



NOTICE OF 2022 ANNUAL GENERAL MEETING

Please read the Notice and Explanatory Memorandum carefully.

If you are unable to attend the Meeting please complete and return the Proxy Form in accordance with the specified instructions.

city chic collective

CITY CHIC COLLECTIVE LIMITED
ACN 057 569 169

Notice of Annual General Meeting

Notice is given that the annual general meeting of City Chic Collective Limited ACN 057 569 169 (the Company) will be held at the Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney NSW 2000, in the Castlereagh Room on **Friday 25th November 2022 at 9.00am** (Sydney time) (**Annual General Meeting or Meeting**).

If you are unable to join the Meeting, the Meeting will be webcast and we encourage you to complete and return the enclosed Proxy Form in accordance with the instructions included in this Notice.

Agenda Items

Ordinary Business

1 Annual Report

To receive the Annual Report of the Company including the financial statements and the reports of the directors and auditors for the financial year ended 3 July 2022.

There is no requirement for Shareholders to approve these reports.

2 Resolution 1: Adoption of the Remuneration Report

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report for the financial year ended 3 July 2022 (as set out in the Directors’ Report) be adopted.”

Please refer to the voting exclusion statement in the Notice. This resolution is advisory only and does not bind the Company or the Directors.

3 Resolution 2: Re-election of Director – Ms Megan Quinn

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Ms Megan Quinn, being a Director of the Company who retires by rotation under clause 23.10 of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company.”

Information about Ms Megan Quinn is included in the Notice.

4 Resolution 3: Appointment of Auditor

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Ernst & Young, having been duly nominated by a shareholder of the Company and having consented in writing to act, be appointed as the auditor of the Company.”

Information about this resolution is included in the Notice.

5 Resolution 4: Issue of performance rights under the Company’s equity incentive plan to the CEO and Managing Director, Mr Phil Ryan

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of section 200B of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue by the Company to Mr Phil Ryan of Performance Rights under the Equity Incentive Plan as outlined in the Explanatory Memorandum accompanying this Notice of Meeting.”

Please refer to the voting exclusion statement in the Notice.

Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting for further details and information regarding each agenda item.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary contained in the Explanatory Memorandum.

Entitlement to vote

It has been determined that under regulation 7.11.37 of the Corporations Regulations 2001 (Cth), for the purposes of the Meeting, the shareholding of each Shareholder will be taken to be as it appears in the Company's share register at 7pm (Sydney time) on 23rd November 2022. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

All Resolutions by Poll

In accordance with clause 19.9 of the Company's constitution, the Chair intends to call a poll on each of the resolutions proposed at the Meeting, using technology that will allow each Shareholder to participate in the vote in real time or in advance of the Meeting. Consequently, each resolution considered at the Meeting will be conducted by poll, rather than a show of hands.

Proxies

A Shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Shareholder.

Who can be a proxy

A proxy need not be a member of the Company and can either be an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy, that body corporate should ensure that it:

1. appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
2. provides satisfactory evidence of the appointment of its corporate representative no later than 48 hours prior to commencement of the Meeting.

If a representative of the corporation is to attend the Meeting, the Shareholder must complete the appropriate certificate of appointment of corporate representative and send the form to vote@linkmarketservices.com.au prior to the Meeting. A form of the certificate may be obtained from the Company's Share Registry or online at linkmarketservices.com.au.

A Shareholder who is entitled to vote at the Meeting may appoint:

- one proxy if the Shareholder is only entitled to one vote; or
- two proxies if the Shareholder is entitled to more than one vote.

Where the Shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded.

Proxies appointed by corporate Shareholders must be executed in accordance with their constitution or signed by a duly authorised attorney.

Voting

A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy.

If a proxy is directed how to vote on an item of business, the proxy may only vote on that item, in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he/she thinks fit.

Chair as proxy

The Constitution provides that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be in favour of the Chair of the meeting to which it relates, or to another person as the Board determines.

If a Shareholder appoints the Chair as the Shareholder's proxy (or if the Chair becomes proxy by default) and does not specify how the Chair is to vote on an item of business, the Chair will vote, as a proxy for that Shareholder, in favour of the item on a poll, including Resolution 1 and 4 even though this Resolution is connected directly or indirectly with the remuneration of the Company's Key Management Personnel or a Closely Related Party, which include the Chair.

Proxy Forms

If you require an additional Proxy Form, please contact the Company's Share Registry on 1300 554 474, which will supply it on request. The Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Share Registry, Link Market Services Limited, no later than **23 November 2022 at 9.00am** (Sydney time) (that is, at least 48 hours before the Meeting). Proxies received after this time will not be accepted.

Instructions for completing the Proxy Form are outlined on the Proxy Form, which may be returned by:

- a. posting it in the reply-paid envelope provided;
- b. posting it to City Chic Collective c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- c. hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000;
- d. faxing it to Link Market Services Limited on +61 2 9287 0309; or
- e. lodging it online at <https://investorcentre.linkgroup.com> in accordance with the instructions provided on the website. You will need your HIN or SRN to lodge your proxy form online.

AGM Webcast and Shareholder Questions

Shareholder Questions

A discussion will be held on all items to be considered at the Annual General Meeting. All Shareholders will have a reasonable opportunity to ask questions in advance of the Meeting or during the Meeting including an opportunity to ask questions of the Company's external auditor. To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following:

- all Shareholder questions should be stated clearly and should be relevant to the business of the Meeting, including matters arising from the Financial Report, Directors' Report (including the Remuneration Report) and Auditor's Report, and general questions about the performance, business or management of the Company;
- if a Shareholder has more than one question on an item, all questions should be asked at the one time; and
- Shareholders should not ask questions at the Meeting regarding personal matters or those that are commercial in confidence.

Submitting questions before the meeting:

Shareholders are encouraged to submit questions in advance via Link's Investor Centre which is accessible at <https://investorcentre.linkgroup.com>. To do so, you will need your SRN/HIN No. and postcode to log into your holding. Once logged in, select 'Voting' then click 'Ask Question'.

Webcast

A webcast of the Meeting will be available for Shareholders that are unable to attend the Meeting. To view the webcast, please log into the webcast at <https://meetings.linkgroup.com/CCX22>

Voting Exclusion

Resolution	Voting Exclusion
Resolution 1 – Adoption of Remuneration Report	<p>A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:</p> <ol style="list-style-type: none">a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; ora Closely Related Party of such member, collectively, an Excluded Voter. <p>However, an Excluded Voter may cast a vote on Resolution 1 if:</p> <ol style="list-style-type: none">the Excluded Voter does so as a proxy appointed by writing and the proxy appointment specifies how the proxy is to vote on Resolution 1; andthe vote is not cast on behalf on another Excluded Voter. <p>An Excluded Voter may also cast a vote on Resolution 1 if the Excluded Voter is the Chair of the Meeting and the appointment of the Chair as proxy:</p> <ul style="list-style-type: none">does not specify how the Chair is to vote; andexpressly authorises the Chair to exercise the proxy vote even though Resolution 1 is connected with the remuneration of a member of the Key Management Personnel.
Resolution 4 - Issue of Performance Rights under the Equity Incentive Plan to the CEO and Managing Director, Mr Phil Ryan	<p>The Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of:</p> <ul style="list-style-type: none">a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Equity Incentive Plan in respect of which Resolution 4 relates (including any Director who is eligible to participate in the Equity Incentive Plan in respect of which Resolution 4 relates); orany of their respective associates. <p>However, the Company need not disregard a vote in favour of Resolution 4 if:</p> <ul style="list-style-type: none">it is cast by a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney; or it is cast by the Chair of the Meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote as the Chair decides.it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:<ul style="list-style-type: none">the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting on Resolution 4; andthe holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

By Order of the Board

Dated: 20 October 2022



Marta Kielich

Company Secretary

Explanatory Memorandum to Shareholders

This Explanatory Memorandum has been prepared to assist Shareholders to understand the business to be put to Shareholders at the Annual General Meeting.

Ordinary business

1 ANNUAL REPORT

Section 317 of the Corporations Act requires:

- the reports of the directors and auditors; and
- the financial statements of the Company for the 53-week period ended 3 July 2022,

to be laid before the Annual General Meeting.

Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or statements.

Asking questions

Shareholders will be given opportunity to raise questions or comments on the management of the Company.

A reasonable opportunity will be given to Shareholders at the Meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to asking question at the Meeting, Shareholders may address written question to the Chair about the reports or financial statements prior to the Meeting. Shareholders should note that in accordance with section 250PA(1) of the Corporations Act, a Shareholder must submit written questions to the Company's auditor no later than the fifth business day prior to the date of the Meeting, being **Friday 18 November 2022**.

2 RESOLUTION 1: ADOPTION OF THE REMUNERATION REPORT

The Directors' Report for the 53-weeks ended 3 July 2022 includes a Remuneration Report. The Remuneration Report is set out on pages 46 to 57 of the 2022 Annual Report.

The Remuneration Report discusses matters including (but not limited to):

- a. board policies in relation to the nature and amount of remuneration paid to Directors and executives;
- b. the relationship between the board policies and the Company's performance; and
- c. the remuneration arrangements in place for the directors and key executives of the Company.

Section 250R(2) of the Corporations Act requires the Remuneration Report to be adopted and put to the Shareholders at the Annual General Meeting.

Resolution 1 is advisory only

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors or the Company. However, under section 300A(1)(g) of the Corporations Act, if 25% or more of the votes cast on this Resolution 1 are against adopting the Remuneration Report, the Company will be required to consider and report to Shareholders in the next Remuneration Report on what action (if any) has been taken in response to Shareholder concerns, and if no action is proposed to be taken, the Board's reason for this inaction.

Spill Resolution

In addition, pursuant to section 250U of the Corporations Act, the "two strikes" law applies to the results of voting in relation to Resolution 1. This means, that if the resolution proposing adoption of the Remuneration Report receives a "no" vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director who under the ASX Listing Rules may continue to hold office indefinitely without being re-elected) will cease to hold office but be eligible for election (a Spill Resolution). A simple majority of over 50% of the votes cast at the second annual general meeting is required to pass the Spill Resolution in accordance with section 250V of the Corporations Act.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

Voting exclusions apply to Key Management Personnel and their Closely Related Parties in certain circumstances – please see the voting exclusion statement included in the Notice.

Directors' Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, Shareholders are asked to adopt the Remuneration Report and vote in favour of Resolution 1. Shareholders should note that the Chair intends to vote all undirected proxies in favour of adopting the Remuneration Report.

3

RESOLUTION 2: RE-ELECTION OF DIRECTOR, MS MEGAN QUINN

Regulatory and Constitutional requirements

ASX Listing Rule 14.5 imposes a requirement on the Company to hold an election of Directors at each annual general meeting. ASX Listing Rule 14.4 and clause 23.10(b) of the Constitution provide that a Director (other than the Managing Director) may not hold office for more than three years or beyond the third annual general meeting following the Director's appointment (whichever is the longer period) without submitting for re-election.

Clause 23.10(d) of the Constitution provides that if in any year there is no Director who is required to submit for re-election pursuant to clause 23.10(b), the Director to retire by rotation at that annual general meeting will be the Director who has been longest in office.

Any Director who retires in accordance with clause 23.10 of the Constitution is eligible for re-election.

Retirement by rotation and re-election of Ms Megan Quinn

Megan Quinn retires in accordance with clause 23.10(d) of the Constitution and offers herself for re-election.

Megan Quinn joined the Company in October 2012. She is an independent, non-executive director. Megan is also the Chair of the People, Culture and Remuneration Committee (formerly named the Nomination and Remuneration Committee) and member of the Audit and Risk Committee.

Experience, skills and tenure

Megan is a senior advisor working across a broad range of industries including retail, financial and professional services, healthcare, consumer and digital. Megan has more than 25 years' experience working internationally with organisations including Harrods, Dell, and Westpac and she was also a Board and National Committee member of UNICEF Australia. Her strong strategic, operational, supply chain and financial expertise is complemented by her capabilities around brand, marketing, innovation, transformation, digital and customer service and experience across all channels. Megan was a co-founder of NET-A-PORTER and is a non-executive director at ASX listed Reece Limited (ASX: REH), InvoCare Limited (ASX: IVC) and The Lottery Corporation (ASX: TLC).

The Board of the Company seeks to ensure that the combination of its members provides an appropriate range of experience, skills, diversity, personal qualities, tenure and expertise to enable it to carry out its obligations and responsibilities. Megan has, as a member of the Board, been part of the Company's growth, and her extensive knowledge of the Company and industry experience are a valuable contribution to Board discussions and decision making. Notwithstanding, Megan has indicated that subject to her re-election at this Meeting, she intends that this will be her last term on the Board (i.e. a maximum of three years based on regulatory and constitutional requirements) and consequently the Board will commence succession planning at the appropriate time to fill any vacancy when it arises.

Directors' Recommendation

The Board (with Ms Megan Quinn abstaining) recommends voting in favour of Resolution 2 for the re-election of Ms Megan Quinn to the Board of the Company.

The Chair intends to exercise all available proxies in favour of Resolution 2.

4 RESOLUTION 3: APPOINTMENT OF AUDITOR

Regulatory requirements

Ernst & Young was appointed by the Board as the auditor of the Company effective on 27 April 2022. Given the length of tenure of the previous auditor, Deloitte, the Board considered it good corporate governance to rotate the audit appointment and sought proposals from leading audit service providers following which the Directors proposed the appointment of Ernst & Young as auditor of the Company. The Company is seeking shareholder approval of the appointment of Ernst & Young as the Company's auditor. Ernst & Young has been duly nominated for appointment as the Company's auditor by a Shareholder of the Company, as required by section 328B of the Corporations Act. A copy of the Shareholder's written notice of nomination is set out in Appendix A.

Directors' Recommendation

The Board recommends voting in favour of Resolution 3 for the appointment of Ernst & Young as the auditor of the Company. The Chair intends to exercise all available proxies in favour of Resolution 3.

5 RESOLUTION 4: ISSUE OF PERFORMANCE RIGHTS UNDER THE EQUITY INCENTIVE PLAN TO THE CEO AND MANAGING DIRECTOR, MR PHIL RYAN

Background

Resolution 4 seeks Shareholder approval to issue to Mr Phil Ryan, the Company's CEO and Managing Director and therefore a related party of the Company, performance rights under the Company's Equity Incentive Plan.

Executive remuneration framework and CEO variable remuneration

As outlined in the Remuneration Report, the principles used to determine the nature and amount of remuneration for executives are as follows:

Principles used to determine the nature and amount of remuneration

PRINCIPLE 1

The objectives of the Group's executive remuneration framework are as follows:

- competitiveness and sustainability;
- acceptability to the Group's strategic and business objectives and the creation of shareholder value;
- performance linkage/ alignment of executive compensation;
- transparency and acceptability to shareholders.

PRINCIPLE 2

The reward framework is designed to align executive reward to the Company's interests. The Board have considered that it should seek to enhance the Company's interests by:

- including economic profit as a core component of plan design; and
- attracting and retaining high calibre executives.

PRINCIPLE 3

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for profitable growth; and
- provides a clear structure for earning rewards.

As part of his remuneration, Mr Phil Ryan is eligible to receive both short-term and long-term incentives, in addition to his fixed remuneration. Details of Mr Ryan's remuneration for FY22 are included in the Remuneration Report.

Long term incentives

In recent years, the Company has utilised two equity incentives plans to deliver the long term, variable component of remuneration to senior executives – namely the Company's long term incentive plan (Equity Incentive Plan) and loan funded share plan (LF Share Plan).

At the 2019 AGM, shareholders approved a grant of loan funded shares (2019 LF Shares) to Mr Ryan as part of his remuneration arrangements following his appointment as CEO and Managing Director. The initial grant of 2019 LF Shares reflected the aggregate long-term incentive that Mr Ryan was entitled to over the 3 year period following the grant (i.e. for FY20-FY22) and no additional LF Shares or other equity based incentives have been issued to Mr Ryan since 2019.

In 2018, prior to his appointment as CEO and Managing Director, Mr Ryan received a number of performance rights under the Equity Incentive Plan (2018 Performance Rights).

The performance hurdles associated with the aforementioned 2019 LF Shares and 2018 Performance Rights are included in the Remuneration Report.

Short term incentives

As a condition to receiving the LF Shares, Mr Ryan was not eligible to receive a short-term bonus, to which he would otherwise have been entitled under his remuneration arrangements, with respect to FY20 or FY21.

As part of Mr Ryan's remuneration for FY22, following the acquisition of Evans in the UK, the Board, based on advice from the Company's People, Culture and Remuneration Committee determined that Mr Ryan would be eligible for a short-term cash

incentive subject to performance hurdles related to the performance of Evans and the Group's EMEA business being achieved. The relevant contribution to underlying EBITDA was not achieved and no short-term incentive was received by Mr Ryan in relation to FY22.

Reasons for issue of Performance Rights to Mr Phil Ryan

The People, Culture and Remuneration Committee (Committee) spent a considerable amount of time considering the remuneration of executives, including Mr Ryan, in this period of unprecedented global uncertainty due to a mix of well publicised Covid-19 related impacts, economic volatility and geopolitical factors impacting supply chains, global logistics, inflation, interest rates and consumer demand. During the year, the Committee has also engaged independent remuneration consultants to provide a range of advice and information on remuneration matters, including incentive structures for executives.

It had been the Committee's intention to utilise the LF Share Plan to deliver the long-term incentive component of executive remuneration in FY23. However, in the Committee's view, due to the current uncertainty and volatility in the environment in which City Chic operates, the Company's and Shareholders' interests will be best served over the course of the next 12 months by management focussing on delivering a strong balance sheet and generating cash flows. In addition, the Committee believes there is a material risk of potential unintended consequences in trying to set realistic long term hurdles in the face of so many external and global unknowns.

The Committee is of the view that during this uncertain and challenging period, the objectives of the Company's executive remuneration framework are best achieved by focusing executives on execution of key objectives and short-term performance outcomes, while simultaneously seeking to retain key executives over the medium term, both of which the Committee believes are critical to ensuring the future success of the Company and sustainable growth in the medium to long term.

Consequently, the Board, based on advice from the Committee, has determined that executives, including Mr Ryan, will be eligible to receive the following incentives as part of their remuneration for FY23:

1. Cash based short term incentive – cash bonus payable on achievement of growth in underlying EBITDA over FY23, as detailed below;
2. Deferred equity – Performance Rights which vest subject to meeting hurdles in relation to the cash conversion ratio and inventory balance as at the end of FY23, and continued employment until 30 June 2025 (outlined in more detail below, under the section entitled "Vesting Conditions").

As noted above, the Board has decided to grant Mr Ryan Performance Rights under the Equity Incentive Plan, with the stated Vesting Conditions, because the Board believes they create an alignment between Mr Ryan and Shareholders, are appropriate incentives in these very unusual times and encourage the continued focus of executives on creating value and a resulting increase in the share price over the longer term. This is because the value which can be realised from the Performance Rights is a function of the share price of the Company's Shares in 2025. The Committee proposes to revisit appropriate medium to long term performance hurdles over the course of the year, with the intention of issuing incentives with more traditional medium to long term performance hurdles in FY24, subject in Mr Ryan's case, to Shareholder approval at that time and subject to global economic and geopolitical conditions normalising over the coming year.

The value that Mr Ryan may eventually realise from the Performance Rights depends on a number of factors, including the extent to which the Vesting Conditions (as applicable) are achieved and the price of the Company's Shares at the time of vesting, which, subject to the rules of the Equity Incentive Plan, will not be until the end of the Service Condition at 30 June 2025.

The purpose of Resolution 4 is to seek Shareholder approval of the 'deferred equity' grant of Performance Rights to Mr Ryan as part of his variable remuneration for FY23.

Details of the Equity Incentive Plan

The Equity Incentive Plan provides for the Board to grant, from time to time, performance rights and/or options to selected executives of a Group Company.

A summary of the key terms of the Equity Incentive Plan (the Plan) are set out below, and these terms apply to the Performance Rights.

Eligibility and securities to be issued

The Board may (in its discretion) from time to time invite Eligible Individuals (as defined below) to participate in the Plan and be issued performance rights and/or options upon the terms set out in the Plan and upon such additional terms and conditions, including any vesting conditions, as the Board determines.

Eligible Individuals

An Eligible Individual means a person who is declared by the Board to be eligible to receive grants of performance rights and/or options under the Plan. In this Notice, an Eligible Individual that is issued performance rights and/or options under the Plan is referred to as a “participant”.

Issue price

Unless the Board determines otherwise, no payment is required for the grant of a performance right or option.

Dividends

Any shares issued under the Plan upon vesting of a performance right or exercise of an option will rank equally in all respects with other ordinary shares for the time being on issue except as regards any rights attaching to such shares by reference to a record date prior to the date of their allotment. Unvested performance rights and unexercised options are not eligible to receive dividends declared in relation to ordinary shares.

Vesting, lapsing and allocation of shares

The Board may determine that performance rights and/or options offered will be subject to such vesting conditions as it determines. Vesting conditions may include performance-based conditions and/or service-based conditions.

Performance rights and/or options will not vest unless:

- the vesting conditions attaching to the performance rights and/or options have been satisfied or waived by the Board;
- the Board otherwise determines in accordance with the terms of the Plan (which includes in the event of a takeover, scheme of arrangement or winding-up of the Company as summarised below).

If the vesting conditions are not met, the unvested performance rights and/or options will lapse.

Upon the vesting of a performance right or exercise of an option, the Company must issue to or procure the transfer to the participant the number of shares in respect of which performance rights have vested or options have been exercised.

Lapsing of performance rights and/or options

Performance rights and/or options will lapse, in whole or part, as determined by the Board on the earlier of:

- any date nominated and specified by the Board
- satisfaction of vesting conditions
- failure to meet applicable vesting conditions in the prescribed period
- the participant ceasing to be a Group employee, unless otherwise determined by the Board
- the 10-year anniversary of the date of grant of a performance right or option
- where, in the opinion of the Board, the participant has acted fraudulently, dishonestly or in breach of their obligations to any Group company
- otherwise, at a specified time and for any reason, determined in the Board’s absolute discretion.

Takeovers and Changes of Control

If the Company becomes subject to a takeover bid (as defined in the Corporations Act) the Board may, in its absolute discretion, determine that all or a specified number of a participant's performance rights or options vest, having regard to whether pro rata performance is in line with the applicable performance conditions and service conditions over the period from the date of grant to the date of the takeover bid.

The Board may, in its absolute discretion, determine that all or a specified number of a participant's performance rights or options vest where the Board is satisfied that the applicable performance conditions and service conditions have been satisfied on a pro rata basis over the period from the date of grant to the relevant date where:

- a. a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- b. any person becomes bound or entitled to acquire shares in the Company under:
 - i. section 414 of the Corporations Act (upon a scheme of arrangement being approved); or
 - ii. Chapter 6A of the Corporations Act (compulsory acquisition following a takeover bid);
- c. the Company passes a resolution for voluntary winding up; or
- d. an order is made for the compulsory winding up of the Company.

Changes in capital structure

If:

- a. shares are issued pro rata to the Company's shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits; or
- b. any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company is effected;

the number of performance rights or options to which each participant is entitled, or any amount payable on vesting of a performance right or exercise of an option, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the participant as a result of such corporate actions.

If Shares are offered pro rata for subscription by the Company's shareholders generally by way of a rights issue during the currency of and prior to:

1. the vesting of any performance rights; or
2. the exercise of any options,

the Board may, in its discretion, adjust the number of performance rights, options or shares to take account of the rights issue.

Other

The Board may at any time and from time to time amend or vary the Plan and all or any rights or obligations of the participants or any of them. However, no amendments can be made to materially reduce a participant's accrued benefits or entitlements as they existed before the date of the amendment without the consent of the participant (except for the purpose of complying with laws (including tax laws) or regulating the maintenance or operation of the Plan, to correct any manifest error or mistake or to enable the Plan or the Company to comply with the Corporations Act, the Listing Rules or its Constitution).

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires Shareholder approval by ordinary resolution before a director can acquire securities or rights to securities under an employee incentive scheme. Accordingly, ASX Listing Rule 10.14 requires Shareholders to approve the proposed issue of Performance Rights to Mr Ryan as Mr Ryan falls within Listing Rule 10.14.1 by virtue of being a director.

If approval is given for the issue of Performance Rights under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1, and separate approval is not required under ASX Listing Rule 10.11 (which provides a general restriction against issuing securities to directors without Shareholder approval).

Additional Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following additional information is provided to Shareholders in relation to Resolution 4:

Information**Disclosure****The maximum number of securities that may be acquired by all persons for whom approval is required**

The number of Performance Rights will be determined by the following formula:

$$\text{Number of Performance Rights} = \frac{2}{3} \times \text{Fixed Salary} \div \text{Share Price}$$

Where:

Fixed Salary refers to Mr Ryan's fixed salary for FY23 (excluding superannuation), being \$972,500;

Share Price is determined by reference to the 5-day volume weighted average price (VWAP) of City Chic fully paid ordinary shares over the 5 days prior to the issue date of the Performance Rights.

The number of Performance Rights will be rounded down to the nearest whole number.

For example:

5 Day VWAP	Number of Performance Rights
\$1.20	540,277
\$1.40	463,095
\$1.60	405,208

The price for each security to be acquired under the Equity Incentive Plan

As the Performance Rights are part of Mr Ryan's remuneration, no amount is payable on the grant of Performance Rights or an allocation of ordinary shares if Performance Rights vest and are exercised.

As noted above, the Company's share price on ASX around the time of the issue of the Performance Rights will influence the number of Performance Rights granted.

Value attributed to the Performance Rights on grant date

As noted above, the value attributed to each Performance Right for the purposes of determining the number of Performance Rights issued, will be the 5-day VWAP of City Chic fully paid ordinary shares over the 5 days prior to the issue date of the Performance Rights.

Details of Mr Ryan's current total remuneration package

Mr Ryan's remuneration for FY23 consists of:

- total fixed salary of \$972,500 (exclusive of superannuation);
- superannuation;
- variable remuneration opportunity equal to 100% of total fixed salary, comprising:
 - 2/3 of the variable remuneration opportunity is in the form of deferred equity, i.e. the Performance Rights the subject of this Resolution 4; and
 - 1/3 of the variable incentive opportunity in the form of a short-term cash bonus.

The short term cash bonus will be determined by the following sliding scale:

Maximum opportunity	Growth in underlying EBITDA-pre AASB16 (FY23 vs FY22)	% of maximum opportunity that will be achieved
1/3 of fixed salary (ie. \$324,167)	0% (threshold)	0%
	10% (target)	100%
	Between threshold and target level	Straight line pro rata basis between the threshold and target level.

Underlying EBITDA-pre AASB16 refers to the underlying earnings before interest, income tax expense, depreciation and amortisation, from continuing operations, reported in the Company's audited full year financial statements, before the application of AASB16. The audited financial statements include a reconciliation between the statutory profit/(loss) and underlying EBITDA.

Note: FY22 underlying EBITDA-pre AASB16 was \$471 million.

Number of securities previously issued under the Equity Incentive Plan, LF Share Plan and average acquisition price (if any) paid by Mr Ryan for those securities

In November 2018, as part of Mr Ryan's appointment as CEO, Mr Ryan received 2,640,740 performance rights under the Equity Incentive Plan (referred to as Tranches 1, 2A, 2B and 2C in the Remuneration Report). The performance and service hurdles attaching to those earlier grants are detailed in the Remuneration Report. Nil consideration was payable by Mr Ryan upon issue of the performance rights and no loan was provided to Mr Ryan under the terms of grant.

Mr Ryan also received 2,161,235 LF Shares in November 2019, following receipt of Shareholder approval, under the LF Share Plan. Those LF Shares were issued at \$2.68 per LF Share and the Company provided a loan to Mr Ryan for the whole of the subscription price of those LF Shares.

The names of all Directors entitled to participate in the Equity Incentive Plan

All executive Directors are entitled to participate in the Equity Incentive Plan, which currently includes only Mr Ryan.
Non-executive directors are not entitled to participate in the Equity Incentive Plan.

The date by which the entity will issue the securities

The Performance Rights will be issued to Mr Ryan as soon as practicable after the Meeting, but in any event no later than 12 months after the Meeting.

Other

The Company advises that:

- details of any Performance Rights issued under the Equity Incentive Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement confirming that approval for the issue was obtained under listing rule 10.14; and
- if any additional persons covered by Listing Rule 10.14 that are not currently named in this Notice of Meeting become entitled to participate in an issue of Performance Rights (or other securities) under the Equity Incentive Plan after the date of this Resolution, such person will not participate until approval is obtained under Listing Rule 10.14.

A voting exclusion statement is included in the Notice.

Vesting Conditions

Under the Equity Incentive Plan, Performance Rights are issued but only vest subject to the achievement (or waiver in certain circumstances) of specific Vesting Conditions.

The Vesting Conditions set by the Board for the proposed issue of Performance Rights to Mr Ryan include both performance based vesting conditions (Performance Conditions) and a time-based vesting condition (Service Condition). In order for any Performance Rights to vest, the relevant Vesting Conditions must be met as at the testing date (subject to the Plan and unless otherwise waived by the Board), as assessed by the Board in its absolute discretion.

Performance Conditions

The Performance Conditions require the Company to attain a pre-determined cash conversion ratio for FY23 (Performance Condition 1), and/or a pre-determined inventory value balance at the end of FY23 (Performance Condition 2). Inventory has been chosen as one of the Vesting Conditions as it is the main generator of revenue and cash for the Company. To compliment this condition, cash conversion has been chosen as the other Vesting Condition as it is a measure of the Company's efficiency in using its working capital, namely inventory. The two performance hurdles will be tested independently, with 50% weighting attributed to each Performance Condition, in accordance with the following vesting scale for each hurdle:

Performance Condition 1 (PC1):

Weighting	Cash conversion ratio	Percentage of Performance Rights that will satisfy PC1
50%	1.2 (threshold)	0%
	1.5 (target)	100%
	Between threshold and target level	Straight line pro rata basis between the threshold and target level.

Performance Condition 2 (PC2):

Weighting	Inventory balance	Percentage of Performance Rights that will satisfy PC2
50%	\$135 million (threshold)	0%
	\$125 million (target)	100%
	Between threshold and target level	Straight line pro rata basis between the threshold and target level.

Where:

Cash conversion ratio means the ratio of Net Cash from Operating Activities to Earnings before Interest, Tax, Depreciation, Amortisation and Impairment Expenses – pre AASB 16.

Inventory balance is equal to the reported value of “Inventories” in the Company’s audited FY23 full year financial statements.

Service Condition

In order for any Performance Rights to vest, the Service Condition requires Mr Ryan to remain an employee or executive Director of the Company up to and including 30 June 2025. As noted above, the intention of the long dated Service Condition is primarily two-fold; it seeks to retain an executive of Mr Ryan’s capability and experience, and simultaneously seeks to drive the continued focus of Mr Ryan and the Company’s executive on growing the Company sustainably over the longer term.

Corporations Act - Acceleration of vesting and Termination Benefits

Part 2D.2, Division 2 of the Corporations Act provides that a listed company must not permit a person in a managerial or executive office (including a Director) to receive a benefit in connection with their retirement or removal from office or employment (Termination Benefit), except with respect to certain statutory exceptions, over the applicable ‘base salary amount’ (calculated as 12 months of the applicable person’s base salary plus any short term benefits not dependent on performance conditions paid during the relevant period), without Shareholder approval.

The Board has formed the view that should the Performance Rights proposed to be issued to Mr Ryan not automatically be forfeited on cessation of employment, the value of the Performance Rights provided may be considered a Termination Benefit. Similarly, in the event that the Performance Rights issued to Mr Ryan vest if the Company becomes subject to a change of control event, the value of the Performance Rights provided may be considered a Termination Benefit (particularly if Mr Ryan is no longer employed by the Company after the relevant change of control event). Accordingly, Shareholder approval must be sought for any such benefit which Mr Ryan may receive under the Equity Incentive Plan.

Accordingly, where a participant ceases to be an employee before the performance right or option has vested, the Board may determine the extent to which the performance rights or options granted to the participant vest, under the Equity Incentive Plan. If no determination is made by the Board, then all performance rights and options held by the participant will lapse. If Shareholders approve Resolution 4, the maximum number of Performance Rights that may vest upon the retirement or removal from office of Mr Ryan under the Equity Incentive Plan will be the number of Performance Rights granted to Mr Ryan under Resolution 4 (plus the number of other performance rights and LF Shares previously granted to him). However, the actual number of Performance Rights that may vest upon retirement or removal from office (if any) will depend on a range of factors. Accordingly, the precise value of the affected Performance Rights cannot presently be ascertained at this time. Matters, events and circumstances that will, or are likely to, affect the calculation of that value include the following:

- the number of unvested Performance Rights held by Mr Ryan prior to the cessation of employment;
- the extent to which the relevant Vesting Conditions attaching to the Performance Rights before they vest are met at the time;
- the period that has elapsed at that time since the issue of the Performance Rights;
- the reasons for cessation of employment;
- the number of Performance Rights that vest; and
- the Company's share price at the date of vesting.

The Company will calculate the value of the Performance Rights on the basis of the prevailing share price of the Company at the time.

What happens if Shareholders do not approve the resolution?

Firstly, the Board takes Shareholder feedback on remuneration seriously, and will consider any feedback associated with a vote against this resolution.

If Shareholder approval is not obtained, the proposed grant of Performance Rights to Mr Ryan will not proceed.

In such circumstances the Board will consider alternative remuneration arrangements, including a cash payment, which it believes may be less effective in aligning Mr Ryan's interests with Shareholders.

Directors' Recommendation

The Directors, except for Mr Phil Ryan, unanimously recommend that Shareholders vote in favour of Resolution 4.

The Chair intends to exercise all available proxies in favour of Resolution 4.

Glossary

In this Notice, the following items have the following meanings unless the context requires otherwise:

\$ means Australian Dollars.

Annual Report means the Annual Report to Shareholders for the period ended 3 July 2022.

ASX means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the official listing rules of the ASX.

Board means the current board of directors of the Company.

Chair means the person chairing the Meeting.

Closely Related Party has the meaning as defined in section 9 of the Corporations Act.

Company means City Chic Collective Limited ACN 057 569 169.

Constitution means the Company's Constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Individuals has the meaning given to that term in the Explanatory Memorandum.

Equity Incentive Plan or the Plan means the employee incentive scheme of the Company titled 'Specialty Fashion Group Limited Long Term Incentive Plan Rules', adopted by the Board in 2010, which provides for the Board to grant, from time to time, performance rights, and/or options to selected executives of a Group Company.

Explanatory Memorandum means the explanatory memorandum accompanying and forming part of this Notice.

Group or Group Company refers to the Company and the entities it controls

Key Management Personnel has the meaning as defined in section 9 of the Corporations Act.

LF Share Plan means the loan funded share plan of the Company titled 'CCX Loan Funded Share Plan Rules', adopted by the Board in October 2019.

Meeting or Annual General Meeting means the 2022 Annual General Meeting of Shareholders to be held at the Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney NSW 2000 on 25th November 2022 at 9:00am (Sydney time).

Notice means this Notice of Annual General Meeting (including the Explanatory Memorandum and the Proxy Form).

Participants has the meaning given to that term in the Explanatory Memorandum.

Performance Condition has the meaning given to that term in the Explanatory Memorandum.

Proxy Form means the proxy form accompanying this Notice.

Remuneration Report means the remuneration report as set out in the Annual Report.

Resolutions means the resolutions set out in this Notice, or any one of them, as the context requires.

Securities includes Shares, rights to Shares, options to acquire Shares and other securities with rights of conversion to equity.

Service Condition has the meaning given to that term in the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Vesting Conditions mean any Performance Condition or Service Condition determined by the Board which must be satisfied or circumstances which must exist before a performance right under the Equity Incentive Plan vests.

The Company Secretary
City Chic Collective Limited
151-163 Wyndham Street
Alexandria NSW 2015

14 October 2022

Dear Madam

City Chic Collective Limited ACN 057 569 169 ("Company") – notice of nomination of auditor

I am a member of the Company.

I nominate Ernst & Young as the auditor of the Company.

The notice of nomination has effect for the purpose of section 328B of the *Corporations Act 2001* (Cth) and for all other purposes.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized initial 'J' followed by a series of connected loops and a wavy line extending to the right.

James Plummer

