

# SPECIALTY FASHION | GROUP

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.

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## Notice of Annual General Meeting 2018

### Notice of Annual General Meeting

Notice is given that the annual general meeting of Specialty Fashion Group Limited (the Company) will be held at Art Gallery of NSW, Lower Ground, Centenary Auditorium Art Gallery Rd, Sydney, on Friday 9<sup>th</sup> November 2018 at 10am. If you are unable to attend the meeting, we encourage you to complete and return the enclosed proxy form. The completed proxy form must be received by the Company by 10am on Wednesday 7<sup>th</sup> November 2018. Proxy forms can be lodged by fax on (02) 9287 0309, or on line at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or posted to:

**Link Market Services Limited**  
Locked Bag A14, Sydney South, NSW 1235

### Agenda Items

#### Ordinary Business

**1 Annual Financial Report**

To receive and consider the financial report of the Company and the reports of the directors and auditors for the year ended 1 July 2018.

**2 Resolution 1: Adoption of the Remuneration Report**

To receive and consider the Remuneration Report as set out in the Annual Financial Report for the year ended 1 July 2018, and if thought fit, to resolve (as a non-binding ordinary resolution) to adopt the Remuneration Report.

*NOTE: A voting exclusion applies to this Resolution.*

**3 Resolution 2: Re-election of directors**

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

**(a) Retirement by rotation and re-election of Ms Megan Quinn**

“That Ms Megan Quinn, being a director of the Company who retires by rotation under rule 6.1(f) of the Company’s constitution and ASX Listing Rule 14.4, and being eligible, is re-elected as a director of the Company.”

Information about Ms Megan Quinn is included in the Explanatory Memorandum.

**(b) Re-election of Mr Michael Kay**

“That Mr Michael Kay, having been appointed as a director of the Company since the last annual general meeting and who retires as required under rule 6.1(e) of the Company’s constitution and ASX Listing Rule 14.4, and being eligible, is elected as a director of the Company.”

Information about Mr Michael Kay is included in the Explanatory Memorandum.

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## Notice of Annual General Meeting 2018

### Special Business

#### 4 Resolution 3: Change of Company Name

To consider, and if thought fit, to pass the following resolution as a special resolution:

*“That, for the purposes of sections 157(1)(a) and 136(2) of the Corporations Act and for all other purposes:*

- a) *the Company change its name to ‘City Chic Collective Limited’; and*
- b) *all references to ‘Specialty Fashion Group Limited’ in the Company’s Constitution be replaced with references to ‘City Chic Collective Limited’,*

*with effect from when the Australian Securities and Investments Commission alters the details of the Company’s registration in accordance with the Corporations Act.”*

#### 5 Resolution 4: To Adopt a New Constitution

To consider, and if thought fit, to pass the following resolution as a special resolution:

*“That, for the purposes of section 136 of the Corporations Act and for all other purposes, the document submitted to this annual general meeting, and signed by the Chairperson of this annual general meeting for the purpose of identification, be approved and adopted as the new constitution of the Company in substitution for the existing constitution of the Company (which is repealed), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

### Explanatory memorandum

Shareholders are referred to the explanatory memorandum accompanying and forming part of this notice of meeting.

### Entitlement to vote

It has been determined that under the Corporations Regulation 7.11.37, for the purposes of the annual general meeting, shares will be taken to be held by the persons who are the registered holders at 7pm Sydney time on 7<sup>th</sup> November 2018. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### Proxies

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act 2001 (Cth); and
- provides satisfactory evidence of the appointment of its corporate representative no later than 48 hours prior to commencement of the meeting.

If such evidence is not received, then the body corporate (through its representative) will not be permitted to act as a proxy.

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A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A Proxy Form accompanies this notice of meeting and to be effective must be received at the Company's registered office or Link Market Services Limited:

Locked bag A14, South Sydney, NSW 1235

OR by facsimile: 02 9287 0309

OR online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

by no later than 10am on 7<sup>th</sup> November 2018.

### By Order of the Board

Dated: 9<sup>th</sup> October 2018



Claudine Tarabay  
Company Secretary

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# Specialty Fashion Group Limited

ACN 057 569 169

## 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 Financial Report

The Corporations Act requires:

- the reports of the directors and auditors; and
- the annual financial report, including the financial statements of the Company for the year ended 1 July 2018,

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. However, shareholders will be given ample opportunity to raise questions or comments on the management of the Company.

Also, a reasonable opportunity will be given to members as a whole 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.

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

The Directors' Report for the year ended 1 July 2018 contains a Remuneration Report. The Remuneration Report is set out on pages 11 to 21 of the 2018 Annual Financial Report printed version and pages 30 to 40 of the 2018 Annual Report electronic version available on our website.

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;
- (c) the remuneration arrangements in place for the directors and key executives of the Company.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company itself.

However, under the Corporations Act, if 25% or more of the vote on this resolution 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.

In addition, the Corporations Act "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

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hold office indefinitely without being re-elected) will cease to hold office but be eligible for election, and an election of Directors will take place. A simple majority of over 50% of the votes cast at the second annual general meeting is required to pass this extra resolution.

At the 2017 Annual General Meeting of the Company, the Company received a "no" vote of 25% or more on the adoption of the remuneration report for the year ended 30 June 2017, and the Company therefore received its first strike as part of the two strike process. The Group did not receive any specific comments or feedback at the AGM regarding its remuneration practices.

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

Shareholders are asked to adopt the Remuneration Report. Shareholders should note that the Chairperson intends to vote all undirected proxies in favour of adopting the Remuneration Report.

### Voting Exclusion Statement

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel of the Company, or a closely related party of such a member of the Key Management Personnel (each an "**Excluded Member**"), regardless of the capacity in which the votes are cast (subject to the below).

"Key Management Personnel" of the Company are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or non-executive) of the Company. A "closely related party" of Key Management Personnel is a term defined in the Corporations Act and includes close family members, such as the children or spouse of the relevant Key Management Personnel, companies that person controls and other members of that person's family who may be expected to influence, or be influenced by, that person in that person's dealings with the Company.

However, the Company will not disregard a vote if:

(a) it is cast by:

- (i) an Excluded Member (who may include the Chairperson), as a proxy for a member entitled to vote, appointed in writing that specifies how the proxy is to vote on the proposed resolution (i.e. a directed proxy); or
- (ii) the Chairperson, as a proxy for a member entitled to vote, appointed in writing, that does not specify how the proxy is to vote on the proposed resolution (i.e. undirected proxy) where that appointment as proxy expressly authorises the Chairperson to exercise the proxy; and

(b) the vote is not cast on behalf of an Excluded Member.

## 3. Resolution 2: Election of directors

### (a) Retirement by rotation and re-election of Ms Megan Quinn

Ms Megan Quinn retires by rotation and offers herself for re-election.

Megan Quinn joined the Specialty Fashion Group Board in October 2012 as an independent non-executive director. Megan joined the Audit and Risk Committee on 28 May 2015 and Nomination and Remuneration Committee on 28 January 2016. Megan is also Chair of the Nomination and Remuneration Committee.

Megan is currently a Non-Executive Director on the Boards of Reece Group Limited (ASX:REH) and InvoCare Limited (ASX:IVC) and sits on the Board and National Committee of UNICEF Australia. She also consults to

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Westpac. For the past 25 years, she has built a career specialising in retail (ranging from the value end to luxury), advertising, publishing and design for the fashion, jewellery, hotel, airline, service and finance industries. One of Megan's notable achievements was her being a co-founder of internationally acclaimed NET-A-PORTER in 1999. She consults and speaks internationally, and has held a variety of leadership and senior executive as well as non-executive board roles. Her secondment to London in 1988 with the Mojo advertising agency marked the beginning of 18 years of involvement with clients such as Dell, Qantas, the Australian Tourist Commission, Asprey, Garrard and Patek Philippe and leading retailers such as Harrods, The Arcadia Group and BHS. Megan has also held executive board roles with both Harrods and NET-A-PORTER.

The Board (with Ms Megan Quinn abstaining) recommends the reappointment of Ms Megan Quinn to the Board of the Company.

### **(b) Re-election of Mr Michael Kay**

Mr Michael Kay was appointed a director since the last annual general meeting. Under the constitution and the ASX Listing Rules, he holds office only until this meeting and therefore offers himself for election as a director.

Michael Kay joined the Specialty Fashion Group Board on 1 October 2018 as a non-executive director and Chairman-elect. Subject to his re-election as a director, Mr Kay will become Chairman of the Company as the Company's current Chairperson, Ms Anne McDonald, is retiring as a non-executive director and Chairperson at the annual general meeting.

Mr Kay is currently Chairman of Lovisa Holdings Limited (ASX:LOV) where he has led the Board during a period of substantial growth. He is also Chairman of IMG Bentham Limited (ASX:IMF) and ApplyDirect Limited (ASX:AD1) and a Non-Executive Director of Royal Automobile Club Insurance (WA). He was previously a non-executive director of Quintis Ltd.

A qualified lawyer, Mr Kay brings a broad range of commercial experience to the Board. Mr Kay was Chief Executive Officer and Managing Director of McMillan Shakespeare Limited (ASX:MMS) for six years and previously held a number of senior executive roles at AAMI including Chief Executive Officer. He also spent 12 years in private legal practice specialising in commercial law during his executive career.

The Board (with Mr M Kay abstaining) recommends the appointment of Mr Michael Kay to the Board of the Company as Chairman.

## **Special business**

### **Resolution 3: Change of Company Name**

Resolution 3 seeks Shareholder approval to change the Company's name from 'Specialty Fashion Group Limited' to 'City Chic Collective Limited', and to amend the Company's existing constitution to reflect the change of name. The Board has approved this change of name subject to Shareholders successfully passing this Resolution 3.

The Board believes the City Chic Collective name better describes the nature of the Company's business in light of the sale of the Millers, Katies, Crossroads, Autograph and Rivers businesses. The sale marks a new beginning with the Company now focussed wholly on the City Chic brand.

Considerable investment has been made into City Chic brand loyalty over the years, and a change in the corporate name to reflect this ensures no confusion with the operating business moving forward.

This Resolution 3 is a special resolution and requires approval of 75 per cent or more of all votes cast by or on behalf of Shareholders present at the annual general meeting and eligible to vote.

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If this Resolution 3 is approved by Shareholders, the change of name will take effect when ASIC alters the details of the Company's registration to note the change of name. The Company's ASX listing code will change from "SFH" to "CCX" if Shareholders approve this Resolution 3.

If this Resolution 3 is not approved by Shareholders, the name of the Company will remain as 'Specialty Fashion Group Limited'.

The Board unanimously recommends that shareholders vote in favour of Resolution 3.

The Chairperson of the annual general meeting intends to vote undirected proxies in favour of Resolution 3.

### **Resolution 4: To Adopt a New Constitution**

Resolution 4 seeks the approval of Shareholders to repeal the Company's existing constitution and adopt a new constitution in the form as signed by the Chairperson at the annual general meeting for identification purposes.

The proposed new constitution is available for review by Shareholders at the Company's website at [www.specialtyfashiongroup.com.au](http://www.specialtyfashiongroup.com.au) or at its registered office, or a copy will be emailed to any Shareholder who requests a copy. A copy of the proposed new constitution will also be available for inspection at the annual general meeting.

The Company's current constitution is being amended to ensure that it is consistent with the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the ASX Clear Operating Rules, and amendments made to the Corporations Act and these ASX Rules since the existing constitution was adopted and amended. Rather than making a large number of small amendments to the current constitution to accommodate these developments, the Board recommends that a new constitution be adopted. The Board is also taking the opportunity to amend the current constitution in some other respects.

The Directors believe that the proposed changes to the existing constitution are not material nor will they have any significant impact on Shareholders.

Since it is not practicable to list all of the differences between the current constitution and the new constitution in detail in this Explanatory Memorandum, a summary of the rights and liabilities under the new constitution, and references to the ASX Listing Rules and the Corporations Act, have been attached to this Notice in Annexure 1 below. The summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders under the new constitution.

Without limitation, the new constitution includes provisions dealing with proportional takeover bids for the Shares in accordance with the Corporations Act. Under the Corporations Act, the provisions must be renewed every 3 years or they will cease to have effect. The Company's current constitution previously included similar provisions, but as those provisions had not been renewed within the prescribed 3 year period, they had ceased to have effect. Further information in respect of these provisions is included in Annexure 1 below.

It is noted that if Shareholders approve the change to the Company's name to 'City Chic Collective Limited' under Resolution 3, this new name will be reflected in the final form of the new constitution adopted by the Company under this Resolution 4. If Shareholders do not approve Resolution 3 but approve this Resolution 4, the Company's existing name of 'Specialty Fashion Group Limited' will be reflected in the final form of the new constitution adopted by the Company under this Resolution 4.

Pursuant to section 136 of the Corporations Act, the Company may adopt the new constitution by a special resolution passed at a general meeting of Shareholders. Accordingly, this Resolution 4 is a special resolution and requires approval of 75 per cent or more of all votes cast by or on behalf of Shareholders present at the annual general meeting and eligible to vote.

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If Resolutions 3 and 4 are approved by Shareholders, the new constitution will take effect when ASIC alters the details of the Company's registration to note the change of name proposed by Resolution 3. If Resolution 3 is not approved by Shareholders but this Resolution 4 is approved by Shareholders, the new constitution will take effect at the close of the annual general meeting.

The Board unanimously recommends that shareholders vote in favour of Resolution 4.

The Chairperson of the annual general meeting intends to vote undirected proxies in favour of Resolution 4.

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## Notice of Annual General Meeting 2018

### ANNEXURE 1 - PROPOSED NEW CONSTITUTION

Set out below is a summary of the rights and liabilities under the new constitution, the ASX Listing Rules and the Corporations Act, which will attach to the Shares of the Company. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders under the new constitution. The rights attaching to the Shares are set out in the new constitution. Those rights will also be subject to the ASX Listing Rules in all respects while the Company maintains its listing on the ASX.

#### Meeting and Voting

Each Shareholder will be entitled to receive notice of, and attend and vote at, general meetings of the Company. At a general meeting, every Shareholder present in person or by proxy, representative or attorney will have one vote on a show of hands and, on a poll, one vote for each fully paid ordinary Share held (subject to the constitution and any rights or restrictions attached to any Share or class of Shares).

It is noted that under section 249N of the Corporations Act (which the new constitution is subject to): (a) Shareholders with 5% of the votes that may be cast on a resolution; or (b) at least 100 Shareholders who are entitled to vote at a general meeting, may give the Company notice of a resolution they propose to move at a general meeting.

#### Notices

Each Shareholder will be entitled to receive all notices, accounts and other documents required to be given to Shareholders under the new constitution, the Corporations Act and the ASX Listing Rules.

#### Dividends

The Directors are authorised to make all decisions, including as to the method and time for payment, regarding dividends in respect of Shares that are permitted under the Corporations Act.

#### Winding Up

Subject to the terms of issue of Shares, on a winding up of the Company, the liquidator may with the sanction of a special resolution of the Company divide the surplus assets of the Company remaining after payment of its debts among Shareholders in proportion to the number of shares held by them (with partly paid shares counted as fractions of fully paid shares).

#### Transfer

Subject to the new constitution, the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company's Shares will be freely transferable.

#### Creation and Issue of Further Shares

The allotment and issue of any additional Shares will be under the control of the Directors, subject to any restrictions on the allotment of Shares imposed by the new constitution, the Corporations Act and the ASX Listing Rules.

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## Notice of Annual General Meeting 2018

### **Variation of Rights**

The rights, privileges and restrictions attaching to ordinary Shares (or any class of Shares) can be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary Shares (or the relevant class of Shares, as applicable), by a 75% majority of those holders who, being entitled to do so, vote at the general meeting or, with the written consent of the holders of at least 75% of the ordinary Shares on issue (or the relevant class of Shares on issue, as applicable).

There is no liability on a holder of Shares to contribute any further amount to the Company on any fully paid ordinary Shares held by the Shareholder.

### **Replaceable Rules do not apply**

To the extent permitted by law, the new constitution will displace the 'replaceable rules' under the Corporations Act in their entirety.

### **Director retirement by rotation**

The new constitution includes the requirements of the Corporations Act and the ASX Listing Rules relating to the retirement and rotation of Directors.

However, the new constitution does not include the requirement that was included in the Company's current constitution for one-third of the Directors of the Company (excluding the managing director and any Directors appointed by the Directors either as additions to the existing Directors or to fill any casual vacancies) to retire from office as Directors at each annual general meeting of the Company (although they were eligible for re-election).

### **Proportional takeover bid**

The new constitution includes provisions dealing with proportional takeover bids for the Shares in accordance with the Corporations Act.

Under the Corporations Act, a company may include provisions in its constitution to enable it to refuse to register shares acquired under a proportional takeover bid unless a resolution approving the bid is passed by the shareholders. A proportional takeover is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares. The provisions are designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the company. Under the Corporations Act, the provisions must be renewed every 3 years or they will cease to have effect.

The Company's current constitution previously included similar proportional takeover provisions, however as those provisions were not renewed within the prescribed 3 year period (as required by the Corporations Act), they had ceased to have effect.

The following information is included for the purposes of section 648G of the Corporations Act:

- a) Effect of the proposed proportional takeover provisions: Where offers have been made under a proportional takeover bid in respect of a class of securities in the Company, the registration of transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is
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## Notice of Annual General Meeting 2018

passed by Shareholders. To be passed, the resolution must be approved by a majority of votes at the meeting, excluding votes by the bidder and its associates. If the resolution is not passed, transfers giving effect to takeover contracts for the bid will not be registered and the offer will be taken to have been withdrawn. If the resolution is not voted on, the bid will be taken to have been approved. If the bid is approved (or taken to have been approved), the transfers must be registered (provided they comply with other provisions of the Corporations Act and the Company's constitution). The proportional takeover approval provisions do not apply to full takeover bids and will only apply until 3 years after the date of adoption of the new constitution. The provisions may be renewed for a further term, but only by a special resolution of Shareholders.

- a) Reasons for the proposed proportional takeover provisions: The Board considers that the new constitution should include the proportional takeover approval provisions. A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. The proportional takeover approval provisions give shareholders the opportunity to decide whether a proportional takeover bid should proceed. If it does proceed, individual shareholders can make a separate decision as to whether they wish to accept the proportional offer for their shares.
  - b) Knowledge of any acquisition proposals: As at the date of this Notice of Meeting, no Director is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.
  - c) Potential advantages and disadvantages of the proposed proportional takeover provisions:
    - The potential advantages of the proportional takeover provisions for Shareholders include:
      - i. the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
      - ii. assisting in preventing Shareholders from being locked in as a minority;
      - iii. increasing shareholders' bargaining power and potentially assisting in ensuring that any proportional takeover bid is adequately priced; and
      - iv. each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.
    - Potential disadvantages of the proposed proportional takeover provisions: The potential disadvantages of the proportional takeover provisions for Shareholders include:
      - i. proportional takeover bids may be discouraged;
      - ii. lost opportunity to sell a portion of their Shares at a premium; and
      - iii. the likelihood of a proportional takeover bid succeeding may be reduced.
    - The Board does not believe the potential disadvantages outweigh the potential advantages of including the proportional takeover approval provisions in the new constitution. Including the proportional takeover approval provisions in the new constitution will not confer any particular advantages or disadvantages on the Directors in their capacity as Directors of the Company. The Directors therefore consider that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.
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## LODGE YOUR VOTE



## ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## BY MAIL

Specialty Fashion Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

## BY FAX

02 9287 0309



## BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

## ALL ENQUIRIES TO

Telephone: +61 1800 649 905 (free call within Australia)



X99999999999

## PROXY FORM

I/We being a member(s) of Specialty Fashion Group Limited and entitled to attend and vote hereby appoint:

## APPOINT A PROXY

the Chairperson of  
the Meeting (mark  
box)OR if you are **NOT** appointing the Chairperson of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairperson of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am on Friday, 9 November 2018 at Art Gallery of NSW, Lower Ground, Centenary Auditorium Art Gallery Rd, Sydney** (the Meeting) and at any postponement or adjournment of the Meeting.**Important for Resolution 1:** If the Chairperson of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairperson of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).**The Chairperson of the Meeting intends to vote undirected proxies in favour of each item of business.**

## VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an 

## Resolutions

Resolutions	For Against Abstain*			Resolutions	For Against Abstain*		
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 To Adopt a New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2a Re-election of director – Ms Megan Quinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
2b Re-election of director – Mr Michael Kay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairperson of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairperson of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRPERSON OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairperson of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairperson of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Wednesday, 7 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Specialty Fashion Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
  
or  
  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**