

**CITY CHIC COLLECTIVE LIMITED**

ACN 057 569 169

**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**EXPLANATORY MEMORANDUM  
TO SHAREHOLDERS**

A PROXY FORM IS ENCLOSED

Please read the Notice and Explanatory Memorandum carefully.

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

## Notice of Annual General Meeting 2020

Notice is given that the annual general meeting of City Chic Collective Limited (the **Company**) will be held virtually (online at <https://agmlive.link/CCX20>) on **Friday 20<sup>th</sup> November 2020** at **10.00am** (Sydney time) (**Annual General Meeting** or **Meeting**). Additional information about joining the Meeting is provided below.

If you are unable to join the Meeting online, 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 28 June 2020.

No resolution is required for this item of business.

**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 28 June 2020 (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. The Directors will consider the outcome of the vote and feedback from Shareholders as part of the Meeting when considering the Company’s remuneration policies.

**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: Ratification of prior issue of Shares**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 26,229,509 Shares pursuant to the institutional placement announced by the Company on 24 July 2020, as more fully described in the Explanatory Memorandum.”*

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 the 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 18<sup>th</sup> November 2020. 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, and in accordance with section 5(c) of *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020*, 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.

## How to Vote

Shareholders may vote by either:

- (a) Using the online platform at <https://agmlive.link/CCX20>; or
- (b) By appointing a proxy.

### (a) Using the online platform

We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

1. Enter <https://agmlive.link/CCX20> into a web browser on your computer or online device;
2. Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) (available at the top of the proxy form);
3. Proxyholders will need their proxy code which Link Market Services will provide via email no later than 24 hours prior to the Meeting.

Online voting will be open between the commencement of the Meeting at 10.00am (Sydney time) on 20 November 2020 and the time at which the Chair announces voting closure.

More information about online participation in the Meetings is available in the Online Platform Guide found on the Company website at <https://www.citychiccollective.com.au/investors>.

### (b) Appointing a proxy to attend and vote on their behalf, using the enclosed Proxy Form.

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](mailto: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](http://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 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 **18 November 2020 at 10.00am (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 [linkmarketservices.com.au](http://linkmarketservices.com.au) in accordance with the instructions provided on the website. You will need your HIN or SRN to lodge your proxy form online.

## Annual General Meeting Considerations and 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 and 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.

Shareholders who prefer to register questions in advance of the Annual General Meeting are invited to do so by logging into your holding via [linkmarketservices.com.au](http://linkmarketservices.com.au).

We will attempt to address the more frequently asked questions in the Chairman and CEO's presentations to the Meeting and request that written questions be received by the Company or Link Market Services Limited by **5.00pm (Sydney time) on Friday, 13 November 2020**. Questions can be submitted by logging into your holding via [linkmarketservices.com.au](http://linkmarketservices.com.au).

## Voting Exclusions

Resolution	Voting Exclusion
<b>Resolution 1 – Adoption of Remuneration Report</b>	<p>In accordance with section 250BD of the Corporations Act, a vote on Resolution 1 must not be cast by or on behalf of a person appointed (including as a proxy), where that person or proxy is either a member of the Key Management Personnel or a Closely Related Party of such person.</p> <p>However, a vote may be cast by such person if:</p> <ul style="list-style-type: none"><li>• the vote is not cast on behalf of a person or by a proxy who is otherwise excluded from voting and the proxy appointment specifies how the proxy is to vote; or</li><li>• the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly 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.</li></ul>
<b>Resolution 3 - Ratification of prior issue of Shares</b>	<p>In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of a person who participated in the issue of Shares under the Placement or an associate of that person or those persons.</p> <p>However, this does not apply to a vote cast in favour of Resolution 3 by:</p> <ul style="list-style-type: none"><li>• a person appointed as proxy or attorney for a person who is entitled to vote on Resolution 3 in accordance with directions given to the proxy or attorney;</li></ul>

	<ul style="list-style-type: none"><li>• the Chair of the meeting appointed as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or</li><li>• a Shareholder 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"><li>○ the beneficiary provides written confirmation to the Shareholder that it is not excluded from voting and is not an associate or a person excluded from voting on the resolution; and</li><li>○ the Shareholder votes on the resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.</li></ul></li></ul>
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**By Order of the Board**



Marta Kielich  
Company Secretary

15 October 2020

## 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 52-week period ended 28 June 2020,

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 must submit written questions to the Company no later than the fifth business day prior to the date of the Meeting, being Friday 13 November 2020.

#### 2. Resolution 1: Adoption of the Remuneration Report

The Directors' Report for the 52-weeks ended 28 June 2020 contains a Remuneration Report. The Remuneration Report is set out on pages 32 to 41 of the 2020 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.

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**

### **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.

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) of the Constitution (which provides 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), 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 Nomination and Remuneration Committee and member of the Audit and Risk Committee.

Megan is a senior advisor working across a broad range of industries including retail, financial and professional services, healthcare, consumer and digital, and is an international speaker. 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) and InvoCare Limited (ASX: IVC).

### **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: Ratification of prior issue of Shares

### Background

On 31 July 2020 (**Issue Date**), the Company issued 26,229,509 Shares pursuant to the institutional placement announced by the Company to ASX on 24 July 2020 (**Placement**). The Placement was accompanied by a share purchase plan (**SPP**) which gave eligible Shareholders an opportunity to acquire Shares at \$3.05, being the same price as the Shares were issued under the Placement.

### Regulatory requirements

ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the number of fully paid ordinary securities it had on issue at the start of that period subject to certain exceptions.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made. If they do so, the issue is taken to have been approved under Listing Rule 7.1 as long as at the time the issue took place, it did not breach ASX Listing Rule 7.1 and the shareholders of the listed company at a general meeting subsequently ratify the issue of securities.

The Company does not have a present need for, or any present intention to raise, further equity capital during the 12-month period since the Issue Date, however, noting the level of uncertainty due to COVID-19, the Board considers it prudent to retain flexibility to issue additional equity securities up to the 15% limit in the period ahead. The issue of Shares under the Placement equated to approximately 13% of the Company's issued equity at the Issue Date.

### Effect of Shareholder ratification

If Resolution 3 is passed, the Placement will be excluded in calculating the Company's 15% limit under ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the Issue Date.

If Resolution 3 is not passed, the Placement will be included in calculating the Company's 15% limit under ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the Issue Date.

Pursuant to ASX Listing Rule 7.5, the following information is provided in relation to the proposed approval of the issue of Shares under the Placement:

<b>The names of the persons to whom the entity issued or agreed to issue the Shares or the basis on which those persons were identified or selected</b>	The Shares under the Placement were issued to existing and new institutional investors.
<b>The number and class of securities issued</b>	26,229,509 fully paid ordinary shares.
<b>The date the securities were issued</b>	The Issue Date was 31 July 2020.
<b>The price or other consideration received</b>	Shares under the Placement were issued at \$3.05 per Share.
<b>The purpose of the issue and use of funds</b>	The purposes of the issue of Shares under the Placement were to fund the potential acquisition of the eCommerce assets of Catherines (a US plus-size retailer) which were being sold as part of a bankruptcy process under Chapter 11 of the United States Bankruptcy Code in the US, to

	<p>further strengthen the balance sheet and to provide financial flexibility to accelerate growth globally.</p> <p>As announced on 17 September 2020, the Company was unsuccessful at the court-run auction for the eCommerce assets of Catherines, but continues to pursue on its strategy to grow the Company's global digital presence through an organic growth program and continues to evaluate inorganic opportunities on their merits. The funds raised under the Placement will enable the Company to continue to execute on this strategy.</p>
<b>Material terms of the issue of Shares under the Placement</b>	<p>All Shares issued under Placement rank equally with all other fully paid ordinary shares in the capital of the Company.</p>

Voting exclusions apply with respect to any person who participated in the issue of Shares under the Placement or an associate of that person – see the voting exclusion statement included in the Notice.

#### **Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

Shareholders are asked to in favour of Resolution 3. The Chair intends to exercise all available proxies in favour of Resolution 3.

## 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 28 June 2020.

**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.

**Constitution** means the Company's Constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

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

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

**Issue Date** refers to the date that Shares under the Placement were issued to institutional investors, being 31 July 2020.

**Meeting or Annual General Meeting** means the 2020 Annual General Meeting of Shareholders to be held virtually (online) at <https://agmlive.link/CCX20> on 20th November 2020 at 10:00am (Sydney time).

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

**Placement** means the placement of Shares to institutional investors announced by the Company on 24 July 2020.

**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.

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

**Shareholder** means a holder of a Share.

**SPP** means the share purchase plan announced by the Company on 24 July 2020.