

2 September 2021

ASX Market Announcements Office  
Australian Securities Exchange

**Baby Bunting Group Limited (ASX: BBN)**

### 2021 Annual General Meeting

Attached is the Baby Bunting Group Limited Notice of 2021 Annual General Meeting and a sample of the related proxy form. A letter to shareholders from the Chairman is also attached.

The 2021 Annual General Meeting will be held at 10.00am (Melbourne time) on Tuesday, 5 October 2021. This year, the meeting will be held virtually.

This document has been authorised for release to ASX by the Company Secretary.

For further information, please contact:

Corey Lewis  
Company Secretary  
Ph: 03 8795 8169



BabyBunting

Baby Bunting Group Limited  
ABN 58 128 533 693

# Notice of 2021 Annual General Meeting

Notice is given that the annual general meeting of Baby Bunting Group Limited (**Baby Bunting** or the **Company**) will be held virtually at 10.00am (Melbourne time) on Tuesday, 5 October 2021.



# Notice of 2021 Annual General Meeting

## Virtual AGM

As a result of ongoing developments with the COVID-19 pandemic and corresponding Government guidance, Baby Bunting's 2021 Annual General Meeting will be held virtually. Baby Bunting's Notice of Annual General Meeting is also being distributed electronically and is available to view and download at [babybunting.com.au/investor](https://babybunting.com.au/investor)

Shareholder participation in the Meeting is important to us. The Meeting will be webcast live via the Lumi online platform and shareholders will be able to listen to the proceedings, view the presentations, ask questions and vote.

If you are not be able to attend online at the scheduled time, shareholders can participate in the Meeting by appointing a proxy to attend online and vote on your behalf. Details on how to appoint a proxy are contained in this Notice of Annual General Meeting.

Further information on how to participate in the Meeting is provided in this Notice of Annual General Meeting, and in the Virtual AGM Online Guide, which you can access at [babybunting.com.au/investor](https://babybunting.com.au/investor)

## Participation at the AGM

### Watch and participate live online

Shareholders are invited to watch and participate in the AGM virtually via the online platform by entering the following URL into your web browser [web.lumiagm.com/303811745](https://web.lumiagm.com/303811745)

To participate in the Meeting you will be required to enter the unique 9 digit meeting ID: **303-811-745**.

Your username is your Securityholder Reference Number (SRN) or Holder Identification Number (HIN). Your password is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the Virtual Meeting Online Guide for a list of country codes. Proxy holders will need to contact Computershare on +61 3 9415 4024 no later than 1 hour of the Meeting to receive their unique username and password.

Participating in the meeting online enables shareholders to view the Meeting live, ask questions and cast votes at the appropriate times during the Meeting. All shareholders will have an equal opportunity to participate in the online meeting regardless of their physical location.

Shareholders, once verified, will be taken to be present at the Meeting for all purposes, until either the Meeting ends or the shareholder exits the online platform. It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.

### Voting options

Voting on all resolutions at the Meeting will be conducted by a poll.

Shareholders have two options to cast votes at the Meeting:

- appointing a proxy to vote on your behalf; or
- voting online during the Meeting.

### Questions

At the Meeting, shareholders attending online may ask questions online once they have been verified.

It may not be possible to respond to all questions submitted online. However, shareholders as a whole, will have a reasonable opportunity to ask questions about or make comments on the management of the Company. Shareholders are encouraged to lodge questions prior to the Meeting by submitting your questions online at [investorvote.com.au](https://investorvote.com.au). To use this facility, you will need your six-digit Control Number and SRN or HIN, which are located on the front of the letter sent to shareholders advising you of the arrangements for the 2021 Annual General Meeting.

# Business

## 1. Annual Reports

To consider the Annual Report, the Financial Report and the Reports of the Directors and of the Auditor for the year ended 27 June 2021.

## 2. Election of Directors

### a. To re-elect Melanie Wilson

Melanie Wilson is retiring in accordance with the Company's Constitution and, being eligible, offers herself for re-election as a Director.

### b. To elect Francine Ereira

Francine Ereira having been appointed a Director since the last annual general meeting is retiring in accordance with the Company's Constitution and, being eligible, offers herself for election as a Director.

### c. To elect Stephen Roche

Stephen Roche having been appointed a Director since the last annual general meeting is retiring in accordance with the Company's Constitution and, being eligible, offers himself for election as a Director.

## 3. Adoption of the Remuneration Report

To adopt the Remuneration Report for the year ended 27 June 2021.

The vote on this resolution is advisory only.

## 4. Approval of the grant of performance rights to the CEO and Managing Director under the Company's Long Term Incentive Plan

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

"That the grant of performance rights to the CEO and Managing Director, Matt Spencer, under the Company's Long Term Incentive Plan, as described in the Explanatory Notes to this Notice of 2021 Annual General Meeting, be approved for all purposes, including for the purpose of ASX Listing Rule 10.14."

## 5. Approval of potential termination benefits

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

"That, for all purposes, including sections 200B and 200E of the Corporations Act, approval is given for the Company and any relevant superannuation fund to give benefits to each current and future eligible person holding a managerial or executive office, as described in the Explanatory Notes to this Notice of 2021 Annual General Meeting, in connection with the retirement of that person from any office in the Company or a related body corporate of the Company referred to in section 200B of the Corporations Act."

# Voting Restrictions

## Voting restrictions for item 3 (Remuneration Report)

Item 3 is a resolution connected directly with the remuneration of members of the key management personnel (KMP) of the Company. The Corporations Act restricts KMP and their closely related parties from voting on such resolutions. Closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by the member of the KMP.

Any votes cast in any capacity (eg as a shareholder, proxy or corporate representative) on the proposed resolution in item 3 by or on behalf of:

- Directors and the other members of the KMP, details of whose remuneration are included in the Remuneration Report; and
- closely related parties of those persons,

will be disregarded. In addition, any votes cast as a proxy on this item by other members of the KMP (and their closely related parties) will also be disregarded.

However, the Company will not disregard the vote as a result of these restrictions if it is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

## Voting restrictions for item 4 (Grant of performance rights to the CEO and Managing Director)

The Company will disregard any votes cast in favour of the proposed resolution in item 4 by or on behalf of the Company's CEO and Managing Director, Matt Spencer, or any person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Long Term Incentive Plan, or an associate of that person or persons.

However, the Company will not disregard the vote as a result of these restrictions if it is cast:

- as a proxy or attorney for a person entitled to vote in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- by the Chairman of the Meeting as proxy or attorney for a person entitled to vote, in accordance with a direction given to the Chairman to vote as the Chairman decides, even though the resolution is connected with the remuneration of a member of the KMP; or
- by a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution, and the holder votes in accordance with the beneficiary's directions.

## Voting restrictions for item 5 (Approval of potential termination benefits)

As required by the Corporations Act, no votes on item 5 may be cast (in any capacity) by, or on behalf of, any person who may be entitled to receive a benefit in connection with that person's retirement from office, or position of employment with the Company or its related bodies corporate, to be approved by item 5, or any associate of such a person, other than where a vote:

- is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
- is not cast on behalf of the retiree or an associate of a person specified above.

## Other voting restrictions for items 4 and 5 (being resolutions related to remuneration)

In addition to the voting restrictions referred to above, as required by the Corporations Act, a vote cast as a proxy on items 4 or 5 by a member of the Company's KMP and closely related parties of members of the KMP will be disregarded, other than where the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

## Chairman's voting intention for undirected proxies

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised, having regard to the Voting Restrictions above) in favour of each item of business.

### Entitlement to attend and vote

The Board has determined that, for the purposes of the Meeting (including voting at the Meeting), shareholders are those persons who are registered as holders of the Company's shares at 10.00am (Melbourne time) on Sunday, 3 October 2021.

### Voting by proxy

A shareholder who is entitled to attend and cast a vote at the Meeting may appoint a proxy. A proxy need not be a shareholder. A person can appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, it must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its power as a proxy at the Meeting.

A shareholder who is entitled to cast two or more votes may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Proxy appointments and any authorities under which they are signed (or certified copies of those authorities) may be:

- mailed to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Victoria 3001 Australia; or
- sent by fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Alternatively, proxy instructions can be submitted electronically to the Company's share registrar by visiting [investorvote.com.au](http://investorvote.com.au), and Intermediary Online subscribers only (custodians) should visit [intermediaryonline.com](http://intermediaryonline.com)

To be effective, a proxy appointment and, if the proxy appointment is signed by the shareholder's attorney, the authority under which the appointment is signed (or a certified copy of the authority) must be received by the Company at least 48 hours before the commencement of the Meeting.

For more information concerning the appointment of proxies and the addresses to which proxy forms may be sent, please refer to the proxy form.

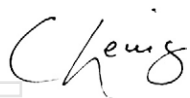
### Voting by attorney

A shareholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or the address listed above for the receipt of proxy appointments at least 48 hours before the commencement of the Meeting.

### Corporate representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should ensure that a copy of their appointment, including any authority under which it is signed, has been provided to the Company's share registrar in sufficient time before the Meeting.

By order of the Board



**Corey Lewis**  
Company Secretary  
2 September 2021



# Explanatory Notes

## Item 1: Annual Reports

A copy of the Company's 2021 Annual Report, including the Financial Report and the Reports of the Directors and the Auditor for the year ended 27 June 2021, can be found on the Company's website at [babybunting.com.au/investor](http://babybunting.com.au/investor). It was first released to ASX on 13 August 2021.

Shareholders may elect to receive by mail, free of charge, the Company's 2021 Annual Report. Please contact the Company's share registrar, Computershare, to request a hard copy. The Company mails a copy of the Annual Report only to those shareholders who have made an election to receive it.

## Item 2: Election of Directors

Earlier this year, Ian Cornell announced that he did not intend to seek re-election at the 2021 Annual General Meeting. Ian has served as a Non-executive Director of the Company since before its 2015 IPO and his term as Chairman and director will end at the conclusion of the 2021 Annual General Meeting.

The Board has selected Melanie Wilson to succeed Ian Cornell as Chairman. Having last been re-elected at the 2018 Annual General Meeting, Melanie Wilson retires and seeks re-election at the 2021 Annual General Meeting.

As part of its renewal planning, the Board has identified two candidates for election as new Directors: Francine Ereira and Stephen Roche. They bring significant retail, e-commerce, sales and marketing experience to complement the existing skills and experience represented on the Board.

The Board has conducted background, criminal and references checks on both Francine and Stephen. Information about their skills, experience and qualifications are set out below.

Each Director has specifically confirmed to the Company that they will have sufficient time to fulfil their responsibilities as a Director if elected or re-elected.

### Item 2(a) To re-elect Melanie Wilson

Melanie Wilson was first appointed a Director of the Company in February 2016.

The Board considers Melanie to be an independent non-executive director.

Melanie has been Chairman of the Remuneration and Nomination Committee and is a member of the Audit and Risk Committee. If re-elected, and from the conclusion of the 2021 Annual General Meeting, Melanie has been selected by the other Directors to be Chairman following the retirement of Ian Cornell.

Melanie has over 15 years' retail experience in senior management roles. Her appointments have included Limited Brands (Victoria's Secret, Bath & Bodyworks – New York), Starwood Hotels (New York), Woolworths and Diva/Lovisa and have covered a wide spectrum of retail including store operations, merchandise systems, online e-commerce, marketing, brand development and logistics/fulfilment.

She is a non-executive director of JB Hi-Fi Limited and EML Payments Limited. She is also a non-executive director of iSelect Limited, a position she is retiring from in October 2021.

Melanie holds a Bachelor of Commerce (Hons) and a Masters of Business Administration (Harvard). She is a Graduate of the Australian Institute of Company Directors.

### Item 2(b) To elect Francine Ereira

Francine Ereira was first appointed a Director of the Company in September 2021.

The Board considers Francine to be an independent non-executive director.

Most recently Country Head Australia and New Zealand at Klarna, a leading global payments and shopping service, Francine brings over 20 years' experience in areas including e-commerce, payments/fintech, sales, supply chain and marketing. Prior to her role at Klarna, she was General Manager Sales & Solution Delivery at Zip Co Limited, a leading Australian payments solutions provider. Her roles have also included senior executive roles in e-commerce logistics and fulfilment, and sales and marketing roles at national and international consumer brand companies.

She holds a Bachelor of Business from Monash University.

### Item 2(c) To elect Stephen Roche

Stephen Roche was appointed a Director of the Company in September 2021.

The Board considers Stephen to be an independent non-executive director.

Stephen was previously a non-executive director of the Company from May 2017 to June 2018 and the Board is pleased that Stephen is now able to return to that position.

He has 15 years' experience as a director of public companies, private family offices and not for profit enterprises. Currently, Managing Director of Bridgestone Australia & New Zealand, he has also been Managing Director and CEO of Australian Pharmaceutical Industries Limited from August 2006 to February 2017. He brings extensive experience in strategy, business development and supply chains across retail, healthcare and consumer markets.

Stephen is currently a non-executive director of Myer Family Investments Pty Ltd and a director of the Adelaide Football Club.

He holds a Bachelor of Business from the University of South Australia and is a fellow of the Australian Institute of Company Directors.

#### Board recommendation:

The Board (excluding the relevant director seeking election because of their interests) endorses the election of Melanie Wilson, Francine Ereira and Stephen Roche as Directors.

### Item 3: Adoption of the Remuneration Report

As required by the Corporations Act, the Board presents the Remuneration Report to shareholders for consideration and adoption as a non-binding vote. Among other things, the Remuneration Report contains:

- information about the Board policy for determining the nature and amount of remuneration of the Company's Directors and other key management personnel;
- remuneration details for key management personnel for the period ended 27 June 2021; and
- details of the changes that have been made to the Company's executive remuneration arrangements since the last AGM.

The Remuneration Report, which is part of the 2021 Annual Report, can be found on the Company's website at [babybunting.com.au/investor](http://babybunting.com.au/investor) or can be obtained by contacting the Company's share registrar, Computershare.

#### Board recommendation:

The Board considers that the remuneration policies adopted for the Company are appropriate and reasonable as they are structured to provide incentives and rewards that are linked to the Company's financial performance and strength. On this basis, the Board recommends that shareholders eligible to do so vote in favour of item 3.

### Item 4: Grant of performance rights to Matt Spencer

The Company is asking shareholders to approve a proposed grant of 185,000 performance rights to the Company's CEO and Managing Director, Matt Spencer, on the terms and conditions set out below.

In accordance with Listing Rule 10.14, the Company must not issue equity securities under an employee incentive scheme to a director of the entity unless it obtains shareholder approval. As shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required, in accordance with Listing Rule 7.2 Exception 14.

#### Long Term Incentive Plan

The Company has a Long Term Incentive Plan designed to align the interests of executives and senior employees more closely with the interests of the Company's shareholders by providing an opportunity for eligible employees to receive an equity interest in the Company through the grant of performance rights. If the relevant vesting conditions are satisfied, each right entitles the participant to one fully paid ordinary share in the Company.

To provide an incentive for future periods, it is proposed to provide a grant of long term incentives to be measured in relation to the three year period from the conclusion of FY2021 to the conclusion of FY2024. The proposed grant is referred to as the **FY2021-FY2024 LTIP grant**.

#### Proposed grant

Item 4 is a proposal to grant Matt Spencer 185,000 performance rights under the Company's Long Term Incentive Plan as part of the FY2021-FY2024 LTIP grant.

The Board's intention is to move towards a target of having the number of rights outstanding under the Long Term Incentive Plan (over any three year period) equal to around 5% of issued capital. The total performance rights to be granted to all participants in the Long Term Incentive Plan for the FY2021-FY2024 LTIP grant will be 1.375 million rights (among 12 participants). (This is a reduction from the 2.66 million rights granted in the prior year under the Long Term Incentive Plan for FY2020-FY2023).

In addition, the number of performance rights to be granted to the CEO and Managing Director was selected so as to provide a long term incentive (when valued using the share price taken around the date of this Notice of Annual General Meeting) that represents around 50% to 60% of total remuneration for the CEO and Managing Director. This is to ensure his total remuneration mix is weighted towards long term "at-risk" remuneration.

The Board believes that the offer of performance rights under the FY2021-FY2024 LTIP grant is an important part of the CEO and Managing Director's remuneration and provides alignment with the pursuit of long-term shareholder value. The award of performance rights means that the actual value (if any) of shares Matt Spencer will receive from this grant is not determined until the end of the three year performance period and will depend on the extent to which the two performance conditions are achieved, and (if vesting occurs) the share price at the time shares are provided to him.

The terms that apply to the FY2021-FY2024 LTIP grant are described below.

#### Two performance conditions

For the FY2021-FY2024 LTIP grant, 40% of the rights will be subject to the earnings per share (EPS) compound annual growth condition and 60% of the rights will be subject to the total shareholder return (TSR) compound annual growth condition. The Board has selected this mix having regard to the growth initiatives and the Company's expansion plans currently being implemented to ensure that there is an appropriate weighting to target long term shareholder value growth.



#### Performance condition 1 – EPS compound annual growth

The EPS growth performance condition will be measured as the compound annual growth (CAGR) in the Company's earnings per share from the base level of the EPS in FY2021 to the EPS for FY2024 (ie a 3 year performance period).

Earnings per share will be determined by dividing the Company's pro forma net profit after tax (NPAT) (excluding any unusual items) by the weighted average number of shares for the relevant financial year. In addition, pro forma NPAT will be determining **including** the share-based payment accounting expense. This is a change from prior grants.

The number of performance rights that vest for a performance period will be determined as follows:

- if the EPS CAGR is less than 10% – no EPS performance rights vest;
- if the EPS CAGR is 10% – then, 30% of the EPS performance rights vest;
- if the EPS CAGR is between 10% and 20% – then vesting occurs on a straight line pro rata basis for between 30% and 100% of the EPS performance rights; or
- if the EPS CAGR is 20% or above – then 100% of the EPS performance rights vest.

#### Performance condition 2 – TSR compound annual growth

Broadly, the TSR performance condition will assess the increase in the Company's share price (assuming dividends are reinvested). TSR will be measured as the increase in the Company's share price from a reference share price which will be the volume weighted average price of the Company's shares on ASX in the period 1 July 2021 to 30 September 2021 (inclusive). Growth in the Company's share price will be measured to the volume weighted average price in the period 1 July 2024 to 30 September 2024 (inclusive).

The number of performance rights that vest for a performance period will be determined as follows:

- if the TSR CAGR is less than 10% – no TSR performance rights vest;
- if the TSR CAGR is 10% – then, 30% of the TSR performance rights vest;

- if the TSR CAGR is between 10% and 20% – then vesting occurs on a straight line pro rata basis for between 30% and 100% of the TSR performance rights; or
- if the TSR CAGR is 20% or above – then 100% of the TSR performance rights vest.

#### Payment on vesting

No amount is payable upon exercise of a vested performance right. Upon exercise, the Company will provide the participant with a fully paid ordinary share. Shares may be issued or purchased on-market for the participant.

Once a performance right has vested, the participant will have two years in which to exercise the vested right and be provided with a fully paid ordinary share. Vested rights that have not been exercised at the end of that period will lapse.

To ensure ongoing alignment with shareholders, half of any shares that are issued to a participant upon vesting and exercise of performance rights will be subject to a 12 month disposal restriction.

#### Treatment on cessation of employment

Upon resignation or in instances where a participant's employment is terminated for cause or as a result of unsatisfactory performance, their unvested rights will lapse. In other circumstances, a person ceasing employment may retain unvested rights with vesting to be tested at the end of the relevant performance period. However, in all cases, the Board has discretion to permit a participant to retain unvested rights, including a discretion to reduce the number of retained unvested rights to reflect the part of the performance period for which the participant was employed. Shareholder approval is being sought for the purposes of sections 200B and 200E of the Corporations Act to permit the Company to give a benefit to a participant who holds a managerial or executive office in these circumstances (see Item 5). (This approval has previously been obtained in 2018).

If employment ceases after a performance right vests, the participant remains entitled to exercise the right for the time period specified in the terms of the grant.

#### Treatment on change of control

The Board has discretion to determine whether a change in control of the Company has occurred and the treatment of unvested performance rights at that time. Generally, in the event of a change of control of the Company, the Board will assess whether unvested performance rights should vest and whether any vesting should be on a pro rata basis having regard to the proportion of the performance period that has passed and after testing the relevant performance conditions at that time.

### Malus and clawback

The terms of the performance rights provide for malus to be applied to unvested awards and for clawback provision to be applied for vested awards. This is to ensure that in the event of serious misconduct or the identification of a serious adverse subsequent event, the relevant participant does not inappropriately benefit in those circumstances.

### Other conditions

Subject to the ASX Listing Rules (where relevant), a participant may only participate in new issues of shares or other securities if the performance right has been exercised in accordance with its terms and shares are issued or transferred and registered in respect of the performance right on or before the record date for determining entitlements to the issue. A participant will also be entitled to receive an allocation of additional shares as an adjustment for bonus issues.

### What will happen if the resolution is, or is not, approved?

If shareholder approval is obtained under ASX Listing Rule 10.14, the issue of performance rights to Matt Spencer will not count towards the Company's capacity to issue equity securities under ASX Listing Rule 7.1.

Accordingly, approval is sought for the grant of 185,000 performance rights (ie the maximum that could vest) to Matt Spencer under the FY2021-FY2024 LTIP grant.

If approval is not provided, then the Board will have regard to developing alternative remuneration arrangements for Matt Spencer to provide him with an appropriate long term incentive.

### Other information

The Company provides the following additional information to shareholders in accordance with Listing Rule 10.15:

- Matt Spencer is the only director entitled to participate in the Company's Long Term Incentive Plan.
- It is proposed that Matt Spencer be issued with 185,000 performance rights.
- The details of the remuneration framework applying to Matt Spencer and his current remuneration applying in FY2022 consist of:
  - salary and superannuation of \$584,592;
  - reimbursement of out-of-pocket expenses up to \$12,500 per annum associated with vehicle costs;
  - an opportunity to receive a payment after the conclusion of FY2022 under the Company's short-time incentive plan for FY2022. The general structure of the plan is described in the 2021 Remuneration Report. Whether a payment is received is subject to the Company achieving year-on-year growth targets as well as specific KPIs. The maximum payment under the plan is capped at 60% of base remuneration; and
  - participation in the Company's Long Term Incentive Plan.

- Since the Company's IPO in October 2015, Matt Spencer has received 3,594,714 rights under the Long Term Incentive Plan. Of these, 990,857 rights have vested and 990,857 rights have lapsed, with 1,613,000 rights outstanding. Of this total, Matt Spencer received 480,000 performance rights following shareholder approval at the 2020 Annual General Meeting. All performance rights have a nil exercise price.
- It is the intention of the Board that the performance rights will be granted to Matt Spencer by 29 October 2021 (but in any event, not more than 3 years after the date of the Annual General Meeting).
- No amount will be payable by Matt Spencer on grant of the performance rights. If vesting occurs, no amount is payable by Matt upon the exercise of vested performance rights.
- There is no loan scheme in relation to the performance rights (or the shares underlying them).
- Details of any securities issued under the scheme will be published in the relevant Annual Report, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Long Term Incentive Plan after this resolution is approved will not participate until approval is obtained at a future meeting.

### Board recommendation:

The Board (excluding Matt Spencer because of his interest) considers that the proposed grant of performance rights is appropriate and in the best interests of the Company and its shareholders. The grant strengthens the alignment of Matt's interests with shareholders and provides an incentive linked to continued growth of the Company's earnings and share price over the next three years. On this basis, the Board recommends that shareholders eligible to do so vote in favour of item 4.

### Item 5: Approval of potential termination benefits

Under the Corporations Act, subject to certain exemptions, shareholder approval must be obtained before the Company (or a related body corporate or a prescribed superannuation fund in relation to the Company) can give a "benefit" in connection with the person's retirement from a managerial or executive office.

The Company is therefore seeking shareholder approval in relation to the benefits it can provide to eligible persons holding managerial or executive office when they cease employment with Baby Bunting, including any benefits provided in certain circumstances under the Company's Long Term Incentive Plan. Other than the performance rights set out in item 4, shareholders are not being asked to approve any change or increase

in the remuneration or benefits or entitlements for KMP or any variations to the existing discretions of the Board and the Remuneration and Nomination Committee.

Under the Company's Long Term Incentive Plan, eligible employees have been or may be provided with performance rights or options to acquire fully paid ordinary shares in the Company. That plan provides that if a participant ceases to be an employee before a performance right or option has vested or become exercisable due to:

- resignation (other than due to serious illness or total permanent incapacitation (as determined by the Board));
- the participant's employment being terminated with immediate effect; or
- any other circumstance (other than serious illness or total permanent incapacitation), or genuine redundancy or any other circumstance determined by the Board,

then all rights or options granted to the participant will lapse. In addition, if a participant ceases to be an employee due to a reason other than a reason referred to above, then the participant will be entitled to retain a proportion of the rights or options (equal to the proportion of the time elapsed in respect of the relevant performance period). However, the time for assessing whether any applicable vesting condition has been satisfied will be unaffected.

The Long Term Incentive Plan rules also provide that the Board has a discretion to determine a different treatment from that described above. For example, if the Board considers that the circumstances warrant it, it could determine that the participant retains some or all of their rights when they would otherwise lapse. The Board may, for example, exercise that discretion in the event of a person's death or total permanent incapacitation or where the circumstances of the participant's ceasing employment or the participant's contribution to the Company are exceptional and justify the exercise of the discretion. In this situation, the Board could determine that the rights or options (as applicable) vest with or without assessment against the relevant performance conditions.

Permitting rights or options to vest in these or similar circumstances upon a participant ceasing employment may constitute a "termination benefit" for the purpose of Part 2D.2 of the Corporations Act. Shareholder approval may be required if the benefit is provided to a person following their retirement from a managerial or executive office. Accordingly, shareholder approval to permit the Company to provide a benefit in these circumstances, to a person who holds a managerial or executive office, is sought for the purposes of section 200B and 200E of the Corporations Act.

#### Amount of the benefit

For a person who holds a managerial or executive office with the Company (or a related body corporate), if rights or options vest in connection with ceasing employment (for whatever reason), the person will receive a benefit in connection with retirement from an office, or position of employment, regulated by Part 2D.2 of the Corporations Act. The value of the benefit received will be related to the market price of the fully paid ordinary share that is received upon vesting and exercise of the right or option (less the amount of any exercise price) and the number of shares that are received at that time.

#### Duration of the approval

There is no time limit on approvals of this kind obtained under the Corporations Act. However, in the interests of good governance, the Board considers it appropriate to return this matter to shareholders for approval every three years.

The Company last obtained shareholder approval of the type contemplated by this item 5, at its 2018 Annual General Meeting. At the time, the approval was obtained for the period ending at the 2021 Annual General Meeting.

No termination benefits have been provided by the Company relying on the approval obtained at the 2018 Annual General Meeting.

The approval sought in item 5 will apply in relation to any termination benefits which may be provided during the period between the date of shareholder approval and the 2024 Annual General Meeting. The approval is not for the purpose of Listing Rule 10.19.

#### Board recommendation:

The Board (excluding Matt Spencer because of this interest) recommends that shareholders eligible to do so vote in favour of item 5.

For personal use only

For personal use only



BabyBunting



Control Number: 999999

SRN/HIN: I9999999999

BBN

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

2 September 2021

## Baby Bunting Group Limited 2021 Annual General Meeting

Dear Shareholder

Baby Bunting's 2021 Annual General Meeting (AGM) will be held on Tuesday, 5 October 2021 at 10.00am (Melbourne time).

The AGM will be held virtually, using technology to facilitate shareholder engagement and participation.

The Notice of 2021 AGM is available on our website at **[babybunting.com.au/investor](http://babybunting.com.au/investor)** in the dedicated AGM section. To watch the webcast, ask questions and vote on the day of the meeting, please visit: [web.lumiagm.com/303811745](http://web.lumiagm.com/303811745). For instructions refer to the online user guide [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide)

To lodge a proxy visit [www.investorvote.com.au](http://www.investorvote.com.au). You will need the six digit Control Number and holder number (SRN/HIN) located on this letter. For your proxy appointment to be effective it must be received by 10.00am (Melbourne time) on Sunday, 3 October 2021.

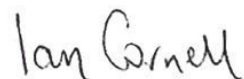
The business of the meeting is set out in the Notice of 2021 AGM. This year, it includes the re-election of Melanie Wilson and the election of two new directors, Francine Ereira and Stephen Roche.

As announced earlier in the year, I have decided not to seek re-election this year and I will step down as chairman at the conclusion of the AGM. The Board has selected Melanie Wilson to succeed me. Melanie has been a director since 2016 and has served on the Board's Remuneration and Nomination Committee and the Audit and Risk Committee. She was selected by the Board having regard to her strong retail background, her strategic perspective and broad corporate experience.

It has been a pleasure and privilege to serve as a Baby Bunting director and I am confident the Company will continue to go from strength to strength.

I hope you will be able to participate in our virtual AGM this year.

Yours sincerely



Ian Cornell  
Chairman

## Need assistance?



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



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.00am (Melbourne time) on Sunday, 3 October 2021**.

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**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 FOR POSTAL FORMS

**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.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I999999999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

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

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**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

XX

I/We being a member/s of Baby Bunting Group 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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Baby Bunting Group Limited will be held virtually on Tuesday, 5 October 2021 at 10.00am (Melbourne time) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3, 4 and 5 by marking the appropriate box in step 2.

## Step 2 Items 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 2 (a)	To re-elect Melanie Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 (b)	To elect Francine Ereira	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 (c)	To elect Stephen Roche	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Approval of the grant of performance rights to the CEO and Managing Director under the Company's Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Approval of potential termination benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

B B N

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Computershare

