**NAKED BRAND GROUP INC.**

**Audit Committee Charter**

1. **Purpose**

The Board of Directors (the “Board”) of Naked Brand Group Inc. (the “Company”) hereby establishes an Audit Committee (the “Committee”) to: (a) assist the Board in fulfilling its oversight responsibilities relating to: (i) the quality and integrity of the Company’s financial statements, financial reporting process and systems of internal controls and disclosure controls regarding risk management, finance, accounting, and legal and regulatory compliance; (ii) the independence and qualifications of the Company’s independent auditors and review of the audit efforts of the Company’s independent auditors and internal auditing department; and (iii) the development and implementation of policies and processes regarding corporate governance matters, (b) provide an open avenue of communication between the internal auditing department, the independent auditors, the Company’s financial and senior management and the Board; and (c) prepare the report required to be prepared by the Committee pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for inclusion in the Company’s annual proxy statement.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section 7 below of this Audit Committee Charter (this “Charter”).

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, or to determine that the Company’s financial statements are complete and accurate or are in accordance with generally accepted accounting principles, accounting standards, or applicable laws and regulations. This is the responsibility of management of the Company, the Company’s internal auditing department and the Company’s independent auditors. Because the primary function of the Committee is oversight, the Committee shall be entitled to rely on the expertise, skills and knowledge of management, the internal auditing department, and the Company’s independent auditors and the integrity and accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Charter is intended to change the responsibilities of management and the independent auditors.

2. **Composition**

The Committee members shall be appointed by the Board from among its members and shall consist of at least three (3) members, each of whom shall (i) meet the independence requirements set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the “1934 Act”) and any other rules and regulations promulgated by the SEC thereunder; (ii) meet the independence requirements as defined in the applicable rules and the listing standards of the Nasdaq Stock Market, or such other national securities exchange on which the Company’s securities are then listed (the “Exchange Rules”), (iii) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three (3) years; and (iv) be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement. In addition, one or more members of the Committee shall be, in the judgment of the Board, an “audit committee financial expert,” as such term is defined in Item 407(d)(5)(ii) of Regulation S-K and the rules and regulations promulgated by the SEC thereunder.

3. **Authority**

The Committee shall have the authority to (i) engage (at the Company’s expense) its own independent legal counsel, auditors and other advisers that the Committee believes, in its sole discretion, are needed to carry out its duties and responsibilities; (ii) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities; and (iii) take whatever actions that it deems appropriate to foster an internal culture that is committed to maintaining quality financial reporting, sound business risk practices and ethical behavior within the Company. In addition, the Committee shall have the authority to request any officer, director or employee of the Company, the Company’s outside legal counsel and the independent auditors to meet with the Committee and any of its advisors and to respond to their inquiries. The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities. Finally, the Board shall adopt resolutions which provide for appropriate funding, as determined by the Committee, for (i) services provided by the independent auditors in preparing or issuing an audit report or performing other audit, review or attest services for the Company, (ii) services provided by any adviser employed by the Committee which it believes, in its sole discretion, are needed to carry out its duties and responsibilities, and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities.

The Committee, in its capacity as a committee of the Board, is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors engaged (including resolution of disagreements between the Company’s management and the independent auditors regarding financial reporting) for the purpose of preparing and issuing an audit report or performing other audit, review or attest services for the Company.

The independent auditors shall submit to the Company annually a formal written statement delineating all relationships between the independent auditors and the Company and its subsidiaries, addressing the non-audit services provided to the Company or its subsidiaries and the matters set forth in Independence Standards Board Standard No. 1.

The independent auditors shall submit to the Company annually a formal written statement of the fees billed for each of the following categories of services rendered by the independent auditors: (i) the audit of the Company’s annual financial statements for the most recent fiscal year and any reviews of the financial statements; (ii) information technology consulting services for the most recent fiscal year, in the aggregate and by each service (and separately identifying fees for such services relating to financial information systems design and implementation); and (iii) all other services rendered by the independent auditors for the most recent fiscal years, in the aggregate and by each service.

4. **Appointment**

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis. Each member of the Committee shall continue to be a member thereof until such member’s successor is appointed, unless such member shall resign or be removed by the Board or such member shall cease to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than three directors as a result of the vacancy or the Committee no longer has a member who is an “audit committee financial expert” as a result of the vacancy.

5. **Chairperson**

The Board, or in the event of its failure to do so, the members of the Committee, must appoint a chairperson from the members of the Committee (the “Chairperson”). If the Chairperson of the Committee is not present at any meeting of the Committee, an acting Chairperson for the meeting shall be chosen by a majority vote of the Committee from among the members present. In the case of a deadlock on any matter or vote, the Chairperson shall refer the matter to the Board. The Committee shall also appoint a secretary who need not be a director. All requests for information from the Company or the independent auditors shall be made through the Chairperson.

6. **Meetings**

The Committee shall meet at least quarterly (or more frequently as circumstances dictate). The Committee shall be governed by the same rules regarding meetings (including meetings by telephone or similar communications equipment), action without meetings, notice, waiver of notice, quorum and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with any provision of this Charter, the Bylaws of the Company, or the laws of the State of Nevada.

While the Committee is expected to communicate regularly with management, the Committee shall exercise a high degree of independence in establishing its meeting agenda and in carrying out its responsibilities. The Committee shall keep written minutes of its meetings, which shall be filed with the minutes of the meetings of the Board.

7. **Specific Duties**

In meeting its responsibilities, the Committee is expected to:

1. Select the independent auditors, considering independence and effectiveness, approve all audit and non-audit services in advance of the provision of such services and the fees and other compensation to be paid to the independent auditors, and oversee the services rendered by the independent auditors (including the resolution of disagreements between management and the independent auditors regarding preparation of financial statements) for the purpose of preparing or issuing an audit report or performing related work, and the independent auditors shall report directly to the Committee.

2. Review the performance of the independent auditors, including the lead partner of the independent auditors, and, in its sole discretion, approve any proposed discharge of the independent auditors when circumstances warrant, and appoint any new independent auditors.

3. Obtain and review a formal written report from the independent auditors at least annually regarding (i) the independent auditors’ internal quality control procedures, (ii) any material issues raised by the most recent internal quality control review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the independent auditors, (iii) any steps taken to deal with any such issues, and (iv) all relationships between the independent auditors and the Company, including whether the auditors’ quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditors’ independence, taking into account the opinions of management and internal auditors.

4. Actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor.

5. Take, or recommend that the Board take, appropriate action to oversee the independence of the independent auditor.

6. Inquire of management and the independent auditors and evaluate the effectiveness of the Company’s process for assessing significant risks or exposures and the steps management has taken to monitor, control and minimize such risks to the Company. Obtain annually, in writing, the letters of the independent auditors as to the adequacy of such controls.

7. Consider, in consultation with the independent auditors, the audit scope and plan of the independent auditors.

8. Review with the independent auditors the coordination of audit effort to assure completeness of coverage, and the effective use of audit resources.

9. Consider and review with the independent auditors, out of the presence of management:

(a) the adequacy of the Company’s internal controls and disclosure controls including the adequacy of computerized information systems and security;

(b) the truthfulness and accuracy of the Company’s financial statements; and

(c) any related significant findings and recommendations of the independent auditors together with management’s responses thereto.

10. Following completion of the annual audit, review with management and the independent auditors:

(a) the Company’s annual financial statements and related footnotes;

(b) the independent auditors’ audit of the financial statements and the report thereon;

(c) any significant changes required in the independent auditors’ audit plan; and

(d) other matters related to the conduct of the audit which are to be communicated to the Committee under generally accepted auditing standards.

11. Following completion of the annual audit, review separately with each of management and the independent auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

12. Establish regular and separate systems of reporting to the Committee by each of management and the independent auditors regarding any significant judgments made in management’s preparation of the financial statements and the view of each as to appropriateness of such judgments.

13. In consultation with the independent auditors, review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements, including management’s responses.

14. Consider and review with management:

(a) significant findings during the year and management’s responses thereto; and

(b) any changes required in the planned scope of their audit plan.

15. Review filings with the SEC and other regulatory authorities having jurisdiction and other published documents containing the Company’s financial statements, including any certification, report, opinion or review rendered by the independent auditors, or any press releases announcing earnings (especially the use of “pro forma” or “adjusted” information not prepared in compliance with generally accepted accounting principles) and all financial information and earnings guidance intended to be provided to analysts and the public or to rating agencies, and consider whether the information contained in these documents is consistent with the information contained in the financial statements.

16. Prepare and include in the Company’s annual proxy statement or other filings of the SEC and other regulatory authorities having jurisdiction any report from the Committee or other disclosures as required by applicable laws and regulations.

17. Review with management the adequacy of the insurance and fidelity bond coverages, reported contingent liabilities, and management’s assessment of contingency planning. Review management’s plans regarding any changes in accounting practices or policies and the financial impact of such changes, any major areas in management’s judgment that have a significant effect upon the financial statements of the Company, and any litigation or claim, including tax assessments, that could have a material effect upon the financial position or operating results of the Company.

18. Review with management and the independent auditors each annual, quarterly and other periodic report prior to its filing with the SEC or other regulators or prior to the release of earnings.

19. Review policies and procedures with respect to officers’ expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditors.

20. Establish, review and update periodically a Code of Ethics and Business Conduct for employees, officers and directors of the Company and ensure that management has established a system to enforce this Code of Ethics and Business Conduct.

21. Review management’s monitoring of the Company’s compliance with the Company’s Code of Ethics and Business Conduct.

22. Review, with the Company’s counsel, any legal, tax or regulatory matter that may have a material impact on the Company’s financial statements, operations, related Company compliance policies, and programs and reports received from regulators.

23. Evaluate and review with management the Company’s guidelines and policies governing the process of risk assessment and risk management.

24. Consider questions of possible conflicts of interest of Board members and of the corporate officers and approve in advance all related party transactions.

25. Provide advice on changes in Board compensation.

26. Meet with the independent auditors and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.

27. Report Committee actions to the Board with such recommendations as the Committee may deem appropriate.

28. Maintain, review and update the procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, as set forth in Annex A attached to this Charter.

29. Perform such other functions consistent with this Charter, the Company’s Bylaws and governing law, as the Committee deems necessary or appropriate.

8. **Performance Evaluation**

The Committee shall annually review and access the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee shall also perform an annual evaluation of its own performance. In conducting this review, the Committee shall address all matters that it considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board; the manner in which they were discussed or debated; and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in an appropriate manner.

ANNEX A

PROCEDURES FOR THE SUBMISSION OF

COMPLAINTS AND CONCERNS REGARDING

ACCOUNTING, INTERNAL ACCOUNTING CONTROLS OR

AUDITING MATTERS

1. Naked Brand Group Inc. (the “Company”) has designated its Audit Committee of its Board of Directors (the “Committee”) to be responsible for administering these procedures for the receipt, retention, and treatment of complaints received by the Company or the Committee directly regarding accounting, internal accounting controls, or auditing matters.

2. Any employee of the Company may on a confidential and anonymous basis submit concerns regarding questionable accounting controls or auditing matters to the Committee by setting forth such concerns in a letter addressed directly to the Committee with a legend on the envelope such as “Confidential” or “To be opened by Committee only”. If an employee would like to discuss the matter directly with a member of the Committee, the employee should include a return telephone number in his or her submission to the Committee at which he or she can be contacted. All submissions by letter to the Committee can be sent to:

Naked Brand Group Inc.

c/o Audit Committee

Attn: Chairperson

10th Floor – 95 Madison Ave

New York NY USA 10016

3. Any complaints received by the Company that are submitted as set forth herein will be forwarded directly to the Committee and will be treated as confidential if so indicated.

4. At each meeting of the Committee, or any special meetings called by the Chairperson of the Committee, the members of the Committee will review and consider any complaints or concerns submitted by employees as set forth herein and take any action it deems necessary in order to respond thereto.

5. All complaints and concerns submitted as set forth herein will be retained by the Committee for a period of seven (7) years.