

# 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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# Specialty Fashion Group Limited

ACN 057 569 169

## Notice of Annual General Meeting

Notice is given that the annual general meeting of Specialty Fashion Group Limited (the Company) will be held at Museum of Sydney, Cnr Phillip and Bridge St, Sydney, Level 2, AGL Theatre Room on Thursday 20<sup>th</sup> November 2014 at 2pm. 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 2pm on Tuesday 18<sup>th</sup> November 2014. 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 30 June 2014.

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

To receive and consider the remuneration report as set out in the Annual Report for the year ended 30 June 2014, and if thought fit, to resolve (as a non-binding ordinary resolution) to adopt the remuneration report.

#### 3 Resolution 2: Election of directors

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

##### Retirement by rotation and re-election

“That Mr Michael Hardwick, being a director of the Company who retires by rotation under rule 6.1(f) of the Company’s constitution, and being eligible, is re-elected as a director of the Company.”

##### Retirement by rotation and re-election

“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 being eligible, is re-elected as a director of the Company.”

Information about Mr Michael Hardwick and Ms Megan Quinn is included in the Explanatory Memorandum.

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# Notice of Annual General Meeting 2014

## 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 18<sup>th</sup> November 2014. 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.

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

by no later than 10am on 18<sup>th</sup> November 2014.

## By Order of the Board

Dated: 15 October 2014



Alison Henriksen  
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 30 June 2014,

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 30 June 2014 contains a Remuneration Report. The Remuneration Report is set out on pages 12 to 19 of the 2014 Annual Report printed version and pages 48 to 55 of the 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.

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

Shareholders are asked to adopt the Remuneration Report. This vote is advisory only and is not binding on the directors or the Company. However, the Board will take the discussion at the meeting into consideration when determining the Company's remuneration policy.

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## Explanatory memorandum to shareholders 2014

### Voting Exclusion Statement

A vote must not be cast (in any capacity) on the Resolution by or on behalf of a member of the Company's key management personnel ("KMP") and their closely related parties, details of whose remuneration are included in the Remuneration Report whether as a shareholder or as a proxy. However, a vote may be cast on the Resolution by a KMP, or a closely related party of a KMP if:

- a. the vote is cast as a proxy and the appointment is in writing and specifies how the proxy is to vote on the Resolution; and
- b. the vote is not cast on behalf of a KMP or a closely related party of a KMP.

### 3. Resolution 2: Election of directors

#### Retirement by rotation and re-election

Mr Michael Hardwick retires by rotation and offers himself for re-election.

Michael Hardwick (B.Comm) joined the Specialty Fashion Group Board in May 2012 and was appointed to the Nomination and Remuneration Committee on 22 August 2013. Michael currently serves as the Chief Financial Officer of the Cotton On Group. Michael is a Chartered Accountant by training and has previously worked at PricewaterhouseCoopers in both Melbourne and New York in the transaction advisory practice. He also spent 10 years as a partner with the New York based private equity firm Hudson Valley Capital Partners.

The Board (with Mr Michael Hardwick abstaining) recommends the reappointment of Mr Michael Hardwick to the Board of the Company.

#### Retirement by rotation and re-election

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

Megan Quinn (GAICD) joined the Specialty Fashion Group Board in October 2012 as an independent non-executive director. Megan is currently on the Board and National Committee of UNICEF Australia, and stepped down from the Fitted For Work Board in February 2014. For the past 25 years, she has built a career specialising at the luxury end of retailing, advertising, publishing and design for the fashion, jewellery, hotel, airline and service 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. 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.



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



By fax: (02) 9287 0309



All enquiries to: Telephone: 1800 649 905 (free call within Australia)

## PROXY FORM

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

### STEP 1

### APPOINT A PROXY

the Chairman  
of the Meeting  
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy.

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **2:00pm on Thursday, 20 November 2014 at Museum of Sydney, Cnr Phillip and Bridge St, Sydney (Level 2, AGL Theatre Room)** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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 .

### STEP 2

### VOTING DIRECTIONS

	For	Against	Abstain*
<b>Resolution 1</b> Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2.1</b> Re-election of Director - Mr Michael Hardwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2.2</b> Re-election of Director - Ms Megan Quinn	<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.

### STEP 3

### SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

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).

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## HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

### 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 **2:00pm on Tuesday, 18 November 2014**, 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 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:**

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



**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.

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

QR Code



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.