the sellers of any such Collateral, (b) all certificates of title pertaining to such Collateral (as applicable) to be properly filed and reissued to reflect Secured Party's Lien on such Collateral, and (c) all such reissued certificates of title to be delivered to and held by Secured Party.

6. Authorized Action by Secured Party. Upon the occurrence of an Event of Default and so long as such Event of Default is continuing, Debtor hereby irrevocably appoints Secured Party as its attorney-in-fact (which appointment is coupled with an interest) and agrees that Secured Party may perform (but Secured Party shall not be obligated to and shall incur no liability to Debtor or any third party for failure so to do) any act which Debtor is obligated by this Agreement to perform, and to exercise such rights and powers as Debtor might exercise with respect to the Collateral, including the right to (a) collect by legal proceedings or otherwise and endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Collateral; (b) enter into any extension, reorganization, deposit, merger, consolidation or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Collateral; (c) make any compromise or settlement, and take any action Secured Party deems advisable, with respect to the Collateral, including without limitation bringing a suit in Secured Party's own name to enforce any Intellectual Property; (d) endorse Debtor's name on all applications, documents, papers and instruments necessary or desirable for Secured Party in the use of any Intellectual Property; (e) grant or issue any exclusive or non-exclusive license under any Intellectual Property to any person or entity; (f) assign, pledge, sell, convey or otherwise transfer title in or dispose of any Intellectual Property to any person or entity; (g) cause the Commissioner of Patents and Trademarks, United States Patent and Trademark Office (or as appropriate, such equivalent agency in foreign countries) to issue any and all patents and related rights and applications to Secured Party as the assignee of Debtor's entire interest therein; (h) file a copy of this Agreement with any governmental agency, body or authority, including without limitation the United States Patent and Trademark Office and, if applicable, the United States Copyright Office or Library of Congress, at the sole cost and expense of Debtor; (i) insure, process and preserve the Collateral; (j) pay any indebtedness of Debtor relating to the Collateral; (k) execute and file UCC financing statements and other documents, certificates, instruments and agreements with respect to the Collateral or as otherwise required or permitted hereunder; and (l) take any and all appropriate action and execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement; *provided, however*, that Secured Party shall not exercise any such powers granted pursuant to clauses (a) through (g) above prior to the occurrence of an Event of Default and shall only exercise such powers during the continuance of an Event of Default. The powers conferred on Secured Party under this Section 6 are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither Secured Party nor any of its stockholders, directors, officers, managers, employees or agents shall be responsible to Debtor for any act or failure to act, except with respect to Secured Party's own gross negligence or willful misconduct. Nothing in this Section 6 shall be deemed an authorization for Debtor to take any action that it is otherwise expressly prohibited from undertaking by way of other provision of this Agreement.

7. Default and Remedies.

7.1. Default. Debtor shall be deemed in default under this Agreement upon the occurrence of an Event of Default.

7.2. Remedies. Upon the occurrence of any such Event of Default, Secured Party shall have the rights of a secured creditor under the UCC, all rights granted by this Agreement and by law, including, without limiting the foregoing, (a) the right to require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party, and (b) the right to take possession of the Collateral, and for that purpose Secured Party may enter upon premises on which the Collateral may be situated and remove the Collateral therefrom. Debtor hereby agrees that fifteen (15) days' notice of a public sale of any Collateral or notice of the date after which a private sale of any Collateral may take place is reasonable. Secured Party may also have a receiver appointed to take charge of all or any portion of the Collateral and to exercise all rights of Secured Party under this Agreement. Secured Party may exercise any of its rights under this Section 7.2 without demand or notice of any kind. The remedies in this Agreement, including without limitation this Section 7.2, are in addition to, not in limitation of, any other right, power, privilege, or remedy, either in law, in equity, or otherwise, to which Secured Party may be entitled. No failure or delay on the part of Secured party in exercising any right, power, or remedy will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder. All of Secured Party's rights and remedies, whether evidenced by this Agreement or by any other agreement, instrument or document shall be cumulative and may be exercised singularly or concurrently.

7.3. Standards for Exercising Rights and Remedies. To the extent that applicable law imposes duties on Secured Party to exercise remedies in a commercially reasonable manner, Debtor acknowledges and agrees that it is not commercially unreasonable for Secured Party (a) to fail to incur expenses reasonably deemed significant by Secured Party to prepare Collateral for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Secured Party against risks of loss, collection or disposition of Collateral or to provide to Secured Party a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Secured Party in the collection or disposition of any of the Collateral. Debtor acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by Secured Party would fulfill Secured Party's duties under the UCC in Secured Party's exercise of remedies against the Collateral and that other actions or omissions by Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section. Without limitation upon the foregoing, nothing contained in this Section shall be construed to grant any rights to Debtor or to impose any duties on Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section.

7.4. Marshalling. Secured Party shall not be required to marshal any present or future Collateral for, or other assurances of payment of, the Obligations or to resort to such Collateral or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such Collateral and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Debtor hereby agrees that it will not invoke any law relating to the marshalling of Collateral which might cause delay in or impede the enforcement of Secured Party's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Debtor hereby irrevocably waives the benefits of all such laws.

7.5. Application of Collateral Proceeds. The proceeds and/or avails of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder (as well as any other amounts of any kind held by Secured Party at the time of, or received by Secured Party after, the occurrence of an Event of Default) shall be paid to and applied as follows:

(a) First, to the payment of reasonable costs and expenses, including all amounts expended to preserve the value of the Collateral, of foreclosure or suit, if any, and of such sale and the exercise of any other rights or remedies, and of all proper fees, expenses, liability and advances, including reasonable legal expenses and attorneys' fees, incurred or made hereunder by Secured Party;

(b) Second, to the payment to Secured Party of the amount then owing or unpaid on the Note (to be applied first to accrued interest and fees and second to outstanding principal) and all amounts owed under any of the other Transaction Documents or other documents included within the Obligations; and

(c) Third, to the payment of the surplus, if any, to Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

In the absence of final payment and satisfaction in full of all of the Obligations, Debtor shall remain liable for any deficiency.

8. Miscellaneous.

8.1. Notices. Any notice required or permitted hereunder shall be given in the manner provided in the subsection titled "Notices" in the Purchase Agreement, the terms of which are incorporated herein by this reference.

8.2. Non-waiver. No failure or delay on Secured Party's part in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

8.3. Amendments and Waivers. This Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by Debtor and Secured Party. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.

8.4. Assignment. This Agreement shall be binding upon and inure to the benefit of Secured Party and Debtor and their respective successors and assigns; *provided, however*, that Debtor may not sell, assign or delegate rights and obligations hereunder without the prior written consent of Secured Party.

8.5. Cumulative Rights, etc. The rights, powers and remedies of Secured Party under this Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any applicable law, rule or regulation of any governmental authority, or the Note, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing Secured Party's rights hereunder. Debtor waives any right to require Secured Party to proceed against any person or entity or to exhaust any Collateral or to pursue any remedy in Secured Party's power.

8.6. Partial Invalidity. If any part of this Agreement is construed to be in violation of any law, such part shall be modified to achieve the objective of the parties to the fullest extent permitted and the balance of this Agreement shall remain in full force and effect.

8.7. Expenses. Debtor shall pay on demand all reasonable fees and expenses, including reasonable attorneys' fees and expenses, incurred by Secured Party in connection with the custody, preservation or sale of, or other realization on, any of the Collateral or the enforcement or attempt to enforce any of the Obligations which are not performed as and when required by this Agreement.

8.8. Entire Agreement. This Agreement and the other Transaction Documents, taken together, constitute and contain the entire agreement of Debtor and Secured Party with respect to this particular matter and supersede any and all prior agreements, negotiations, correspondence, understandings and communications between the parties, whether written or oral, respecting the subject matter hereof.

8.9. Governing Law; Venue. Except as otherwise specifically set forth herein, the parties expressly agree that this Agreement shall be governed solely by the laws of the State of Utah, without giving effect to the principles thereof regarding the conflict of laws; *provided, however*, that enforcement of Secured Party's rights and remedies against the Collateral as provided herein will be subject to the UCC. The provisions set forth in the Purchase Agreement to determine the proper venue for any disputes are incorporated herein by this reference.

8.10. Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING UNDER COMMON LAW OR ANY APPLICABLE STATUTE, LAW, RULE OR REGULATION. FURTHER, EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHT TO DEMAND TRIAL BY JURY.

8.11. Purchase Agreement; Arbitration of Disputes. By executing this Agreement, each party agrees to be bound by the terms, conditions and general provisions of the Purchase Agreement and the other Transaction Documents, including without limitation the Arbitration Provisions (as defined in the Purchase Agreement) set forth as an exhibit to the Purchase Agreement.

8.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one instrument. Any electronic copy of a party's executed counterpart will be deemed to be an executed original.

8.13. Further Assurances. Debtor shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as Secured Party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

8.14. Time of the Essence. Time is expressly made of the essence with respect to each and every provision of this Agreement.

[*Remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, Secured Party and Debtor have caused this Agreement to be executed as of the day and year first above written.

SECURED PARTY:

St. George Investments LLC

By: Fife Trading, Inc., its Manager

By: */s/ John M. Fife*
John M. Fife, President

DEBTOR:

Naked Brand Group Limited

By: */s/ Justin Davis-Rice*
Name: Justin Davis-Rice
Title: Director

[*Signature Page to Security Agreement*]

SCHEDULE A
TO SECURITY AGREEMENT

All right, title, interest, claims and demands of Debtor in and to all of Debtor's assets owned as of the date hereof and/or acquired by Debtor at any time while the Obligations are still outstanding, including without limitation, the following property:

1. All equity interests in all wholly- or partially-owned subsidiaries of Debtor.

2. All customer accounts, insurance contracts, and clients underlying such insurance contracts.

3. All goods and equipment now owned or hereafter acquired, including, without limitation, all laboratory equipment, growing equipment, computer equipment, office equipment, machinery, containers, fixtures, vehicles, and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located;

4. All inventory now owned or hereafter acquired, including, without limitation, all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products including such inventory as is temporarily out of Debtor's custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above, and Debtor's books relating to any of the foregoing;

5. All accounts receivable, contract rights, general intangibles, healthcare insurance receivables, payment intangibles and commercial tort claims, now owned or hereafter acquired, including, without limitation, all patents, patent rights and patent applications (including without limitation, the inventions and improvements described and claimed therein, and (a) all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages, proceeds and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world), trademarks and service marks (and applications and registrations therefor), inventions, discoveries, copyrights and mask works (and applications and registrations therefor), trade names, trade styles, software and computer programs including source code, trade secrets, methods, published and unpublished works of authorship, processes, know how, drawings, specifications, descriptions, and all memoranda, notes, and records with respect to any research and development, goodwill, license agreements, information, any and all other proprietary rights, franchise agreements, blueprints, drawings, purchase orders, customer lists, route lists, infringements, claims, computer programs, computer disks, computer tapes, literature, reports, catalogs, design rights, income tax refunds, payments of insurance and rights to payment of any kind and whether in tangible or intangible form or contained on magnetic media readable by machine together with all such magnetic media, and all rights corresponding to all of the foregoing throughout the world, now owned and existing or hereafter arising, created or acquired;

6. All now existing and hereafter arising accounts, contract rights, royalties, license rights and all other forms of obligations owing to Debtor arising out of the sale or lease of goods, the licensing of technology or the rendering of services by Debtor (subject, in each case, to the contractual rights of third parties to require funds received by Debtor to be expended in a particular manner), whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Debtor and Debtor's books relating to any of the foregoing;

7. All documents, cash, deposit accounts, letters of credit, letter of credit rights, supporting obligations, certificates of deposit, instruments, chattel paper, electronic chattel paper, tangible chattel paper and investment property, including, without limitation, all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodity contracts and commodity accounts, and all financial assets held in any securities account or otherwise, wherever located, now owned or hereafter acquired and Debtor's books relating to the foregoing;

8. All other assets, goods and personal property of Debtor, wherever located, whether tangible or intangible, and whether now owned or hereafter acquired; and

9. Any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to and proceeds and products thereof, including, without limitation, insurance, condemnation, requisition or similar payments and the proceeds thereof.

Exhibit 4.8.4

Dated 13 May 2019

DEED OF PRIORITY AND SUBORDINATION

NAKED BRAND GROUP LIMITED
(Debtor)

BANK OF NEW ZEALAND
(Senior Creditor)

and

ST. GEORGE INVESTMENTS LLC
(Junior Creditor)

BUDDLEFINDLAY
NEW ZEALAND LAWYERS

CONTENTS

THIS DEED is dated 13 May 2019

PARTIES

1. **NAKED BRAND GROUP LIMITED** (a company registered in Australia with ACN 619 054 938) (the "**Debtor**");

2. **BANK OF NEW ZEALAND** (a company registered in New Zealand with company number 428849) (the "**Senior Creditor**"); and

3. **ST. GEORGE INVESTMENTS LLC** (a company registered in Utah, United States of America with entity number 8931086-0160) (the "**Junior Creditor**").

BACKGROUND

A. Financial accommodation has been made to Bendon Limited by the Senior Creditor and to the Debtor by the Junior Creditor.

B. The Senior Security has been granted in respect of, among other things, Bendon Limited's obligations to the Senior Creditor and the Junior Security has been granted in respect of the Debtor's obligations to the Junior Creditor.

C. The Debtor and the Junior Creditor have agreed in favour of the Senior Creditor that, until the Termination Date, the Junior Debt is to be subordinated to the Senior Debt and the Junior Security is to be subordinated to the Senior Security, in each case on the terms set out in this Deed.

TERMS OF THIS DEED

1. INTERPRETATION

1.1 **Definitions**: In this Deed, unless the context otherwise requires:

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for business in Auckland.

"**Documents**" means, in relation to:

(a) the Senior Creditor, the Senior Documents; or

(b) the Junior Creditor, the Junior Documents.

"**Enforcement**" means the exercise by a Secured Party of any right available to it by way of enforcement or realisation of a security interest under its Security (including, without limitation, service of a notice under section 119 of the Property Law Act 2007), appointment of a receiver, exercise of a right of set-off or claiming, proving or accepting payment in a liquidation or administration of, the Debtor.

"**Enforcement Date**" means, unless the Secured Parties agree in writing to the contrary, the first day on which a Secured Party becomes entitled to exercise any right of Enforcement available to it under its Security.

"**Facility Agreement**" means the Senior Facility Agreement or the Junior Facility Agreement, as the context requires.

"**Junior Debt**" means all present and future liabilities and indebtedness of the Debtor to the Junior Creditor, absolute, contingent or otherwise, whether or not matured, whether or not liquidated, and whether or not owed solely or jointly by the Debtor or to the Junior Creditor solely or jointly, including without limitation (a) liabilities and indebtedness which the Junior Creditor acquires by purchase, security assignment or otherwise, (b) interest (including any capitalised interest), (c) damages, (d) claims for restitution, (e) costs and (f) any obligation under a guarantee or indemnity.

"**Junior Documents**" means each Junior Facility Agreement and each Junior Security.

"**Junior Event of Default**" means any default or event of default (howsoever defined or described) under any Junior Document.

"**Junior Facility Agreement**" means the Junior Note Agreement, Junior Securities Purchase Agreement and all other loan facility agreements, deeds or documents entered into at any time between (among others) the Junior Creditor and the Debtor and each other document constituting or evidencing any financial accommodation made available by the Junior Creditor to the Debtor or the Junior Debt from time to time.

"**Junior Redemption Payments**" means the monthly redemption payments (of no more than USD$400,000.00) beginning on the date that is seven months from the Effective Date (as that term is defined in the Junior Note Agreement) by the Debtor to the Junior Creditor pursuant to the Junior Note Agreement.

"**Junior Security**" means each guarantee or indemnity and each security interest granted by the Debtor in favour of the Junior Creditor from time to time as security or support for the Junior Debt including, without limitation, the relevant guarantees (if any) and securities described in Schedule 1.

"**Junior Note Agreement**" means the 'Secured Convertible Promissory Note' dated on or about May 2019 between the Junior Creditor (as lender) and the Debtor (as borrower).

"Junior Securities Purchase Agreement" means the 'Securities Purchase Agreement' dated on or about May 2019 between the Junior Creditor (as company) and the Debtor (as investor).

"**Other Property**" means all of the Debtor's assets and property, including any real property, but excluding the Personal Property, that is subject to the Senior Security and the Junior Security, and includes any part of it.

"**Personal Property**" means all personal property of the Debtor that is subject to the Senior Security and the Junior Security, and includes any part of it.

"**Pledged Shares**" means all of the shares held by the Debtor that, from time to time, are pledged or otherwise secured under Senior Security from time to time, which includes for the avoidance of doubt, all shares held by the Debtor in Naked Brand Group, Inc., Naked Inc. and FOH Online Corp.

"**PPSA**" means the Personal Property Securities Act 1999.

"**PPSR**" means the Personal Property Securities Register (and the equivalent register in any other applicable jurisdiction).

"**Secured Debt**" means, in relation to:

(a) the Senior Creditor, the Senior Debt; or

(b) the Junior Creditor, the Junior Debt.

"**Secured Parties**" means the Senior Creditor and the Junior Creditor (and '**Secured Party**" means either of them, as the context requires).

"**Secured Property**" means all Personal Property and Other Property.

"**Security**" means, in relation to:

(a) the Senior Creditor, the Senior Security; or

(b) the Junior Creditor, the Junior Security,

and "**Securities**" means the Senior Security and the Junior Security together.

"**Senior Debt**" means all present and future liabilities and indebtedness of the Debtor to the Senior Creditor, absolute, contingent or otherwise, whether or not matured and whether or not liquidated, including without limitation (a) any liability and indebtedness documented under a Senior Document (b) liabilities which the Senior Creditor acquires by purchase, security assignment or otherwise, (c) interest (including any capitalised interest), (d) damages, (e) claims for restitution and (f) costs.

"**Senior Document**" means each Senior Facility Agreement and each other 'Transaction Document' (however defined or described) in the Senior Facility Agreement including, without limitation, each Senior Security.

"**Senior Event of Default**" means any event of default (howsoever described) under any Senior Document.

"**Senior Event of Review**" means any event of review (howsoever described) under any Senior Document.

"**Senior Facility Agreement**" means the Facility Agreement dated 27 June 2016 (as amended from time to time) between, among others, Bendon Limited (as initial borrower) and the Debtor (as initial guarantor), and all other loan facility agreement(s) between (among others) the Senior Creditor and the Debtor from time to time and also includes each other document evidencing the provision of, or setting out the terms that apply to, any Senior Debt (of whatever nature) made or to be made available by the Senior Creditor to the Debtor from time to time (howsoever documented).

"**Senior Potential Event of Default**" means any potential event of default (howsoever described) under any Senior Document.

"**Senior Security**" means each guarantee or indemnity and each security interest granted by the Debtor or any other party in favour of the Senior Creditor from time to time as security or support for the Senior Debt including, without limitation, the relevant security described in Schedule 1, and any other document which constitutes a 'Security Document' as defined in the Senior Facility Agreement.

"**Termination Date**" means, subject to clause 13.5, the date upon which the Senior Creditor confirms in writing to the Debtor that it (i) has received final payment in full of all the Senior Debt and no circumstances exist which would cause it to believe on reasonable grounds that any amount received in payment or repayment of the Senior Debt may be avoided or required to be paid or refunded to a liquidator or similar person and (ii) is satisfied that it is not under any actual or contingent obligation to provide any future financial accommodation to the Debtor.

1.2 **Construction of certain references**: In this Deed, unless the context otherwise requires, any reference to:

a Senior Event of Default, Senior Potential Event of Default, Senior Event of Review or Junior Event of Default "**continuing**" is a reference to that Senior Event of Default, Senior Potential Event of Default, Senior Event of Review or Junior Event of Default having occurred and not having been waived by the Senior Creditor or remedied to the Senior Creditor's satisfaction;

"**costs**" include all costs, fees, commissions, charges, losses, fines, damages, expenses (including any break costs and legal fees and disbursements on a solicitor and own client basis) and taxes, including any interest or taxes on such costs;

the "**dissolution**" of a person also includes the winding-up or liquidation of that person and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled, resident, carries on business or has assets;

a "**guarantee**" also includes an indemnity, letter of credit, bond, third party security or any other obligation (whatever called and of whatever nature) of any person to pay, purchase, provide funds (whether by the advance of money, the purchase or subscription of shares or other securities, the purchase of assets or services or otherwise) for the payment or performance of, indemnify against the consequences of default in the payment or performance of, or otherwise to be responsible or assume liability for, any indebtedness or obligation of any other person;

"**indebtedness**" includes any obligation (whether present or future, actual, absolute, prospective, contingent or otherwise, secured or unsecured, and whether incurred alone, severally, jointly or jointly and severally, as principal or surety or otherwise) relating to the payment or repayment of, or arising in connection with, money borrowed, raised or otherwise owing, or under any finance lease, redeemable preference share, letter of credit, guarantee or indemnity or any financial accommodation whatsoever and "**indebted**" shall be construed accordingly;

"**law**" includes any common law, equity and statute;

"**person**" includes any individual, any association of persons (whether corporate or not), any trust and any state or agency of a state (in each case whether or not having separate legal personality);

"**real property**" includes all freehold and leasehold land, all estates and interests in land and buildings, structures and fixtures (including trade fixtures) for the time being on that land;

a "**receiver**" includes a receiver and manager;

"**security interest**" includes any security interest (as defined in section 17(1)(a) of the PPSA), interest in real property of a security nature, assignment, mortgage, charge, pledge, lien, hypothecation, encumbrance and any deferred purchase, title retention, finance lease, flawed asset arrangement, sale-and-repurchase or sale-and-leaseback arrangement and any other arrangement the economic effect of which is to secure a creditor. It shall be deemed to also include any covenants and/or undertakings provided by third parties under tripartite or similar deeds entered into in favour of a creditor in consideration of financial accommodation being made available to the Debtor;

"**writing**" includes an email communication and any means of reproducing words in a tangible and visible form;

the terms "**at risk**", "**collateral**", "**default**", "**financing change statement**", "**financing statement**", "**perfection**", "**personal property**", "**possession**", "**proceeds**" and "**seriously misleading**" each have the meaning given to them in the PPSA;

any document or agreement includes such document or agreement as amended, restated, modified, novated or replaced from time to time;

any enactment includes that enactment as amended, modified and/or replaced from time to time;

a party to this Deed or any other document or agreement includes a reference to that party's successors and permitted assigns; and

the singular includes the plural and vice versa.

1.3 **References to legislation**: In this Deed, any reference to New Zealand legislation (including the Companies Act 1993, Contract and Commercial Law Act 2017, PPSA and Property Law Act 2007) includes the equivalent legislation in any other applicable jurisdiction, including for the avoidance of doubt, Australia and Utah, United States of America.

1.4 **Headings**: Headings and the table of contents shall be ignored in construing this Deed.

2. PRIORITY - PPSA

2.1 **Priorities**:

(a) The Junior Security is subordinated to the Senior Security for the purposes of section 70 of the PPSA.

(b) The Senior Creditor has priority over the Junior Creditor and may, in accordance with its Documents, take possession of and sell any Personal Property, subject to the terms of this Deed.

2.2 **PPSR – Junior Creditor**: If required by the Senior Creditor, the Junior Creditor agrees to immediately register a financing change statement (or statements) on the PPSR to record the subordination of the Junior Security to the Senior Security under this Deed.

2.3 **Perfection**: If the interest of a third party in any Personal Property has priority over a Secured Party's security interest in that Personal Property as a result of that Secured Party's:

(a) failure to ensure its Security is continuously perfected in accordance with the PPSA; or

(b) financing statement in relation to that Personal Property being held to be seriously misleading,

the other Secured Party may, by written notice, exclude that Personal Property from the application of this Deed. After such exclusion, the priority position of each Secured Party in relation to that Personal Property shall be determined in accordance with the PPSA and nothing in these subordination and priority arrangements will oblige that other Secured Party to do or suffer anything inconsistent with that other Secured Party's priority position outside of these arrangements where that priority position is or would be more favourable to that other Secured Party than under these arrangements.

2.4 **Possession**: If, at any time, a Secured Party has possession of any Personal Property, for the purposes of perfection and/or priority in relation to that Secured Party's security interest, that Secured Party will not release or give up that possession to any person other than the Senior Creditor except as, but only to the extent, required:

(a) by law or order of a court of competent jurisdiction or with the written consent of the other Secured Party; or

(b) to enforce its security (provided that such enforcement is permitted by, and conducted in accordance with the priority principles set out in, this Deed); or

(c) in connection with a disposal (or a settlement agreement with any insurers in respect of the Secured Property) by the Debtor permitted under the Senior Documents.

3. PRIORITY

3.1 **Order of priority**: The Securities, and all moneys from time to time secured or intended to be secured under them, will, in respect of the Secured Property, rank in the following order of priority:

(a) the Senior Security will have first priority for all moneys from time to time secured or intended to be secured under it;

(b) the Junior Security will have second priority for all moneys from time to time secured or intended to be secured under it; and

(c) the surplus (if any) shall, subject to the rights of any subsequent security holder, be paid to the Debtor or as it shall direct.

4. OTHER PROPERTY

4.1 **Priority instruments**: The Junior Creditor will, if required by the Senior Creditor, immediately sign and consent to the registration in the relevant register of a priority instrument reflecting the priority in respect of any Other Property as set out in this Deed.

5. PARAMOUNTCY

5.1 **Arrangements not affected**: The subordination and priority arrangements in this Deed will have effect in each and every circumstance notwithstanding:

(a) any rule of law or equity to the contrary (including, but not limited to, any application of the rule in Clayton's Case (1816) 1 Mer. 529 or the rule in Hopkinson v Rolt (1861) 9 H.L. Case. 514);

(b) the dates of the Securities, their order of registration or the date upon which a Secured Party may receive notice of the other Secured Party's Security;

(c) any sums which may from time to time be paid to the credit of any account or accounts of the Debtor with a Secured Party;

(d) the fact that any account or accounts of the Debtor with a Secured Party may at any time or times be or appear to be in credit;

(e) any time or waiver granted to, or composition with the Debtor or other person;

(f) the fact that any security interest is not enforceable, or any unenforceability, illegality or invalidity of an obligation of the Debtor to a Secured Party;

(g) the fact that any part of the money secured by a Security may be advanced or re-advanced after the date of the other Security or after notice of that Security to the other Secured Party or after money has been advanced under a Security; or

(h) any other matter which might otherwise alter or postpone the priority of the Securities.

5.2 **Inconsistent provisions not to apply**:

(a) Any provision in the Junior Facility Agreement or any Security (including, without limitation, any clause relating to section 92 of the Property Law Act 2007) or any other agreement or arrangement entered into before or after the date of this Deed which is inconsistent with these subordination and priority arrangements, will, for so long as this Deed is in effect, be superseded or varied to the extent necessary to give full effect to these arrangements.

(b) The Junior Creditor agrees that the failure by the Debtor to comply with any obligation or undertaking of the Debtor in a Junior Document or any other agreement or arrangement entered into before or after the date of this Deed which is restricted or subordinated pursuant to this Deed shall not constitute a Junior Event of Default, provided that nothing in this clause 5.2(b) will prevent the Junior Creditor from taking the action permitted under clause 6.5.

5.3 **Amendments to Senior Documents**: Each of the Debtor and the Junior Creditor agrees for the benefit of the Senior Creditor that the provisions of this Deed shall not be impaired, discharged or otherwise affected by any amendment, restatement or supplement to any Senior Document.

6. SUBORDINATION

6.1 **Subordination of Junior Debt**: The Debtor and the Junior Creditor covenant for the benefit of the Senior Creditor that the Junior Debt is and shall at all times be subordinated and subject in point of priority and right of payment to the prior payment in full of the Senior Debt. For the avoidance of doubt, the Junior Creditor agrees that:

(a) for the purposes of section 313(3) of the Companies Act 1993, it is accepting a lower priority in respect of the Junior Debt than that which it might otherwise have under section 313; and

(b) nothing in section 313 will prevent this Deed from having effect in accordance with its terms.

6.2 **Debtor's undertakings**: Subject to clause 6.5, the Debtor covenants for the benefit of the Senior Creditor that it will not:

(a) directly or indirectly make any payment or distribution to, or to the order of, the Junior Creditor in respect of any of the Junior Debt or under any Junior Document (including, without limitation, under any guarantee or indemnity in relation to any Junior Document);

(b) create or suffer or permit to exist any security interest, guarantee, indemnity or other assurance against financial loss in respect of the Junior Debt, other than the Junior Security described in Schedule 1;

(c) amend, supplement, novate or release any of the Junior Documents;

(d) take or omit any action whereby the subordination contemplated by this Deed may be impaired or terminated;

(e) purchase or acquire any of the Junior Debt;

(f) enter into any agreement (other than the Junior Facility Agreement and the Junior Security described in Schedule 1, in each case in the form reviewed by the Senior Creditor as at the date of this Deed) that constitutes or evidences any Junior Debt without the prior written consent of the Senior Creditor;

(g) assign, sell, novate or transfer any of its rights or obligations in respect of any Junior Debt or under any Junior Document without the Senior Creditor's prior written consent;

(h) discharge any of the Junior Debt by way of set-off; or

(i) make available to the Junior Creditor any financial accommodation (of whatever nature).

6.3 **Junior Creditor's undertakings**: Subject to clause 6.5, the Junior Creditor covenants for the benefit of the Senior Creditor that it will not:

(a) demand, accelerate, declare to be due and owing, ask or sue for, take or receive payment or distribution or take or accept any assets in respect of, all or any of the Junior Debt, directly or indirectly and whether in any composition by the Debtor with its creditors, by exercise of set-off, counterclaim, merger or consolidation of accounts or in any other manner;

(b) make any claim or demand in respect of any guarantee or indemnity in any Junior Document;

(c) prove in competition with the Senior Creditor in the dissolution of the Debtor;

(d) take, accept or receive the benefit of any security interest, guarantee, indemnity or other assurance from any person against financial loss in respect of the Junior Debt, other than the Junior Security described in Schedule 1;

(e) exercise any right of Enforcement in respect of the Secured Property (or any part thereof), or make any claim or demand in respect of any guarantee or indemnity in any Junior Document;

(f) amend, supplement, terminate or release any of the Junior Documents;

(g) create or suffer or permit to exist any security interest over or affecting any of its right, title or interest in any of the Junior Debt or the Junior Security;

(h) claim, prove or accept payment in composition by, or in a liquidation or administration of, the Debtor;

(i) initiate or support or take any step with a view to:

(i) any insolvency, liquidation, reorganisation, administration or dissolution proceedings of the Debtor;

(ii) any voluntary arrangement or assignment for the benefit of creditors; or

(iii) any similar proceedings involving the Debtor whether by petition, convening a meeting, voting for a resolution or otherwise;

(j) exercise any right to require any insurance proceeds to be applied in reinstatement of any asset subject to any Junior Security;

(k) receive any financial accommodation (of whatever nature) from the Debtor;

(l) enter into any agreement (other than the Junior Facility Agreement and the Junior Security described in Schedule 1, in each case in the form reviewed by the Senior Creditor as at the date of this Deed) that constitutes or evidences any Junior Debt without the prior written consent of the Senior Creditor;

(m) assign, sell, novate or transfer any of its rights or obligations in respect of any Junior Debt or under any Junior Document without the Senior Creditor's prior written consent;

(n) bring or support any legal proceedings against the Debtor, or otherwise exercise any remedy for the recovery of any Junior Debt; or

(o) take or omit any action whereby the subordination contemplated by this Deed may be impaired or terminated.

6.4 **Postponement absolute**: The provisions of clauses 6.1 to 6.3 shall apply notwithstanding that any amount owing to the Junior Creditor may have become due and payable because of the making of demand for payment or the maturity of such debt or the occurrence of a default under a Junior Document or otherwise.

6.5 **Permitted Actions**: Notwithstanding anything in this Deed to the contrary:

(a) the Junior Creditor may declare a Junior Event of Default if the Debtor fails to pay a Junior Redemption Amount in accordance with clause 8 of Junior Facility Agreement;

(b) the Debtor may only pay the Junior Redemption Payments to the Junior Creditor prior to the Termination Date, provided that such payments are funded in full by the issue of new equity in the Debtor (and for the avoidance of doubt, not by any debt instrument) and no Senior Event of Default, Senior Potential Event of Default or Senior Event of Review has occurred and is continuing as at the date of relevant payment;

(c) the Junior Creditor may convert all or any portion of the Outstanding Balance into Ordinary Shares (as each of those capitalised terms are defined in the Junior Note Agreement) in accordance with the Junior Note Agreement or exchange all or any portion of the Outstanding Balance for Ordinary Shares pursuant to one or more exchange transactions pursuant to Section 3(a)(9) of the United States Securities Act of 1933, as amended, to be agreed by the Debtor and the Junior Creditor; and

(d) the Junior Creditor may bring a legal proceeding against the Debtor but only for: (i) specific performance wherein the Junior Creditor seeks to cause the Debtor to deliver Ordinary Shares pursuant to the Junior Creditor's rights to receive Ordinary Shares described in clause 6.5(b) above; or (ii) specific performance wherein the Junior Creditor seeks an injunction prohibiting the Debtor from issuing Ordinary Shares as described in clause 10.3 of the Junior Securities Purchase Agreement.

6.6 **Turnover**: If the Junior Creditor:

(a) receives or recovers a payment or distribution in cash or in kind of, or on account of, any Junior Debt; or

(b) accepts any assets in respect of any Junior Debt; or

(c) receives a discharge of any of the Junior Debt by the exercise of any rights against the Debtor (whether of set-off, combination of accounts or otherwise),

which is not permitted by the provisions of this Deed, whether upon the dissolution of the Debtor or for any other reason, then the Junior Creditor shall hold each such payment and any such assets (or, if any of the Junior Debt is discharged by set-off or otherwise, an amount equal to the discharge) on trust as bare trustee for the Senior Creditor and will pay the relevant amount (plus interest (if any)) and turn over the relevant funds and/or assets to the Senior Creditor in or towards the discharge of the Senior Debt. Any such amount paid, or the value of any such assets held, by the Junior Creditor on account of being trustee for the benefit of the Senior Creditor and paid over to the Senior Creditor shall be treated, for the purposes of the obligations of the Debtor in respect of the Junior Debt, as if it had not been paid or turned over by the Debtor. The Junior Debt shall accordingly be deemed not to be discharged to that extent.

6.7 **Perpetuity Period of Trust**: The trust constituted by clause 6.6 of this Deed shall be for a term of 21 years from the date of this Deed.

6.8 **Duties of the Junior Creditor as trustee**: Pending the payment by the Junior Creditor to the Senior Creditor of any of the Junior Debt so taken or received or the turning over of any assets so accepted by the Junior Creditor, the Junior Creditor shall:

(a) not co-mingle any such amount to be paid or any assets to be turned over to the Senior Creditor with its other assets; and

(b) place any such amount to be paid to the Senior Creditor in a separate, interest-bearing account (to be designated as a trust account) with any bank or financial institution in New Zealand.

The Junior Creditor as trustee shall account to the Senior Creditor for any of the Junior Debt so taken or received by it or assets so accepted by it.

6.9 **Failure of Trust**: If and to the extent that the trust constituted by clause 6.6 of this Deed is for any reason not properly constituted or is otherwise not effective, the Junior Creditor agrees (on an indemnity basis) immediately on demand to pay to the Senior Creditor any of the Junior Debt so taken, recovered or received or any assets so accepted or any discharge received by the Junior Creditor as described in clause 6.6 of this Deed.

6.10 **Exception - capitalisation of interest and fees**: Nothing in this Deed is intended to prevent the Junior Creditor from charging interest or fees on or in connection with the Junior Debt in accordance with the terms of the Junior Documents (as at the date of this Deed), provided that such interest or fees are capitalised to the Junior Debt.

7. SALE AND ENFORCEMENT

7.1 **Releases**: Without limiting clause 11.2:

(a) on the sale of any Secured Property or any part of it which is approved by the Senior Creditor (whether following enforcement of a Security or otherwise), the Junior Creditor must promptly (and in any event within 5 Business Days of receiving a request from the Senior Creditor, any receiver appointed by the Senior Creditor or the Debtor (the "**Relevant Party**")) deliver to the Relevant Party duly executed releases of the Junior Security in respect of the Secured Property that is the subject of the sale, together with any other documents which in the opinion of the Senior Creditor are required to enable settlement of the sale; and

(b) where settlement terms are agreed with an insurer in connection with a claim in respect of the Secured Property or any part of it and those terms are approved by the Senior Creditor (whether following enforcement of a Security or otherwise), the Junior Creditor must promptly (and in any event within 5 Business Days of receiving a request from a Relevant Party) deliver to the Relevant Party a duly executed discharge of all of the Junior Creditor's interest in and claims under the relevant insurance policy (as an interested party or otherwise) in respect of the Secured Property that is the subject of the settlement, together with any other documents which in the opinion of the Senior Creditor are required to enable payment of the settlement amount by the insurer (including, without limitation, any indemnity or release of liability required by the insurer),

in each case, whether or not the Junior Creditor will receive any amount from the proceeds of that sale or settlement.

7.2 **Enforcement by the Senior Creditor**: If the Senior Creditor enforces any Senior Security then:

(a) the Junior Creditor will not be entitled to take or have possession of any assets subject to such Security or maintain a receiver in possession in respect of such assets (except with the prior written consent of the Senior Creditor); and

(b) the Senior Creditor will control the entire conduct of any sale of assets covered by any Senior Security.

7.3 **Order of Application after Enforcement**: Subject to the rights of any prior security holder or any preferential claim (including any costs incurred by or expenses of any receiver), the proceeds of any sale or realisation of the Secured Property arising from any Enforcement must be applied in the order set out in clause 3.1.

7.4 **Direction to Pay**: Each Secured Party irrevocably and unconditionally authorises and directs a liquidator, official assignee, administrator, receiver, or similar person appointed or acting in respect of the Debtor or its assets to pay the proceeds of the realisation of any Secured Property in accordance with the provisions of this Deed.

7.5 **Third party payments**: If the Senior Creditor receives any amount otherwise than from the Debtor, the Senior Debt will not be deemed reduced by that amount until and except to the extent that it is applied towards the Senior Debt.

7.6 **Currencies**: All money received or held by the Senior Creditor under this Deed at any time on or after the Enforcement of any Security in a currency other than a currency in which the Senior Debt is denominated may be sold for any one or more of the currencies in which the Senior Debt is denominated as the Senior Creditor considers necessary or desirable. The Senior Creditor has no liability to any party to this Deed in respect of any loss resulting from any fluctuation in exchange rates after any such sale.

7.7 **Deemed Waiver of Default**:

Any waiver or consent granted by or on behalf of the Senior Creditor at any time prior to the Termination Date in respect of the Senior Documents will also be deemed to have been given by Junior Creditor if:

(a) in order for any such waiver or consent to take effect in accordance with its terms, such waiver or consent is required from the Junior Creditor; or

(b) the act matter or thing the subject of the waiver or consent would, if such waiver or consent was not provided, result in a Junior Event of Default or a 'Potential Event of Default' (however described) under any Junior Document,

in each case, whether or not an Enforcement Date has already occurred.

8. ASSIGNMENT

8.1 **Benefit and Burden of this Deed**: This Deed shall be binding upon and enure for the benefit of the parties and their respective successors and any permitted assignee or transferee.

8.2 **By the Debtor and the Junior Creditor**: Neither the Debtor nor the Junior Creditor may assign or transfer any or all of their respective rights (if any) or obligations under this Deed without (i) obtaining the prior written consent of the Senior Creditor and (ii) procuring that any assignee or transferee enters into a deed of covenant with the other parties to this Deed, agreeing to be bound by this Deed in the place of the transferring party.

8.3 **By the Senior Creditor**: The Senior Creditor may assign any or all of its rights and benefits under this Deed subject to the requirement that any assignee enters into a deed of covenant with the Debtor and the Junior Creditor whereby the assignee agrees to be bound by this Deed as if it were the Senior Creditor.

9. POWER OF ATTORNEY

9.1 The Junior Creditor irrevocably appoints (by way of security) the Senior Creditor, each officer and employee for the time being of the Senior Creditor whose title includes the term "manager" or "director" and any receiver appointed by the Senior Creditor severally to be its attorney (with full power to appoint substitutes and to sub-delegate), on its behalf and in its name or otherwise, at such time and in such manner as the attorney may think fit to do any thing which the Junior Creditor may be obliged to do or ought to do under this Deed and which the Junior Creditor fails to do within 3 Business Days of request, and generally in its name and on its behalf to carry into effect, complete or facilitate the exercise or purported exercise of all or any of the rights conferred on the Senior Creditor under this Deed (including without limitation by executing, delivering, registering and/or otherwise perfecting any release or agreement).

9.2 The Junior Creditor agrees to ratify and confirm anything an attorney lawfully does or causes to be done under clause 9.1, and to indemnify the Senior Creditor and each such attorney on demand against any cost or liability they may suffer or incur as a direct or indirect consequence of the lawful exercise of such power.

10. REPRESENTATIONS

10.1 The Junior Creditor and the Debtor each make the following representations and warranties to the Senior Creditor on the date of this Deed:

(a) it has the power to enter into and perform, and has taken all necessary actions to authorise the entry into and performance of, this Deed and the transactions contemplated by it;

(b) the entry into and performance by it of, and the transactions contemplated by, this Deed does and will not conflict with:

(i) any law or regulation applicable to it;

(ii) its constitutional or establishment documents (as the case may be); or

(iii) any agreement or instrument binding upon it or its assets; and

(c) true, complete and up-to-date copies of all Junior Documents have been provided to the Senior Creditor and there are no documents or agreements in place in relation to the Junior Debt which have not been disclosed in writing to the Senior Creditor prior to the date of this Deed;

(d) its obligations under this Deed are legal, valid, binding and enforceable against it in accordance with the terms of this Deed, subject to equitable principles and laws affecting creditors' rights generally; and

(e) other than the Junior Security described in Schedule 1, no security interest, guarantee, indemnity or other assurance against financial loss in respect of the Junior Debt has been granted or exists (whether registered or unregistered).

11. UNDERTAKINGS

11.1 **Undertakings**: Each of the Debtor and the Junior Creditor undertakes that it will:

(a) at its own cost, promptly execute and deliver to the Senior Creditor all agreements, consents or any other document whatsoever and do anything else that the Senior Creditor reasonably requires, to secure to the Senior Creditor the full benefit of this Deed;

(b) not enter into any agreement (other than the Junior Facility Agreement and the Junior Security described in Schedule 1, in each case, in the form reviewed by the Senior Creditor as at the date of this Deed) that constitutes or evidences any Junior Debt without the prior written consent of the Senior Creditor;

(c) not assign, sell, novate or transfer any of its rights or obligations in respect of any Junior Debt or under any Junior Document without the Senior Creditor's prior written consent; and

(d) promptly notify the Senior Creditor in writing after it becomes aware of any Junior Event of Default occurring.

11.2 **Further Assurance**: The Junior Creditor undertakes that it will promptly and at its own cost:

(a) execute and deliver to the Senior Creditor (or any receiver appointed by the Senior Creditor) all agreements, transfers, consents (of whatever nature), discharges of Junior Security, releases of caveats, assignments, security interests and other documents (including, without limitation, any priority registrations and/or filings), and do anything else that the Senior Creditor (or any receiver appointed by the Senior Creditor) reasonably considers necessary or desirable, in each case (i) to secure to the Senior Creditor the full benefit of, and reflect the priorities set out in, this Deed, (ii) to assist with the Senior Debt being fully recovered from the realisation of the Secured Property or (iii) to remove any impediment to the exercise by the Senior Creditor of its rights under this Deed or the Senior Security; and

(b) on request by the Senior Creditor:

(i) deliver to the Senior Creditor any certificates or instruments held by the Junior Creditor representing Senior Security including certificates evidencing the Pledged Shares together with an instrument of transfer duly endorsed in blank in respect of the shares;

(ii) attend to any registration relating to the Uniform Commercial Code to reflect the priority agreed pursuant to terms of this Deed.

11.3 **Dissolution**: In the event of the dissolution of the Debtor:

(a) the Senior Creditor may, and is irrevocably authorised on behalf of the Junior Creditor to, claim, enforce and prove for the Junior Debt, file claims and proofs, accept payments, give receipts and do all such things as the Senior Creditor sees fit to recover the Junior Debt and receive all payments and distributions in respect of the Junior Debt for application towards the Senior Debt;

(b) the Junior Creditor shall take such action as may be required by the Senior Creditor in order to enable it to enforce payment of the Junior Debt and to collect and receive all payments and distributions in respect of the Junior Debt for application towards the Senior Debt; and

(c) any payment or distribution of any nature that is payable or deliverable in respect of the Junior Debt shall be paid or delivered by the liquidator or other person making the distribution directly to the Senior Creditor until the Senior Debt has been irrevocably paid in full to the satisfaction of the Senior Creditor (subject to clause 3.1). The Junior Creditor will give all notices and do all things as the Senior Creditor may direct to give effect to this provision.

12. NOTICES

12.1 Each notice or other communication under this Deed is to be in writing and is to be made by facsimile, personal delivery, email or post to the addressee at the facsimile number or address, and marked for the attention of the person or officeholder (if any), set out below (or such other address, facsimile number and/or person as the relevant party may notify the other parties in writing from time to time):

(a) **The Debtor**

Naked Brand Group Limited

Address: c/o Bendon Limited
Building 7B, Huntley Street
NSW 2015, Australia

Attention: Anna Johnson

(b) **The Junior Creditor**

St. George Investments LLC

Address: 303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

Attention: John Fife

With a copy to:

Hansen Black Anderson Ashcraft PLLC

Address: 3051 West Maple Loop Drive, Suite 325
Lehi, Utah 84043

Attention: Jonathan Hansen

(c) **The Senior Creditor**

Bank of New Zealand

Address: Level 5, Deloitte Centre, 80 Queen Street
Auckland 1010

Email: Christian_Thomas@bnz.co.nz
Dermot_Rodden@bnz.co.nz

Attention: Christian Thomas and Dermot Rodden

12.2 A communication under this Deed will be effective:

(a) in the case of personal delivery, when delivered;

(b) if posted, 3 Business Days, in the place of receipt, after posting (by airmail if to another country);

(c) if made by facsimile, upon production of a transmission report by the machine from which the facsimile was sent which indicates complete transmission to the facsimile number of the recipient designated for the purposes of this Deed; and

(d) if emailed, at the time the notifying party receives an acknowledgement of receipt of delivery from the recipient's email address or (if earlier) two Business Days, in the place of receipt, after the email was sent (unless the notifying party receives an error message relating to the sending of the email before that time), otherwise, upon receipt by the notifying party of a non-automated confirmation of receipt of such notice from the recipient,

provided that any communication received or deemed received after 5pm or on a day which is not a Business Day in the place to which it is delivered, posted or sent shall be deemed not to have been received until the next Business Day in that place.

13. GENERAL

13.1 **Amendments**: This Deed may from time to time be amended if all parties agree in writing.

13.2 **Remedies and waivers**: Time is of the essence for this Deed but no failure to exercise, and no delay in exercising, any right or remedy of the Senior Creditor under this Deed is to operate as a waiver of such right or remedy, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy. No waiver by the Senior Creditor of any rights or remedies under this Deed is to be effective unless it is in writing signed by the Senior Creditor.

13.3 **Partial invalidity**: The illegality, invalidity or unenforceability of any provision of this Deed under any law will not affect the legality, validity or enforceability of that provision under any other law or the legality, validity or enforceability of any other provision.

13.4 **Expiry**: With effect from the Termination Date, this Deed shall terminate and the parties shall have no further obligations hereunder.

13.5 **Reinstatement**: If any payment received or recovered by a Secured Party in respect of its Secured Debt is avoided by law or has to be refunded to any liquidator or other person, that payment will be deemed not to have discharged the Senior Debt or the Junior Debt (as the context requires) in respect of which the payment was received or recovered and accordingly, if the Termination Date has occurred in such circumstances then it will be deemed not to have occurred.

13.6 **Third party payments**: If the Senior Creditor receives any amount otherwise than from the Debtor, the Senior Debt will not be deemed reduced by that amount until and except to the extent that it is applied towards the Senior Debt.

13.7 **Disclosure of information**: Each Secured Party may disclose to the other such information about the Debtor, its Security, the facilities being provided to the Debtor and any related information as that Secured Party thinks fit.

13.8 **No requirement to enforce**: A Secured Party may refrain from enforcing its Security as long as that Secured Party sees fit. The Junior Creditor waives any right it may have of first requiring the Senior Creditor (or any party on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming the benefit of this Deed.

13.9 **Senior Creditor's discretion**: The Senior Creditor (or any person on its behalf) may:

(a) apply any moneys or property received under this Deed or from the Debtor or any other person against the Senior Debt in such order as it sees fit;

(b) hold in suspense any moneys or distributions received from the Junior Creditor under this Deed.

13.10 **Custody of documents**: So long as the Senior Documents are in effect, the Senior Creditor will be entitled to hold any title documents, share certificates or similar original documents in respect of any Secured Property in priority to the entitlement of the Junior Creditor. The Senior Creditor has no responsibility to the Junior Creditor in connection with obtaining or maintaining custody of such documents.

13.11 **Debtor**: This Deed is given for the sole benefit of the Secured Parties (or the relevant Secured Party) and does not create any obligation or liability on the part of either Secured Party to the Debtor.

13.12 **Costs**:

(a) The Debtor agrees to pay on demand all reasonable costs incurred by the Secured Parties in connection with the preparation, negotiation, execution and performance of this Deed, and all waivers under and amendments to this Deed.

(b) The Debtor and the Junior Creditor (as the case may be) agree to pay on demand all costs incurred by the Senior Creditor in connection with the enforcement against the Debtor or the Junior Creditor (as applicable), or (in the case of the Debtor only) review and consideration, of the Senior Creditor's rights under this Deed. For the avoidance of doubt, the Junior Creditor shall not be liable for any costs and expenses in connection with the enforcement against the Debtor.

13.13 **Contracts Privity**: The parties acknowledge that, in terms of the Contract and Commercial Law Act 2017, this Deed is made for the benefit of and is intended to be enforceable by the Senior Creditor and any receiver appointed by it.

13.14 **Counterparts**: This Deed may be signed in any number of counterparts (including scanned PDF counterparts) all of which, when taken together, will constitute one and the same instrument. Any party may enter into this Deed by executing any such counterpart.

13.15 **Delivery**: For the purposes of section 9 of the Property Law Act 2007 and without limiting any other mode of delivery, this Deed will be delivered by each of the Debtor and the Junior Creditor immediately on the earlier of:

(a) physical delivery of an original of this Deed, executed by the relevant party, into the custody of the Senior Creditor or its solicitors; or

(b) transmission by the relevant party, its solicitors or any other person authorised in writing by that party of a facsimile, photocopied or scanned copy of an original of this Deed, executed by that party, to the Senior Creditor or its solicitors.

13.16 **Copies**: If any party transmits a facsimile, photocopied or scanned copy of this Deed to the Senior Creditor by way of delivery under clause 13.15:

(a) the other parties may rely on that copy as though it were the original copy; and

(b) the transmitting party will, as soon as reasonably practicable thereafter, deliver to each other party the executed original of this Deed.

13.17 **Governing law**: This Deed is to be governed by and construed in accordance with the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand.

EXECUTION TO FOLLOW

EXECUTED as a deed
The Debtor

SIGNED, SEALED and **DELIVERED** as a **DEED** for and on behalf of **NAKED BRAND GROUP LIMITED ACN 619 054 938** by its attorney under power of attorney dated:	)	
In the presence of:	)	*/s/ Justin Davis-Rice*
		Signature of Attorney
/s/		Justin Davis-Rice
Witness signature		Name of Attorney (BLOCK LETTERS)
Name of witness (BLOCK LETTERS)		
Address of witness		
Occupation of witness		

The Senior Creditor

EXECUTED as a **DEED** for and on behalf of **BANK OF NEW ZEALAND** by its Attorneys	)	
in the presence of	)	*/s/ Sarah Louise Bartosiak*
		Signature
/s/		Sarah Louise Bartosiak
Witness signature		Name of Attorney
Full name		
		/s/ Shane Andrew Kelley
Address		Signature
		Shane Andrew Kelley
Occupation		Name of Attorney

Note:
-Person authorised by constitution - signature must be witnessed
-Attorney appointed under s181 Companies Act - signature does not need to be witnessed

The Junior Creditor

EXECUTED as a **DEED** for and on behalf of
ST. GEORGE INVESTMENTS LLC

By: Fife Trading, Inc., its Manager

By: */s/ John M. Fife*
John M. Fife, President

Exhibit 8.1

SUBSIDIARIES OF REGISTRANT

NAME	PERCENTAGE OWNERSHIP (%)	STATE OF ORGANIZATION
Bendon Limited	100	New Zealand
Naked Merger Sub Inc.	100	Nevada
FOH Online Corp.	100	Delaware

Exhibit 11.1

CODE OF ETHICS

1. Introduction

The Board of Directors of Bendon Group Holdings Limited has adopted this code of ethics (the "Code"), which is applicable to all directors, officers and employees, to:

- promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- promote the full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the "SEC"), as well as in other public communications made by or on behalf of the Company;
- promote compliance with applicable governmental laws, rules and regulations;
- deter wrongdoing; and
- require prompt internal reporting of breaches of, and accountability for adherence to, this Code.

This Code may be amended only by resolution of the Company's Board of Directors. In this Code, references to the "Company" mean Bendon Group Holdings Limited (the "Parent") and, in appropriate context, the Parent's subsidiaries.

2. Honest, Ethical and Fair Conduct

Each person owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest, fair and candid. Deceit, dishonesty and subordinating one's principles are inconsistent with integrity. Service to the Company never should be subordinated to personal gain and advantage.

Each person must:

- act with integrity, including being honest and candid while still maintaining the confidentiality of the Company's information where required or in the Company's interests.
- observe all applicable governmental laws, rules and regulations.
- comply with the requirements of applicable accounting and auditing standards, as well as Company policies, in order to maintain a high standard of accuracy and completeness in the Company's financial records and other business-related information and data.

- adhere to a high standard of business ethics and not seek a competitive advantage through unlawful or unethical business practices.
- deal fairly with the Company's customers, suppliers, competitors and employees.
- refrain from taking advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.
- protect the assets of the Company and ensure their proper use.
- refrain from taking for themselves personally opportunities that are discovered through the use of corporate assets or by using corporate assets, information or position for general personal gain outside the scope of employment with the Company.
- avoid "related-party transactions" or conflicts of interest, wherever possible, except under guidelines or resolutions approved by the Board of Directors (or the appropriate committee of the Board). For purposes of this Code, "related-party transactions" are defined as transactions required to be reported under Item 404 of Regulation S-K or under Form 20-F, Item 7.B, as applicable. A conflict of interest situation can arise when a person takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise if a person, or a member of his or her family, receives improper personal benefits as a result of his or her position. Anything that would be a conflict for a person subject to this Code also will be a conflict if it is related to a member of his or her family or a close relative. Examples of conflict of interest situations include, but are not limited to, the following:
    - any significant ownership interest in any supplier or customer;
    - any consulting or employment relationship with any customer, supplier or competitor;
    - any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
    - the receipt of any money, non-nominal gifts or excessive entertainment from any company with which the Company has current or prospective business dealings;
    - being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefit of any close relative;

- selling anything to the Company or buying anything from the Company, except on the same terms and conditions as comparable officers or directors are permitted to so purchase or sell; and

- any other circumstance, event, relationship or situation in which the personal interest of a person subject to this Code interferes – or even appears to interfere – with the interests of the Company as a whole.

3. Disclosure

The Company strives to ensure that the contents of and the disclosures in the reports and documents that the Company files with the SEC and other public communications shall be full, fair, accurate, timely and understandable in accordance with applicable disclosure standards, including standards of materiality, where appropriate. Each person must:

- not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators, self-regulating organizations and other governmental officials, as appropriate; and

- in relation to his or her area of responsibility, properly review and critically analyze proposed disclosure for accuracy and completeness.

In addition to the foregoing, the Chief Executive Officer and Chief Financial Officer of the Company and each subsidiary of the Company (or persons performing similar functions), and each other person that typically is involved in the financial reporting of the Company must familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company.

Each person must promptly bring to the attention of the Chairman of the Audit Committee of the Parent's Board of Directors (or the Chairman of the Parent's Board of Directors if no Audit Committee exists) any information he or she may have concerning (a) significant deficiencies in the design or operation of internal and/or disclosure controls which could adversely affect the Company's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.

4. Compliance

It is the Company's obligation and policy to comply with all applicable governmental laws, rules and regulations. It is the personal responsibility of each person to adhere to the standards and restrictions imposed by those laws, rules and regulations, including those relating to accounting and auditing matters.

5. Reporting and Accountability

The Board of Directors or Audit Committee, if one exists, of the Company is responsible for applying this Code to specific situations in which questions are presented to it and has the authority to interpret this Code in any particular situation. Any person who becomes aware of any existing or potential breach of this Code is required to notify the Chairman of the Board of Directors or Audit Committee promptly. Failure to do so is itself a breach of this Code.

Specifically, each person must:

- notify the Chairman promptly of any existing or potential violation of this Code; and
- not retaliate against any other person for reports of potential violations that are made in good faith.

The Company will follow the following procedures in investigating and enforcing this Code and in reporting on the Code:

- The Board of Directors or Audit Committee, if one exists, will take all appropriate action to investigate any breaches reported to it.
- If the Audit Committee, if one exists, determines (by majority decision) that a breach has occurred, it will inform the Board of Directors.
- Upon being notified that a breach has occurred, the Board (by majority decision) will take or authorize such disciplinary or preventive action as it deems appropriate, after consultation with the Audit Committee (if one exists) and/or General Counsel, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of the SEC or other appropriate law enforcement authorities.

No person following the above procedure shall, as a result of following such procedure, be subject by the Company or any officer or employee thereof to discharge, demotion suspension, threat, harassment or, in any manner, discrimination against such person in terms and conditions of employment.

6. Waivers and Amendments

Any waiver (as defined below) or an implicit waiver (as defined below) from a provision of this Code for the principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions or any amendment (as defined below) to this Code is required to be disclosed in the Company's Annual Report on Form 20-F or 10-K, as applicable, or in a Report of Foreign Private Issuer on Form 6-K or Current Report on Form 8-K, as applicable, filed with the SEC.

A "waiver" means the approval by the Company's Board of Directors of a material departure from a provision of the Code. An "implicit waiver" means the Company's failure to take action within a reasonable period of time regarding a material departure from a provision of the Code that has been made known to an executive officer of the Company. An "amendment" means any amendment to this Code other than minor technical, administrative or other non-substantive amendments hereto.

All persons should note that it is not the Company's intention to grant or to permit waivers from the requirements of this Code. The Company expects full compliance with this Code.

7. Other Policies and Procedures

Any other policy or procedure set out by the Company in writing or made generally known to employees, officers or directors of the Company prior to the date hereof or hereafter are separate requirements and remain in full force and effect.

8. Inquiries

All inquiries and questions in relation to this Code or its applicability to particular people or situations should be addressed to the Company's Secretary.

Exhibit 12.1

CERTIFICATIONS

I, Justin Davis-Rice, certify that:

1. I have reviewed this Annual Report on Form 20-F of Naked Brand Group Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: June 14, 2019

By: */s/ Justin Davis-Rice*
Justin Davis-Rice
Executive Chairman
(Principal Executive Officer)

Exhibit 12.2

CERTIFICATIONS

I, Howard Herman, certify that:

1. I have reviewed this Annual Report on Form 20-F of Naked Brand Group Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: June 14, 2019

By: */s/ Howard Herman*

Howard Herman
Chief Financial Officer
(Principal Accounting Officer and
Principal Financial Officer)

Exhibit 13.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Naked Brand Group Limited (the "Company") on Form 20-F for the year ended January 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: June 14, 2019

By: */s/ Justin Davis-Rice*
Justin Davis-Rice
Executive Chairman

By: */s/ Howard Herman*
Howard Herman
Chief Financial Officer