

10 October 2024

Dear Shareholder,

On behalf of the Board of Directors of Step One Clothing Limited (**Step One**), I am pleased to invite you to Step One's Annual General Meeting (**2024 AGM**).

Step One's 2024 AGM will be held as a virtual meeting on **Tuesday, 12 November 2024** commencing at 11.00am (AEDT).

Further details on how to participate in the 2024 AGM online are set out in the attached Notice of Meeting and in the Link Group¹ Virtual Meeting Online Guide.

The Virtual Meeting Online Guide provides details about how to ensure your browser is compatible with the online platform, as well as a step by step guide to successfully logging in and navigating the site. The Virtual Meeting Online Guide will be released to the ASX and is also available on our website at <https://www.stepone.group/Investor-Centre/>

I encourage you to read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Proxy Form and consider lodging a directed proxy in advance of the meeting by following the instructions on the Proxy Form.

The Chief Executive Officer, Greg Taylor, and I will comment briefly on the performance of Step One during the year ended 30 June 2024 at the meeting.

For further information please also refer to the 2024 Annual Report, which is available on our website <https://www.stepone.group/Investor-Centre/>

Subject to the abstentions noted in the Explanatory Memorandum, the Directors of Step One unanimously recommend that shareholders vote in favour of all resolutions to be proposed at the 2024 AGM.

Thank you for your continued support of Step One and I look forward to your attendance at the 2024 AGM.

Yours sincerely,



David Gallop
Chair

¹ Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

STEP ONE CLOTHING LIMITED
ACN 616 696 318

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2024 Annual General Meeting (**AGM** or **Meeting**) of the shareholders of Step One Clothing Limited ACN 616 696 318 (**Step One** or **Company**) will be held:

Date: **Tuesday, 12 November 2024**
Time: **11.00am (AEDT)**
Venue: <https://meetings.linkgroup.com/STP24>

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on the matters to be considered at the 2024 AGM.

The Explanatory Memorandum, Entitlement to Attend and Vote section and Proxy Form are part of this Notice of Meeting.

Further details on how to participate in the AGM are set out in the attached Notice of Meeting and in the Virtual Meeting Online Guide.

The Virtual Meeting Online Guide provides details about how to ensure your browser is compatible with the online platform, as well as a step by step guide to successfully logging in and navigating the site.

The Virtual Meeting Online Guide will be released to ASX and is also available on our website at <https://www.stepone.group/Investor-Centre/>

It is recommended that shareholders log in to the online platform at least 15 minutes prior to the scheduled start time for Meeting on a supported web browser on their computer or online device.

To log in to the Meeting, shareholders will need their shareholder number, along with their postcode.

Proxyholders will need a proxy code to log in. This will be provided by the share registry prior to the Meeting.

CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2024.

All shareholders can view the Annual Report which contains the Financial Report, the Directors' Report, and the Independent Auditor's Report of the Company for the year ended 30 June 2024 on the Company's website at <https://www.stepone.group/Investor-Centre/>

Shareholders are not required to vote on this item.

QUESTIONS AND COMMENTS

Following consideration of the Reports, the Chair of the Meeting will give shareholders a reasonable opportunity to ask questions about or make comments on the business of the meeting, the management of the Company or about the Company generally.

The Chair will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

1. the conduct of the audit;
2. the preparation and content of the Independent Auditor's Report;
3. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
4. the independence of the Auditor in relation to the conduct of the audit.

The Chair will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit.

ITEMS FOR APPROVAL

Resolution 1. Re-election of Mr David Gallop AM

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

"That Mr David Gallop, who retires in accordance with Rule 8.1(d) of the Company's Constitution and being eligible, is re-elected as a Director of the Company."

Resolution 2. Remuneration Report

To consider and, if thought fit, pass the following as a **non-binding ordinary resolution** of the Company:

"That the Company's Remuneration Report for the financial year ended 30 June 2024, be adopted."

The Remuneration Report is contained in the Company's 2024 Annual Report (available at <https://www.stepone.group/Investor-Centre/>).

Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth) (the **Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

A vote on Resolution 2 must not be cast (in any capacity) by, or on behalf of, the following persons:

1. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2024 Remuneration Report; or
2. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 2 as a proxy if the vote is not cast on behalf of a person described above and either:

1. the proxy appointment is in writing that specifies the way the proxy is to vote on the resolution; or
2. the vote is cast by the chair of the Meeting and the appointment of the chair as proxy:
 - (a) does not specify the way the proxy is to vote on the resolution; and
 - (b) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

"Key management personnel" and "closely related party" have the same meaning as set out in the Corporations Act.

Resolution 3 Proportional Takeover Provisions

To consider and, if thought fit, pass the following resolution as a **Special Resolution** of the Company:

"That the proportional takeover provisions in Section 6, being Rules 6.1, 6.2 and 6.3 of the Company's Constitution, be renewed and re-instated with effect from the close of this Annual General Meeting for a period of three years commencing on the day this resolution is passed."

Notes for Resolution 3

Further detail in respect of Resolution 3 is set out in the Explanatory Notes accompanying this Notice of 2024 Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'W Hundy', with a stylized, wavy line extending from the end.

William Hundy
Company Secretary
10 October 2024

ENTITLEMENT TO ATTEND AND VOTE

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of Step One as at 7:00pm (AEDT) on, **10 November 2024** will be entitled to attend and vote at the 2024 AGM as a shareholder.

If more than one joint holder of shares is present at the 2024 AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Appointment of Proxy

If you are a Shareholder entitled to attend and vote, you may appoint a proxy to attend and act on your behalf at the 2024 AGM. A proxy need not be a shareholder of the Company and can be an individual or a body corporate.

If a Shareholder is entitled to cast two or more votes at the 2024 AGM, the Shareholder may appoint one or two proxies. If two proxies are appointed, the appointing Shareholder may specify the proportion or number of their votes each proxy is appointed to exercise. In accordance with Rule 7.10(m) of the Company's Constitution, if no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the 2024 AGM.

To be effective, the proxy must be received at the Share Registry of the Company no later than 11.00am (AEDT) on **10 November 2024**. Proxies must be received before that time by one of the following methods:

ONLINE (preferred method)

<https://investorcentre.linkgroup.com>

☐

BY MAIL

Step One Clothing Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

☐

BY FAX

+61 2 9287 0309

☐

BY HAND

Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

☐

ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474

To be valid, a proxy form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Undirected proxies

If the Chair of the meeting is appointed or taken to be appointed as a proxy and you do not specify in the Proxy Form the manner in which you wish the Chair to vote on the resolution to be considered at the meeting, then by submitting your Proxy Form you will be expressly authorising the Chair to exercise your proxy on the relevant resolution. **The Chair intends to exercise all available votes in favour of all resolutions.**

Power of Attorney

If you are a Shareholder entitled to attend and vote, you may appoint an attorney to act on your behalf at the 2024 AGM. Your appointment must be made by a duly executed power of attorney. The power of attorney (or a certified copy of it) must be received by Step One no later than 11.00am (AEDT) on **10 November 2024**, being 48 hours before the 2024 AGM.

Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the 2024 AGM.

The appointment of the representative must comply with the requirements under section 250D of the Corporations Act.

Appointed body corporate representatives will need to provide a signed "Appointment of Corporate Representative" form to Link Group no later than 11.00am (AEDT), on Sunday, 10 November 2024 unless it has been previously provided. The form can be obtained online at linkmarketservices.com.au.

Voting at the Meeting

In accordance with the Corporations Act and pursuant to Rule 7.7(e) of the Company's Constitution, the Chair will call a poll for each of the resolutions proposed at the AGM.

IMPORTANT: If you appoint the Chair of the Meeting as your proxy, or the Chair becomes your proxy by default, and you do not direct your proxy how to vote on Resolution 2 then by submitting the proxy form you will be expressly authorising the Chair to exercise your proxy on the resolution, even though the resolution is connected, directly or indirectly, with the remuneration of KMPs.

SHAREHOLDER QUESTIONS – SUBMITTED PRIOR TO THE MEETING

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please log onto www.linkmarketservices.com.au, select Voting then click 'Ask a Question'.

To allow time to collate questions and prepare answers, please submit any questions by 5.00pm (AEDT) on Tuesday, 5 November 2024. Questions will be collated and, during the AGM, the Chair will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

CONDUCT OF MEETING

Step One is committed to ensuring that its shareholder meetings are conducted in a manner which provides those shareholders (or their proxy holders) who attend the meeting with the opportunity to participate in the business of the meeting in an orderly fashion and to ask questions about and comment on matters relevant to the business of the meeting or about the Company generally.

Step One will not allow conduct at any shareholder meeting which is discourteous to those who are present at the meeting, or which in any way disrupts or interferes with the proper conduct of the meeting. The Chair of the Meeting will exercise his powers as the Chair to ensure that the meeting is conducted in an orderly and timely fashion, in the interests of all attending shareholders.

In the event that technical issues arise, Step One will have regard to the impact of the technical issues on shareholders participating and casting votes online and the Chair of the Meeting may, in exercising his powers as the Chair, issue any instructions for resolving the issue and may continue the meeting if it is appropriate to do so.

PARTICIPATION IN THE MEETING

Shareholders and proxyholders will be given an opportunity to ask questions in real-time via the AGM online platform either in writing or orally via the web phone. Instructions are included in the Online Meeting Guide.

ENCLOSURES (for Shareholders receiving hardcopy)

Enclosed are the following documents :

1. Proxy Form to be completed if you would like to be represented at the AGM by a proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Step One's share registry's website at www.linkmarketservices.com.au to ensure the timely and cost effective receipt of your Proxy Form; and
2. a reply paid envelope for you to return the Proxy Form.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared in relation to the business to be conducted at Step One's 2024 AGM to be held at 11.00am on **Tuesday, 12 November 2024**.

The purpose of this Explanatory Memorandum is to provide shareholders of Step One (**Shareholders**) with information that is reasonably required by Shareholders to decide how to vote upon the resolutions being put forward at the 2024 AGM.

The Chair of the 2024 AGM intends to vote all available undirected proxies in favour of each resolution.

Resolution 1 is an ordinary resolution, which requires a simple majority of votes cast by Shareholders entitled to vote on the resolution.

Resolution 2, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

Resolution 3 is a special resolution which requires at least 75% of the votes cast by shareholders entitled to vote on the Resolution and who vote at the meeting in person or by proxy, to vote in favour of this resolution.

Resolution 1. Re-election of David Gallop AM

David Gallop retires in accordance with Rule 8.1(d) of the Constitution and seeks re-election in accordance with Rule 8.1(j). He was appointed to the Board on 6 October 2021 as a Non-Executive Independent Chair.

Experience and expertise:

David Gallop is Chair of the Board, Member of the Audit and Risk Committee, Member of the Remuneration and Nomination Committee. The Board has confirmed his independent status as of the date of this Notice.

David is a lawyer and has extensive experience and background in sports administration, media rights and broadcasting, digital content delivery, customer experience, legal and regulatory frameworks and stakeholder relationship management. David was previously CEO of Football Federation Australia and CEO of the National Rugby League.

David's other current public company directorships are:

- Tabcorp Holdings Ltd - Non-Executive Director
- Cricket NSW Ltd - Non-Executive Director.

He is also Non-Executive Director and Chairman of Venues NSW.

David has confirmed that he has sufficient time to fulfill his responsibilities as a Director and Board Chair for Step One.

In view of the expertise and experience as noted above, the Board of Directors, with Mr David Gallop abstaining, unanimously recommends that Shareholders vote in favour of Resolution 1.

Resolution 2. Remuneration Report

Section 250R(2) of the Corporations Act 2001 (Cth) (the **Corporations Act**) requires that the section of Step One's Directors' Report dealing with the remuneration of the key management personnel (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote.

Key management personnel (**KMP**) are those persons having authority and responsibility for planning, directing and controlling the activities of Step One including any executive or non-executive director.

Broadly, the Remuneration Report:

1. discusses Step One's policy in relation to remuneration of KMP;
2. discusses the relationship between the Board's remuneration policy and Company performance;
3. details any performance conditions attached to KMP remuneration; and

4. sets out remuneration details for each KMP.

Shareholders can view the full Remuneration Report on Step One's website at www.stepone.group/Investor-Centre

Following consideration of the Remuneration Report, the Chair of the Meeting will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote. The vote on this resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration in setting remuneration policy for future years.

The Board of directors, noting their interest as named KMPs, unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report.

Resolution 3: Approval of the reinstatement of the Proportional Takeover Provisions (SPECIAL RESOLUTION)

Rules 6.1, 6.2 and 6.3 in Section 6 of the Company's Constitution contains proportional takeover approval provisions, providing that if an offer is received for a specified proportion of the Company's shares, a shareholders' meeting must approve the takeover bid before it may take effect.

If that approval is obtained, the offer may proceed. If the approval is not obtained, the offer will be taken to have been withdrawn. The provisions do not apply to an offer under a takeover bid for all of the Company's shares. Under the s648G of the *Corporations Act 2001* (Cth) the provisions must be renewed every three years or they will cease to have effect.

The current provisions will cease to have effect as they were last approved with the Constitution on 7 October 2021. It is proposed to now renew and re-instate those provisions in the Constitution. If renewed, Rules 6.1, 6.2 and 6.3 will operate on the same basis as described above for a period of three years from the date of the Annual General Meeting.

The main advantage of a proportional takeover approval provision is that shareholders have an opportunity to study a proportional takeover bid proposal and, if they believe that control should not be permitted to pass under the bid, vote on the proportional takeover to prevent it from proceeding. In other words, this enables the views of shareholders to be formally ascertained.

A proportional takeover bid may result in control of the Company changing without shareholders having the opportunity to dispose of all their shares and there may be a risk of a potential bidder being able to acquire control of the Company without paying an adequate control premium. As such, the proportional takeover approval provision may assist shareholders in avoiding being locked into a minority position and increase shareholders' bargaining power to require that a full bid, rather than partial bid, be made.

It may also assist in ensuring that any proportional bid is adequately priced and is structured so as to be attractive to a majority of shareholders. By determining the views of a majority of shareholders, it assists each individual shareholder in assessing the likely outcome of a proportional takeover bid and whether to approve or reject that offer. The Directors consider that it is appropriate for Shareholders to have this right.

Many listed companies have a proportional takeover approval provision in their Constitution as it allows shareholders to determine whether a proportional takeover bid should proceed.

The potential disadvantages of the renewal of the proportional takeover provision for Shareholders are: (a) it may reduce the opportunities that Shareholders have to sell some of their shares; and (b) it may be considered to constitute a restriction on the ability of shareholders to freely deal with their shares.

The Directors consider that there are no advantages or disadvantages of a proportional takeover approval provision from the Directors' perspective as they remain free to make a recommendation to shareholders on whether a proportional takeover bid should be accepted.

As at the date of the Notice of Meeting, no Director is aware of any proposal by a person to acquire or to increase the extent of a substantial interest in the Company.

Rules 6.1, 6.2 and 6.3 in Section 6 of the Constitution is set out in Appendix A to this Explanatory Memorandum. Copies of the current Constitution which contain Rules 6.1, 6.2 and 6.3 are available on the Company's website.

On balance, the Directors consider that the potential advantages for shareholders of the proportional takeover approval provisions outweigh the potential disadvantages and accordingly, your Directors recommend that shareholders approve the proposal to renew the proportional takeover provisions in Rules 6.1, 6.2 and 6.3 of the Company's Constitution.

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

Appendix A

6 Plebiscite to approve proportional takeover bids

6.1 Definitions

The meanings of the terms used in this rule 6 are set out below.

Term	Meaning
Approving Resolution	in relation to a Proportional Takeover Bid, a resolution to approve the Proportional Takeover Bid passed in accordance with rule 6.3.
Approving Resolution Deadline	in relation to a Proportional Takeover Bid, the day that is 14 days before the last day of the bid period and during which the offers under the Proportional Takeover Bid remain open or a later day allowed by the Australian Securities and Investments Commission.
Proportional Takeover Bid	a takeover bid that is made or purports to be made under section 618(1)(b) of the Act in respect of securities included in a class of securities in the company.
Relevant Class	in relation to a Proportional Takeover Bid, means the class of securities in the company in respect of which offers are made under the Proportional Takeover Bid.

6.2 Transfers not to be registered

Despite rules 5.1(c) and 5.2, a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover Bid must not be registered unless an Approving Resolution has been passed or is taken to have been passed in accordance with rule 6.3.

6.3 Approving Resolution

- (a) Where offers have been made under a Proportional Takeover Bid, the Board must:
 - (1) convene a meeting of the persons entitled to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing a resolution to approve the Proportional Takeover Bid; and
 - (2) ensure that the resolution is voted on in accordance with this rule 6.3, before the Approving Resolution Deadline.
- (b) The provisions of this constitution relating to general meetings apply (with any necessary changes) to a meeting that is convened under rule 6.3(a), as if that meeting were a general meeting of the company.
- (c) The bidder under a Proportional Takeover Bid and any associates of the bidder are not entitled to vote on the Approving Resolution and if they do vote, their votes must not be counted.
- (d) Subject to rule 6.3(c), a person who held securities of the relevant class as at the end of the day on which the first offer under the Proportional Takeover Bid was made is entitled to vote on the Approving Resolution.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If an Approving Resolution has not been voted on in accordance with this rule 6.3 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution will be taken to have been passed in accordance with Resolution will be taken to have been passed in accordance with this rule 6.3 on the Approving Resolution Deadline.