

COUNTRY ROAD

Country Road Limited

ABN 78 006 759 182

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000



Proxy Form

For your vote to be effective it must be received by 10.00am (AEST) Tuesday, 3 May 2011

How to Vote on Item of Business

All your securities will be voted in accordance with your directions.

You may direct your proxy how to vote by placing a mark in the box opposite the item of business.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking the box opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Turn over to complete the form



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.


Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf


I/We being a member/s of Country Road Limited hereby appoint

the Chairman of the meeting **OR**

 **PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Country Road Limited be held at 658 Church Street, Richmond, Victoria on Wednesday, 4 May 2011 at 10.00am (AEST) and at any adjournment of that meeting.

STEP 2 Item of Business

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

	For	Against	Abstain
Item 1 Termination Benefits Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____

COUNTRY ROAD

COUNTRY ROAD LIMITED
ABN 78 006 759 182
NOTICE OF EXTRAORDINARY GENERAL MEETING
4 MAY 2011

Notice is given that an Extraordinary General Meeting of Shareholders of Country Road Limited ABN 78 006 759 182 will be held on Wednesday, 4 May 2011 at 10:00am at 658 Church Street, Richmond, Victoria, 3121.

1. Termination Benefits Approval:

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

'That the provision of benefits to Mr John Cheston, the former Managing Director of the Company, by the Company and its subsidiaries in connection with the termination of his employment with the Country Road Group as described in the Explanatory Statement be approved.'

By Order of the Board



David Thomas
Company Secretary
5 April 2011

Notes

For the purpose of voting at the meeting, the Directors have determined that shares of the Company will be taken to be held by those who are registered as holding them at 7:00pm on Monday, 2 May 2011. The entitlement of members to vote at the meeting will be determined by reference to that time.

A member who is entitled to attend and vote at this meeting may appoint a proxy (who need not be a member of the Company) to attend and vote on a poll in their place. A proxy form accompanies this Notice of Extraordinary General Meeting.

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. A member who appoints two proxies must specify the proportion or number of votes each proxy is appointed to exercise, otherwise each proxy may exercise half of the votes. When appointing a second proxy, write both names in the proxy form that accompanies this Notice of Extraordinary General Meeting.

To be effective proxy forms must be received at the address given below no later than 24 hours before the commencement of the meeting, being no later than 10:00am on Tuesday, 3 May 2011.

In person: *Registered Office* - 658 Church Street, Richmond, Victoria 3121, Australia

Share Registry - Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, Australia

By mail *Registered Office* - 658 Church Street, Richmond, Victoria 3121, Australia

Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia

By Fax 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

For Intermediary Online Subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

The Company will disregard any vote cast on resolution 1 by Mr John Cheston or any of his associates. However, the Company does not need to disregard any vote cast by a person as a proxy if the proxy form directs how the vote is to be cast and the vote is cast in accordance with those directions (provided that the vote is not cast on behalf of Mr Cheston or any of his associates).

COUNTRY ROAD

EXPLANATORY STATEMENT

Resolution 1 – Termination Benefits Approval

Under section 200B of the Corporations Act 2001 (Cth) ("Corporations Act"), a person must not be given a benefit in connection with that person's retirement from an office, or position of employment, in a company or related body corporate of that company if the person holds, or has in the three years prior to retirement held, a managerial or executive office. There are some exemptions to this rule under the Corporations Act, including that there is shareholder approval for the giving of the benefit under section 200E of the Corporations Act.

Resolution 1 in the attached Notice of Extraordinary General Meeting proposes that shareholders approve the provision of certain benefits to Mr John Cheston, the former Managing Director of the Company and Chief Executive Officer (CEO) of the Country Road Group, by the Company and its subsidiaries in connection with the termination of his employment with the Country Road Group.

Mr Cheston was appointed CEO of the Country Road Group pursuant to an Employment Agreement with Country Road Clothing Pty Ltd (a wholly-owned subsidiary of the Company) ("Country Road Clothing") dated 4 December 2009. The appointment took effect from 1 July 2010. He was dismissed from the CEO position on 3 September 2010.

On 25 October 2010, proceedings were issued in the Federal Court of Australia on behalf of Mr Cheston against Country Road Clothing, the Company and Mr Ian Moir (Mr Cheston's predecessor as CEO of the Country Road Group) alleging in summary the following:

- there were material representations made to him which induced him to accept the position, leave his current position and move with his family to Australia;
- that these representations were misleading; and
- that Country Road Clothing breached the Employment Agreement by breaching the trust and confidence term and by dismissing him without notice.

Mr Cheston sought various declarations and unspecified damages.

In their Defence filed on 7 February 2011, the Company, Country Road Clothing and Mr Moir in summary:

- admitted that Mr Cheston had been dismissed from the CEO position on 13 September 2010;
- denied that Mr Cheston was induced by and acted on reliance on any material representations;
- said that the employment was subject to the express terms of the Employment Agreement; and
- stated Country Road Clothing was entitled to terminate Mr Cheston's employment without notice if Mr Cheston:
 - was guilty of misconduct; or
 - acted in any way which may injure or be likely to injure the business or reputation of Country Road; or
 - committed a material breach of Country Road's policies and procedures; and
- Country Road Clothing was entitled to terminate Mr Cheston's employment during his probationary period without cause on giving one month's notice in writing.

Upon request by a shareholder, a copy of the full pleadings which are summarised above will be made available to that shareholder.

The matter was listed for mediation before the Federal Court Registrar on 23 March 2011. At that time, the Company and Mr Cheston agreed to settle the proceedings for a sum of \$1.1 million. No difference of interest between the position of the Country Road companies and Mr Moir was identified.

In total, Mr Cheston sought damages exceeding \$7 million. Despite the Board's strong view on the merits of the Company's and Country Road Clothing's defence, it considers that it is in the best interests of the shareholders to approve the above settlement. A court trial may be of long duration (particularly as Mr Cheston has made a wide range of allegations) and so would disrupt the business of the Country Road Group, would be costly and, as with any court trial, the outcome could not be predicted with certainty.

Woolworths International (Australia) Pty Limited, the Company's majority shareholder, has represented to the Company that it intends to vote in favour of the resolution.

The Board recommends that shareholders vote in favour of the resolution.