

12 Directors' Remuneration Report

Introduction

This report has been prepared on behalf of the Board by the Remuneration Committee. It has been prepared in accordance with the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (the "Regulations") issued under the Companies Act 2006 (the "Act") and meets the requirements of the Financial Services Authority's Listing Rules. A resolution to approve this report will be proposed at the 2011 Annual General Meeting of the Company at which the financial statements will be approved. The report has been divided into separate sections for unaudited and audited information.

UNAUDITED INFORMATION

Remuneration Committee

The Remuneration Committee consists of three independent Non-executive Directors. The members of the Remuneration Committee are Keith Edelman (Committee Chairman), Indira Thambiah and Steven Glew. The Remuneration Committee meets at least three times per annum but more frequently if required. Meetings held, and attendance by Remuneration Committee members during the financial year ending 1 May 2011, are detailed in the corporate governance statement. None of the Remuneration Committee members has any personal financial interest (other than as shareholders), or conflicts of interests arising from cross-directorships or day-to-day involvement in running the Group. Directors are not involved in discussions about their own remuneration.

At the invitation of the committee, except where their own remuneration was being discussed, the Chief Operating Officer and the Head of Human Resources attended committee meetings during the year under review and provided advice to assist the committee.

The main responsibilities of the Remuneration Committee include:

- determining and agreeing with the Board the remuneration policy for the Chairman, Executive Directors and senior management;
- setting individual remuneration arrangements for the Chairman and Executive Directors;
- recommending and monitoring the remuneration of senior management; and
- approving the service agreements for the Chairman and Executive Directors, including termination arrangements.

The remuneration of the Non-executive Directors is a matter for the Chairman and Executive Directors. The remuneration of the Chairman is a matter for the Remuneration Committee. The role of Remuneration Committee Secretary is fulfilled by the Company Secretary. The terms of reference of the Remuneration Committee are available at www.supergroup.co.uk.

The Remuneration Committee is responsible for appointing external independent consultants to advise on executive remuneration matters. Hewitt New Bridge Street ('HNBS') were appointed by the Remuneration Committee during the year to advise on the development of an executive remuneration policy. The terms of engagement between the Company and HNBS are available from the Company Secretary on request.

Remuneration policy

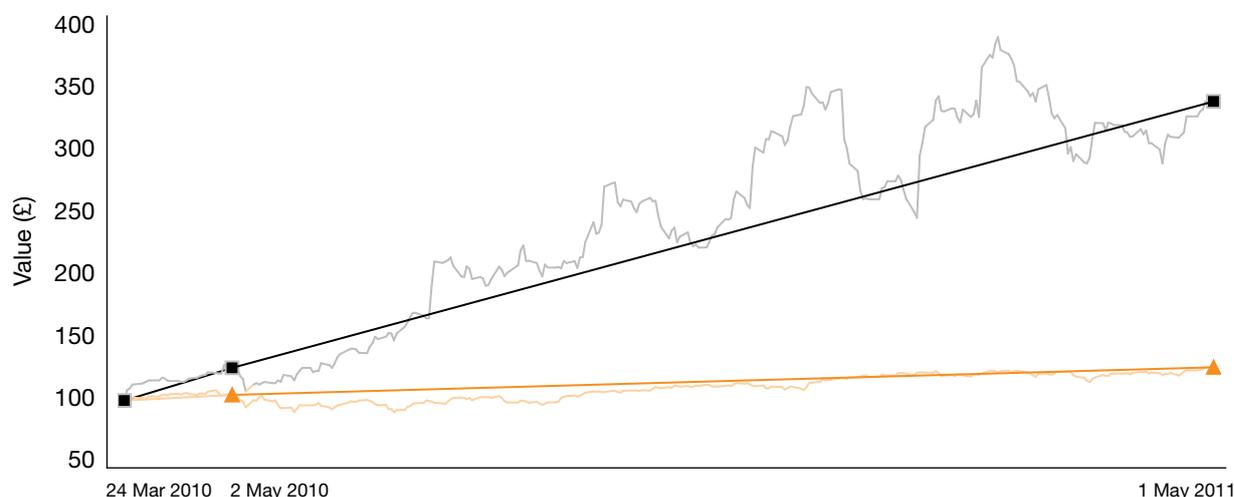
The Company currently operates an Executive Director remuneration policy comprising base salaries and benefits (car allowances are paid and medical benefits provided to certain individuals). As a result of the Executive Directors' significant shareholdings in the Company and commitments to retain shares, the Remuneration Committee believes that individuals are sufficiently incentivised to mitigate the need to offer annual or long-term incentive arrangements at this point. The Remuneration Committee will keep this policy under continuous review.

However, following a review of remuneration arrangements for senior executives below Board level ('Senior Executives'), the Remuneration Committee concluded that it needed to introduce a competitive suite of market-consistent annual and long-term incentive arrangements to enable it to recruit, retain and incentivise those individuals who do not hold significant shareholdings in the Company. The Remuneration Committee has, therefore, developed market-consistent and competitive annual bonus and long-term incentive arrangements for certain Senior Executives. In addition, the Remuneration Committee has continued to review the remuneration policy and has implemented a range of employee benefits for certain employees in order to attract and retain talent. These include private medical cover and life insurance for certain senior executives. The Board has approved the introduction of a defined contribution pension plan in May 2011 to be rolled out across the Group by September 2012.

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Performance graph

The following graph shows the Company's total shareholder return (TSR) compared with the TSR of the FTSE 250 (excluding Investment Trusts) over the period from flotation to 1 May 2011. The FTSE 250 index has been chosen as it is a recognised broad equity market index of which the Company is currently a constituent.



This graph shows the value, by 1 May 2011, of £100 invested in SuperGroup Plc on 24 March 2010 (the first day of trading in SuperGroup Plc shares) compared with the value of £100 invested in the FTSE 250 Index (excluding Investment Trusts).

SuperGroup Plc
 SuperGroup Plc (daily)
 FTSE 250 (excluding investment trusts) index
 FTSE 250 (excluding investment trusts) index (daily)

Dilution

In accordance with shareholder guidelines, the Committee applies a limit on the amount of shares that can be issued to satisfy employee share plan awards of 10% of the Company's issued share capital in any rolling 10 year period. Of this 10%, only half can be issued to satisfy awards under the discretionary arrangements (the Performance Share Plan ('PSP')). Since flotation in 2010, the Company has used 0.1% of share capital under the discretionary limit (i.e. in relation to the 2010/2011 PSP awards). At the date of this report, no other awards have been made.

Share ownership guidelines

In conjunction with the introduction of the PSP, the Company introduced share ownership guidelines. Under the guidelines, Executive Directors not holding shares worth at least 100% of their base salary will, to the extent that they receive PSP awards in future years, be expected to retain 50% of vested awards (net of tax) until such time as this level of holding is met.

Save As You Earn scheme

The Remuneration Committee is proposing to introduce an HM Revenue & Customs approved Save As You Earn scheme as a way of encouraging wider share ownership. Subject to approval at the AGM, all eligible employees, including Executive Directors, may be invited to participate on similar terms to save up to a maximum of £250 each month for a fixed period of three years. At the end of the savings period, individuals may use their savings to buy ordinary shares in the Company at a market price set at the launch of each scheme, after applying a discount capped at up to 20%.

Executive Directors' service contracts

The Executive Directors' service agreements, dated 12 March 2010, are terminable on 12 months' notice, by either the Company or the Executive giving written notice to the other, or at the sole discretion of the Company, on the payment in lieu of the Executive's basic salary due for the remainder of the notice period. The service agreements contain provisions on non-competition, non-solicitation and non-dealing.

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Name of Director	Date of contract	Notice period from Company/Director (months)
Julian Dunkerton	12 March 2010	12
James Holder	12 March 2010	12
Theo Karpathios	12 March 2010	12
Chas Howes	12 March 2010	12
Diane Savory ¹	12 March 2010	12

¹ Diane Savory stepped down from the Board on 6 May 2011.

Save for certain investment purposes only, the Executive Directors must obtain Board approval in order to be involved in any business other than that of the Group, or engage in any other activity which the Group considers may impair their performance.

Non-executive Directors

The Non-executive Directors have been appointed for an initial period of three years and were subject to election by shareholders at the 2010 Annual General Meeting. At the 2011 Annual General Meeting, the Company will adopt early the provisions of the new Corporate Governance Code that relate to annual re-election of Directors and all of the Directors will be offering themselves for re-election. The appointment may be terminated by either the Company or the relevant Director upon the giving of three months' written notice or, in the case of the Chairman 12 months' written notice. Save in respect of retirement by rotation, a Non-executive Director being removed from office will be entitled to compensation equal to the fee due during the notice period.

Name of Non-executive Director	Appointment date	Expected date of expiry of current term
Peter Bamford	29 January 2010	29 January 2013
Keith Edelman	04 February 2010	04 February 2013
Steven Glew	05 February 2010	05 February 2013
Indira Thambiah	12 February 2010	12 February 2013
Ken McCall	24 May 2010	24 May 2013

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AUDITED INFORMATION

Base salary and benefits

Executive Directors' base salaries are reviewed annually by the Committee, taking into account the responsibilities, skills and experience of each individual, pay and employment conditions within the Company and the Group, and salary levels within listed companies of a similar size. Current base salary levels are as follows:

Name of Director	2012	2011
Julian Dunkerton, Chief Executive Officer	£400,000	£400,000
James Holder, Brand and Design Director	£300,000	£300,000
Theo Karpathios, Chief Executive Officer – Wholesale and International	£300,000	£300,000
Chas Howes, Group Finance Director	£225,000	£225,000

It was agreed there would be no increase to salaries for the Executive Directors at the annual pay review date of 1 May 2011.

As from 1 May 2011, the benefit packages for all Executive Directors have been enhanced with the introduction of the benefit of life insurance cover.

Long term incentives

Following shareholder approval at the 2010 Annual General Meeting, the SuperGroup Performance Share Plan ('PSP') was introduced to enable the Group to incentivise and reward participants appropriately for contributing to the delivery of the Group's strategic objectives and to provide an appropriate level of long-term performance pay.

Under the PSP, each year individuals may receive awards of shares in the Company which will normally vest three years after they are awarded, subject to the satisfaction of sliding scale performance conditions measured over a three year period and continued service. Leaver and change of control provisions are consistent with best practice. Awards are normally made following the announcement of the annual results.

Although Executive Directors are eligible to participate in the PSP, the Committee believes at the current time that their significant shareholdings in the Company are sufficient to incentivise them and align interests with longer term Group performance. No awards have as yet been granted to Executive Directors under the SuperGroup PSP.

Therefore awards under the PSP are currently restricted to Senior Executives. However, Executive Directors' future participation will be reviewed by the Remuneration Committee on an ongoing basis.

The PSP individual annual limit is a maximum of 200% of an individual's base salary, although there is scope to grant up to 300% of base salary in exceptional circumstances (e.g. on recruitment). Actual award levels to Senior Executives are generally significantly below this maximum level.

For the awards granted in September 2010 and March 2011, performance relates to the three year period ending on the 2012/2013 financial year end. Performance measures for the initial awards are 70% based on sliding scale earnings per share ('EPS') and 30% based on total shareholder return ('TSR') relative to a selected group of retailers.

The Remuneration Committee has confirmed that the same performance measures will be used for awards granted in July 2011.

In addition to the TSR performance condition, the Remuneration Committee must also be satisfied that there has been an improvement in the Group's underlying financial performance. Similar performance targets will be operated for awards granted to Senior Executives in 2011/2012. Greater details will be provided in future Remuneration Reports with respect to performance targets to the extent that Executive Directors participate in future years.

The Remuneration Committee is comfortable that the blend of EPS and TSR targets will provide a balance between incentivising and rewarding strong financial performance while creating a strong alignment with the interests of institutional shareholders by rewarding stock market outperformance.

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Directors' emoluments

The emoluments of the Directors were as follows:

Name of Director	2011 Salaries/fees	2011 Benefits ³	Total 2011 ⁴	2010 ⁵
Julian Dunkerton	£400,000	£18,745	£418,745	£59,884
James Holder	£300,000	£14,919	£314,919	£43,750
Theo Karpathios	£300,000	£15,145	£315,145	£45,400
Chas Howes	£225,000	£1,127	£226,127	£32,813
Diane Savory ¹	£225,000	£745	£225,745	£32,813
Peter Bamford	£150,000	–	£150,000	£37,500
Keith Edelman	£62,500	–	£62,500	£15,625
Steven Glew	£57,500	–	£57,500	£14,375
Indira Thambiah	£50,000	–	£50,000	£10,417
Ken McCall ²	£46,875	–	£46,875	–
Total	£1,816,875	£50,681	£1,867,556	£292,577

Notes

- ¹ On 28 March 2011, Diane Savory announced her intention to step down from the Board. Following discussions between the Company and Diane Savory, the Company terminated her employment on 6 May 2011 and, under the termination arrangement, agreed a payment of £112,500, payable in 6 equal monthly instalments, which in aggregate equates to 6 month's base salary. These payments will continue to be made to Diane Savory subject to her complying with the conditions of her termination.
- ² Appointed 24 May 2010.
- ³ Taxable benefits comprised medical insurance and a car allowance for Julian Dunkerton, James Holder and Theo Karpathios and medical insurance only for Chas Howes and Diane Savory for the period from 3 May 2010 to 1 May 2011.
- ⁴ The Directors were not eligible to receive bonus payments or pension benefits during the year. None of the Directors waived any emoluments during the year.
- ⁵ The Directors' emoluments for 2010 relate to the period post 7 March 2010 as, prior to this date, the Group was under an LLP structure.

The remuneration arrangements of the Non-executive Directors (which is a matter for the Non-executive Chairman and Executive members of the Board) and the Non-executive Chairman (a matter for the Remuneration Committee) are reviewed from time to time with regard to the time commitment required and the level of fees paid in comparable companies. Non-executive Directors do not receive benefits from their office other than fees and reasonable expenses. They do not receive pension or performance-related pay from the Company.

Current fee levels for Non-executive Directors are as follows:

Name of Director	Base fee	Audit/Remuneration Committee Chairmanship	Senior Director	2011
Peter Bamford	£150,000	–	–	£150,000
Keith Edelman	£50,000	£7,500	£5,000	£62,500
Steven Glew	£50,000	£7,500	–	£57,500
Ken McCall*	£50,000	–	–	£50,000
Indira Thambiah	£50,000	–	–	£50,000

* Appointed 24 May 2010.

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Interests in shares

The interests of the Directors and their families in the shares of the Company at the year end were as follows:

Name of Director	1 May 2011 ordinary shares	2 May 2010 ordinary shares
Julian Dunkerton	26,088,944	26,088,944
James Holder	11,850,003	11,850,003
Theo Karpathios	11,850,003	11,850,003
Diane Savory ¹	1,086,015	1,086,015
Chas Howes	779,039	775,539
Peter Bamford	6,000	6,000
Indira Thambiah	6,000	6,000
Ken McCall	5,000	Nil
Keith Edelman	4,000	4,000
Steven Glew	4,000	4,000

¹ Diane Savory stepped down from the Board on 6 May 2011.

There have been no changes in the interests set out above between 1 May 2011 and 4 August 2011.

Signed on behalf of the Board of Directors

Keith Edelman

Remuneration Committee Chairman
4 August 2011



