

# city chic collective

---

## BOARD CHARTER

### **Purpose**

This Charter sets out the authority, role and responsibilities, membership and operation of the Board of City Chic Collective Limited ('City Chic' or 'Company').

The Board is responsible for the governance of the City Chic Group and has developed principles relating to:

- the role of the Board and matters specifically reserved for Board decision-making;
- those authorities which may be delegated to Committees of the Board;
- the authorities of the Chief Executive Officer; and
- its own performance, operations, procedures and membership.

This Charter outlines those principles.

### **Authority**

The shareholders have elected the Directors and, through the Constitution, have authorised them to manage the business of the City Chic Group and to exercise the powers conferred under the Constitution.

### **Roles and Responsibilities of the Board**

The role of the Board is to act in the best interests of City Chic as a whole, to provide effective governance over the Company's affairs, to ensure the interests of shareholders are protected and enhanced and the confidence of the investment market is maintained whilst having regard for the interests of all stakeholders, including customers, employees, suppliers and local communities.

The Board is ultimately responsible for the oversight and review of the management, administration and overall governance of City Chic, including:

- representing and serving the interests of shareholders;
- defining City Chic's purpose, approving and overseeing the strategic direction and implementation of City Chic's strategic priorities;
- approving City Chic's Code of Conduct and the values which underpin its culture;
- authorizing financial policies, approval of budgets, major capital expenditure, financial statements and other published reports;
- satisfying itself that City Chic's remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite;
- establishing goals for management and monitoring the achievement of these goals;
- appointing the Chairman of the Board;

# city chic collective

---

- appointing the Chief Executive Officer and monitoring the performance of the Chief Executive Officer;
- approving the appointment and replacement of the Company Secretary;
- where appropriate, approving the appointment of, and monitoring the performance of, senior executives including the Chief Financial Officer;
- the maintaining of good corporate governance standards and systems;
- overseeing City Chic's processes for continuous and periodic disclosure and communication with external stakeholders;
- approving the risk management framework and systems (for both financial and non-financial risks), monitoring the efficiency and effectiveness of those systems and setting the appropriate risk appetite within which the Board expects management to operate;
- to act honestly, fairly and diligently;
- to act in accordance with laws and regulations;
- to avoid or manage conflicts of interest; and
- acting to protect and enhance the reputation of City Chic.

## **Delegations and powers reserved for the Board**

The Board retains certain rights and powers conferred upon it by the Constitution and by law which cannot be delegated.

In all other matters, the Board may delegate its powers as it considers appropriate. However, ultimate responsibility for strategy and controls rests with the Board.

## **Delegation to Committees**

The Board may from time to time establish Committees to assist it in carrying out its responsibilities. Current standing Committees established by the Board are:

- Audit and Risk Committee;
- People, Culture and Remuneration Committee (formerly the Nomination and Remuneration Committee).

Each of these Committees has its own written Charter setting out its authority, role and responsibilities. All Charters of these Committees are reviewed regularly and are available on City Chic's website.

The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis by resolution.

## **Role and responsibilities of management**

As permitted by City Chic's Constitution, the Board will delegate to the Chief Executive Officer the authority and power to manage City Chic and its businesses within levels of authority specified by the Board from time to time. The Chief Executive Officer may delegate

# city chic collective

---

aspects of his or her authority and power but remains accountable to the Board for City Chic's performance and is required to report regularly to the Board on the progress being made by the City Chic business.

The Chief Executive Officer and management are responsible for:

- implementing the strategic objectives and instilling and reinforcing City Chic's purpose, values and Code of Conduct;
- operating within the plans, budgets and risk appetite approved by the Board; and
- providing the Board with timely, accurate, true, fair and clear financial and non-financial information to enable the Board to perform its responsibilities. This includes City Chic's compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or Code of Conduct.

## **Powers reserved to the Board**

Matters which are specifically reserved for the Board include the following:

- all rights and powers conferred upon it by the Constitution and by law which cannot be delegated;
- appointment and removal of the Chairman of the Board;
- appointment and removal of the Chief Executive Officer;
- appointment of Directors to fill a vacancy or as additional Directors;
- appointment and removal of the Company Secretary;
- establishment of Board Committees, their membership, Charters and delegated authorities;
- approval of dividends and dividend policy;
- the issue of equity or equity-like instruments;
- review and approval of corporate governance principles, policies and related public documents;
- calling of meetings of shareholders;
- the remuneration of Non-executive Directors (subject to shareholder approved limits), the Chief Executive Officer and any executive Director; and
- any other specific matters nominated by the Board from time to time.

## **Composition of the Board**

The Board determines the size and composition of the Board, subject to any limit set out in City Chic's Constitution. The composition of the Board is determined using the following principles:

- a majority of the Board will be comprised of independent directors;
- the Chairman will be an independent non-executive director and a person cannot hold the positions of both Chairman and CEO; and

# city chic collective

---

- the Board will have an appropriate mix of skills, experience, expertise and diversity relevant to City Chic's businesses and the Board's duties and responsibilities.

## **Independence**

A Director is considered to be independent for the purposes of service on the Board and Board Committees if the Director satisfies the standards adopted and published by the Board from time to time to assist it in its regular 'independence' determinations. A copy of the criteria used to assess the independence of Directors as at the adoption of this Charter, is attached to, and forms part of, this Charter.

The Board will regularly review the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non-executive Director to the Board.

## **Disclosure of interest**

A Director must disclose to the Board:

- any material personal interest that he or she or any of their associates may have in a matter that relates to the affairs of City Chic; and
- any other interest or relationship that may affect the director's independence.

Each Director is required to complete a declaration of their interests prior to their appointment and is required to keep the Board updated if any circumstances change which may conflict with their position as Director of the Company or the interests of the Company.

## **Appointment, Re-election and Term of Office**

The Constitution and the ASX Listing Rules govern the election and re-election of Directors.

With guidance from the People & Culture Committee and, where necessary, external consultants, the Board will identify candidates with appropriate skills, experience, expertise and diversity in order to discharge its mandate effectively and to maintain the necessary mix of expertise on the Board.

New Directors are provided with formal letters setting out the key terms and conditions of their appointment.

For shareholder meetings where Directors are standing for election or re-election, the notice of meeting must include information to enable shareholders to make an informed decision on their election.

## **Access to Information and Independent Professional Advice**

All Directors have access to Company employees, advisers and records. In carrying out their duties and responsibilities, Directors have access to advice and counsel from the Chairman, the Company Secretary, Group General Counsel, and are able to seek

# city chic collective

---

independent professional advice at City Chic's expense, after consultation with the Chairman.

## **Board Processes**

The Board is structured to facilitate the effective discharge of its duties and to add value through its deliberations. The Board shall meet as required.

Non-executive Directors should periodically meet without the presence of management to address such matters as succession planning, key strategic issues, and Board operation and effectiveness.

The Board Chair's role includes leading the Board, facilitating effective contribution of all Directors, promoting constructive and respectful relations among the Directors and between the Board and management, approving board agendas and ensuring adequate time is available for discussion of all agenda items, including strategic issues, and presiding over meetings of the Board and general meetings of shareholders.

The agenda for meetings is prepared in conjunction with the Board Chair, Chief Executive Officer and Company Secretary.

The Board is assisted by the Company Secretary who, is accountable to the Board through the Board Chair, on all matters to do with proper functioning of the Board and is responsible for the day to day operations of the company secretary's office, including the administration of Board and Committee meetings, overseeing City Chic's relationship with its share registrar and lodgements with the ASX and other regulators. All Directors have access to the advice and services of the Company Secretary, whose appointment and removal is a matter for the Board.

## **Performance evaluation**

The Board will review the performance of the Directors retiring by rotation and seeking re-election under the Constitution each year, the results of which will form the basis of the Board's recommendation to shareholders at the Annual General Meeting.

Periodically, usually annually, the Directors will conduct a performance evaluation of, and review the membership and charter of, the Board and Board Committees, individual directors, the Chair and the governance processes which support the Board.

## **Review**

The Board will review this Charter at least every two years.

The Charter is available on City Chic's website.

Approved by the Board – June 2021.

# city chic collective

---

## **INDEPENDENCE OF DIRECTORS**

The Board has determined a definition of an independent Director based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, and the nature of City Chic's operations and businesses.

To be judged independent, a Director must, in the opinion of the Board, be free of any interest, position or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of City Chic as a whole rather than in the interests of an individual security holder or other party.

Individuals would, in the absence of evidence or convincing argument to the contrary, not be characterised as independent if they were:

- a) employed, or had previously been employed in an executive capacity by City Chic or any of its subsidiaries in the three years prior to becoming a Director;
- b) receiving performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, City Chic;
- c) within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with City Chic or any of its subsidiaries, or is an officer of, or otherwise associated with, someone with such a relationship;
- d) a substantial shareholder of City Chic, or a representative of, or an officer or employee within the last three years of, or professional adviser to, a substantial shareholder of City Chic;
- e) has close personal ties with any person who falls within any of the categories described above; or
- f) has been a Director of City Chic for such a period that his or her independence from management and substantial shareholders may have been compromised.

In each case, the materiality of the interest, position or relationship will be assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to exercise independent judgement and to act in the best interests of City Chic as a whole.

City Chic will disclose the names of the Directors considered by the Board to be independent directors in City Chic's annual report. If a Director has an interest, position or relationship of the type described above, but the Board is of the opinion that it does not compromise the independence of that Director, City Chic may consider disclosing in City Chic's annual report or corporate governance statement the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion.

Any change in the nature of the independence status of a Non-Executive Director must be promptly notified to the Board Chair and Company Secretary and the Board will review that director's independence status.

If the Board determines that there has been a change to the independence status of a Non-Executive Director, the Board will take steps to ensure that this change is disclosed and explained in a timely manner to the market.