



TEMPLE & WEBSTER GROUP LTD

ABN 69 608 595 660

ASX ANNOUNCEMENT

16 September 2021

REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS:
Unit 1, 1-7 Unwins Bridge Road
St Peters NSW 2044
Investor centre: 1800 502 355

Notice of Annual General Meeting and Proxy Form

Temple & Webster Group Ltd attaches a Notice of Annual General Meeting and Proxy Form for the AGM to be held at 10.30 am (Sydney time) on 18 October 2021.

This document has been authorised for release by the Board of Directors.

About Temple & Webster

Temple & Webster is Australia's leading online retailer of furniture and homewares.

Temple & Webster has over 200,000 products on sale from hundreds of suppliers. The business runs an innovative drop-shipping model, whereby products are sent directly to customers by suppliers thereby enabling faster delivery times and reducing the need to hold inventory thereby allowing a larger product range.

The drop ship range is complemented by a private label range which is sourced directly by Temple & Webster from overseas suppliers.

Temple & Webster is listed on the Australian Securities Exchange under the code TPW.



TEMPLE & WEBSTER GROUP LTD

ABN 69 608 595 660

Unit 1, 1-7 Unwins Bridge Road
St Peters NSW 2044

16 September 2021

Dear Shareholder

I enclose a Notice of Meeting for the Annual General Meeting of Temple & Webster Group Ltd (the “**Company**”) which is to be held at 10.30 am (Sydney time) on 18 October 2021 (“**Meeting**”).

The Board has decided to hold the Annual General Meeting as a virtual meeting. This step has been taken to protect the safety of shareholders and staff attending the Meeting.

Shareholders can attend the meeting through the online platform, <https://agmlive.link/TPW21>.

The Notice of Meeting containing a full listing of the items of business can be located in our ASX Announcements at <http://www.templeandwebstergroup.com.au/Investor-Centre/>.

Further details of the resolutions to be proposed at the Meeting are set out in the Explanatory Statement which accompanies and forms part of the Notice of Meeting. Shareholders should consider this material before determining how they will vote at the Meeting.

AGM considerations and Shareholder questions

A discussion will be held on all items to be considered at the AGM.

All shareholders will have a reasonable opportunity to ask questions during the AGM via the virtual AGM platform, including an opportunity to ask questions of the Company’s external auditor.

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following:

- all Shareholder questions should be stated clearly and should be relevant to the business of the Meeting, including matters arising from the Financial Report, Directors’ Report (including the Remuneration Report) and Auditor’s Report, and general questions about the performance, business or management of the Company;
- if a Shareholder has more than one question on an item, all questions should be asked at the one time; and
- Shareholders should not ask questions at the Meeting regarding personal matters or those that are commercial in confidence.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. A Shareholder Question Form has been included with the Notice and is also available on the Company’s website: www.templeandwebstergroup.com.au.

We will attempt to address the more frequently asked questions in the Chair and CEO’s presentations to the Meeting. Written questions must be received by the Company or Link Market

Services Limited by 5.00 pm on 11 October 2021, and can be submitted online, by mail, by fax or in person (as set out on the top of the Shareholder Question Form).

All resolutions by poll

In accordance with the Company's Constitution, the Chair intends to call a poll on each of the resolutions proposed at the AGM. Each resolution considered at the AGM will therefore be conducted by poll. The Chair considers voting by poll to be in the interests of the shareholders as a whole, and to ensure the representation of as many shareholders as possible at the meeting.

Voting

Shareholders may vote by either:

- using the online platform; or
- appointing a Proxy.

Using the online platform.

We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- enter <https://agmlive.link/TPW21> into a web browser on your computer or online device;
- Securityholders will need their SRN or HIN (printed at the top of the Proxy Form); and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting.

Online voting will be open between the commencement of the Meeting at 10.30 am Sydney time on 18 October 2021 and the time at which the Chair announces voting closure. More information about online participation in the Meetings is available in the Online Platform Guide at www.templeandwebstergroup.com.au/Investor-Centre/.

Appointing a proxy to attend and vote on their behalf, using the enclosed proxy form.

A member who is entitled to vote at the meeting may appoint:

- one proxy if the member is only entitled to one vote; or
- two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded. A proxy need not be a member of the Company.

If you require an additional proxy form, please contact the Company Share Registry on 1300 554 474, which will supply it on request. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Share Registry, Link Market Services Limited, no later than 10.30 am on 16 October 2021 (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted.

Instructions for completing the proxy form are outlined on the form, which may be returned by:

- posting it in the reply-paid envelope provided;
- posting it Temple & Webster Group Ltd c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000;
- faxing it to Link Market Services Limited on +61 2 9287 0309;

- lodging it online at linkmarketservices.com.au in accordance with the instructions provided on the website. You will need your HIN or SRN to lodge your proxy form online.

Proxies from corporate shareholders must be executed in accordance with their Constitution or signed by a duly authorised attorney.

A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy directs how to vote on an item of business, the proxy may only vote on that item, in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he/she thinks fit.

The Constitution provides that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be in favour of the Chair of the meeting to which it relates, or to another person as the Board determines.

If a shareholder appoints the Chair of the meeting as the shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Chair will vote, as a proxy for that shareholder, in favour of the item on a poll

The Company's 2021 Annual Report can be accessed on our website: www.templeandwebstergroup.com.au. Shareholders who have previously specifically requested a hard copy of the Annual Report will find it enclosed with this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Egan', written over a circular stamp or seal.

Michael Egan
Company Secretary



TEMPLE & WEBSTER GROUP LTD

ABN 69 608 595 660

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

for a meeting to be held via the online platform <https://agmlive.link/TPW21>
at 10.30 am Sydney time on 18 October 2021

Notice is hereby given that the Annual General Meeting of the members of Temple & Webster Group Ltd (the “**Company**”) will be held via the online platform <https://agmlive.link/TPW21> at 10.30 am Sydney time on 18 October 2021 (the “**Meeting**”).

BUSINESS

Item 1: Financial Statements and Reports

To receive and consider, in respect of the Company for the year ended 30 June 2021:

1. the annual Financial Report;
2. the Directors’ Report; and
3. the Auditor’s Report.

Item 2: Adoption of Remuneration Report

Resolution 1: Remuneration Report

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

That the Remuneration Report, included in the Directors’ Report provided to shareholders as part of the Annual Report of the Company for the year ended 30 June 2021, be adopted.

Note: In accordance with section 250R of the *Corporations Act 2001* (Cth) (“**Corporations Act**”) this resolution is advisory only and does not bind the directors or the Company.

VOTING EXCLUSION STATEMENT FOR RESOLUTION 1

ASX will disregard any votes cast on this resolution:

- by or on behalf of a member of the KMP named in the Remuneration Report for the year ended 30 June 2021, or that KMP’s closely related party, regardless of the capacity in which the vote is cast; or
- as a proxy by a member of the KMP at the date of the meeting, or that KMP’s closely related party;

unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:

- in accordance with their directions on how to vote as set out in the proxy appointment; or
- by the Chair pursuant to an express authorisation to exercise the proxy as the Chair thinks fit.

Item 3: Re-election of Directors

Resolution 2: Re-election of Ms Belinda Rowe as a Director

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

That Ms Belinda Rowe, being a Director seeking re-election in accordance with rule 67 of the Constitution of the Company and being eligible, offers themselves for re-election, be hereby re-elected as a Director of the Company.

Resolution 3: Re-election of Mr Stephen Heath as a Director

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

That Mr Stephen Heath, being a Director seeking re-election in accordance with rule 68 of the Constitution of the Company and being eligible, offers themselves for re-election, be hereby re-elected as a Director of the Company.

Item 4: Non-executive Directors' total aggregate maximum remuneration

Resolution 4: Non-executive Directors' total aggregate maximum remuneration

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

That, for the purposes of ASX Listing Rule 10.17 and all other purposes, the total aggregate maximum remuneration to be paid to the Non-executive Directors be increased by \$400,000 from \$700,000 to \$1,100,000 per annum.

VOTING EXCLUSION STATEMENT FOR RESOLUTION 4

The entity will disregard any votes cast in favour of the resolution by or on behalf of:

- a Director; or
- an associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Item 5: Temple & Webster Group Ltd NED Equity Plan

Resolution 5: Issue of Securities to Mr Stephen Heath

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

That, for the purposes of ASX Listing Rule 10.14 and all other purposes, the issue of Restricted Rights for the issue of 1,946 fully paid ordinary shares in the Company under the Temple & Webster Group Ltd NED Equity Plan to Mr Stephen Heath, a Non-executive Director of the Company, be approved on the terms set out in the Explanatory Statement which accompanies this Notice.

VOTING EXCLUSION STATEMENT FOR RESOLUTION 5

The entity will disregard any votes cast in favour of the resolution by or on behalf of:

- any Non-executive Director; or
- any of their associates.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6: Issue of Securities to Ms Belinda Rowe

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

That, for the purposes of ASX Listing Rule 10.14 and all other purposes, the issue of Restricted Rights for the issue of 1,946 fully paid ordinary shares in the Company under the Temple & Webster Group Ltd NED Equity Plan to Ms Belinda Rowe, a Non-executive Director of the Company, be approved on the terms set out in the Explanatory Statement which accompanies this Notice.

VOTING EXCLUSION STATEMENT FOR RESOLUTION 6

The entity will disregard any votes cast in favour of the resolution by or on behalf of:

- any Non-executive Director; or
- any of their associates.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7: Issue of Securities to Mr Conrad Yiu

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

That, for the purposes of ASX Listing Rule 10.14 and all other purposes, the issue of Restricted Rights for the issue of 5,837 fully paid ordinary shares in the Company under the Temple & Webster Group Ltd NED Equity Plan to Mr Conrad Yiu, a Non-executive Director of the Company, be approved on the terms set out in the Explanatory Statement which accompanies this Notice.

VOTING EXCLUSION STATEMENT FOR RESOLUTION 7

The entity will disregard any votes cast in favour of the resolution by or on behalf of:

- any Non-executive Director; or
- any of their associates.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

EXPLANATORY STATEMENT

Further information about each item of business is set out in the Explanatory Statement accompanying and forming part of this Notice of Meeting.

ENTITLEMENT TO VOTE

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that those persons who are registered as holding shares in the Company at 7.00 pm (Sydney time) on 16 October 2021 will be entitled to vote at the Meeting on 18 October 2021. Any share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

PROXIES

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf. A shareholder may appoint not more than two proxies.
2. A proxy need not be a shareholder of the Company, and can be either an individual or body corporate.
3. The Proxy Form that accompanies this Notice of Meeting should be used to appoint a proxy. If any shareholder is unable to attend the Meeting they are encouraged to appoint a proxy.

Shareholders can direct their proxy how to vote by following the instructions on the Proxy Form, and are encouraged to do so.

4. A shareholder that is entitled to cast 2 or more votes may appoint up to 2 proxies. Where two proxies are appointed, the shareholder may specify the number or proportion of the votes that each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half the votes.
5. If a shareholder appoints a body corporate as 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; and
 - provides satisfactory evidence of the appointment of its corporate representative prior to the commencement of the meeting. Such evidence may include a letter or certificate authorising the individual as the body corporate's representative, executed in accordance with the body corporate's constitution, or a copy of the resolution appointing the representative, certified by the secretary or a director of the body corporate.
6. Where a body corporate appoints a proxy, the Proxy Form must be signed by a duly appointed attorney or by a director jointly with either another director or a company secretary or, for a proprietary company that has a sole director who is also the sole company secretary, that director.

PROXY VOTING BY KMP

Resolution 1 on the Agenda relates to the Remuneration of KMP (which includes the Directors).

If a shareholder who is not a member of the Company's KMP appoints a member of the Company's KMP (which includes the Directors) or one of the KMP's closely related parties (such as close family members or any controlled entities) as their proxy, the proxy will not be able to cast the shareholder's votes on Resolution 1 (Remuneration Report) unless the proxy is directed how to vote or the Chair of the Meeting is appointed as proxy.

If the Chair of the Meeting is appointed as a shareholder's proxy or becomes their proxy by default and the shareholder does not mark a voting box on the Proxy Form for Resolution 1, then by completing and submitting the Proxy Form the shareholder will be expressly authorising the Chair of the Meeting to exercise the proxy in respect of Resolution 1 as the Chair decides, even though the item is connected with the remuneration of the Company's KMP.

The Chair of the Meeting intends to vote all undirected proxies in favour of each resolution to be proposed at the Meeting.

LODGEMENT OF PROXY FORMS

To appoint a proxy, shareholders should complete the Proxy Form and return it (together with the original or a certified copy of the power of attorney or other authority if any, under which a proxy is signed).

In order to be effective, the Proxy Form (and accompanying documents) must be received **no later than 10.30 am on 16 October 2021 ("Proxy Deadline")** by one of the following methods:

- By lodging the Proxy Form online at www.linkmarketservices.com.au;
- By posting it in the reply paid envelope included with the Proxy Form; or

- Returning it by hand or posting it or faxing it to the following:

By Mail:

Temple & Webster Group Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

By Hand:

Link Market Services Limited
1A Homebush Bay Drive,
Rhodes NSW 2138

By Fax: +61 2 9287 0309

All Enquiries to: Telephone: +61 1300 554 474

Proxy Forms (together with any power of attorney, where relevant) must be received by the Proxy Deadline.

By order of the Board of Directors



Michael Egan

Company Secretary

16 September 2021

EXPLANATORY STATEMENT

Purpose of information

The purpose of this Explanatory Statement (which is included in and forms part of the Notice of Annual General Meeting dated 16 September 2021 is to provide shareholders with an explanation of the business of the Annual General Meeting to be held on 18 October 2021 (the “**Meeting**”), particularly in regard to the resolutions to be proposed and considered at the Meeting, and to allow shareholders to determine how they wish to vote on those resolutions.

Item 1: Reports

As required by section 317 of the *Corporations Act 2001 (Cth)* (“**Corporations Act**”) the financial report, directors’ report and auditor’s report of the Company for the most recent financial year will be presented to the Meeting. The financial report contains the financial statements of the Company.

There is no requirement for a formal resolution on this item.

The Chair of the Meeting will allow a reasonable opportunity at the Meeting for shareholders to ask questions about, or make comments on, the management of the Company.

Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company’s auditor, Ernst & Young, questions about its audit report, the conduct of its audit of the Company’s financial report for the year ended 30 June 2021, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Ernst & Young in relation to the conduct of the audit.

In accordance with section 250PA of the Corporations Act, shareholders who are eligible to cast a vote at the Meeting may also submit to the auditor a written question in relation to either the content of the auditor’s report or the conduct of the audit of the annual financial report. Questions will be answered by the auditor at the Meeting and must be given to the Company no later than 5.00 pm on 11 October 2021.

Item 2: Adoption of Remuneration Report

Resolution 1: Adoption of Remuneration Report

In accordance with section 300A of the Corporations Act the Company has prepared a Remuneration Report in its Directors’ Report for the consideration of shareholders.

As provided by section 250R(3) of the Corporations Act, Resolution 1 on the Remuneration Report is advisory only and is not binding on the Directors or the Company.

In summary, the Remuneration Report provides the principles used to determine the nature and amount of remuneration; details of remuneration and share-based compensation; and additional disclosures relating to key management personnel.

Under the Corporations Act, if 25% or more of votes are cast against the adoption of the remuneration report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution that another meeting of the Company’s shareholders be held within 90 days at which all of the Company’s directors (other than the managing director) will cease to hold office immediately before the end of that meeting but may stand for re-election at that meeting.

Board recommendation:

Each of the Directors recommends that shareholders vote in favour of the resolution to adopt the Remuneration Report.

Item 3: Re-election of directors

Resolution 2: Re-election of Ms Belinda Rowe as a Director of the Company

ASX Listing Rule 14.4 and rule 67 of the Company's Constitution, provide that a director who is appointed by the directors as an additional director only holds office until the termination of the next annual general meeting of the Company, and is eligible for re-election at that meeting.

Ms Belinda Rowe was appointed as a director of the Company by the existing directors on 26 February 2021. In accordance with the ASX Listing Rules and the Company's Constitution Ms Rowe is seeking re-election at the Meeting.

Details of Ms Rowe may be found at page 19 of the Annual Report of the Company.

Prior to submitting themselves for re-election, Ms Rowe acknowledged to the Company that they would continue to have sufficient time to properly fulfil her responsibilities to the Company.

The Board conducted a formal performance appraisal of Ms Rowe to determine whether to recommend Ms Rowe's re-election to shareholders. The review considered Ms Rowe's expertise, skills and experience, understanding of the Company's business, preparation for meetings, relationship with other Directors and management, awareness of ethical and governance matters and overall contribution as a Director. The Board determined that Ms Rowe provided a valuable contribution to the Board and is therefore recommended to shareholders for re-election.

The Board considers Ms Rowe to be an independent director.

Board recommendation:

Each of the Directors (Ms Rowe abstaining) recommends that shareholders vote in favour of the re-election of Ms Rowe as a Director.

Resolution 3: Re-election of Mr Stephen Heath as a Director of the Company

ASX Listing Rule 14.4 and article 68 of the Company's Constitution, provides that at each Annual General Meeting one third of the Directors (or, if their number is not a multiple of 3, then the number nearest to but not exceeding one third) retire from office but no director may retain office for more than 3 years without submitting themselves for re-election even though the submission results in more than one third of the directors retiring from office.

The Company's Constitution requires that the director or directors to retire are those who have been longest in office since their appointment or last election, but as between two or more directors who became directors on the same day, the directors may determine who is to retire by agreement among themselves. Any Managing Director is exempted by their office as Managing Director from the requirement to retire by rotation.

Current Director, Mr Stephen Heath, retires from office by rotation, and being eligible for re-election, offers themselves for re-election as a Director.

Details of Mr Heath may be found at page 18 of the Annual Report of the Company.

Prior to submitting themselves for re-election, Mr Heath acknowledged to the Company that they would continue to have sufficient time to properly fulfil his responsibilities to the Company.

The Board conducted a formal performance appraisal of Mr Heath to determine whether to recommend Mr Heath's re-election to shareholders. The review considered Mr Heath's expertise, skills and experience, understanding of the Company's business, preparation for meetings, relationship with other Directors and management, awareness of ethical and governance matters and overall contribution as a Director. The Board determined that Mr Heath provided a valuable contribution to the Board and is therefore recommended to shareholders for re-election.

The Board considers Mr Heath to be an independent director.

Board recommendation:

Each of the Directors (Mr Heath abstaining) recommends that shareholders vote in favour of the re-election of Mr Heath as a Director.

Item 4: Non-executive Directors' total aggregate maximum remuneration

Resolution 4: Non-executive Directors' total aggregate maximum remuneration

ASX Listing Rule 10.17 and the Company's Constitution require shareholders to approve any increase in the total annual maximum aggregate remuneration paid to Non-executive Directors. The current limit of \$700,000 was approved by shareholders at the Annual General Meeting of the Company held on 27 November 2018.

Resolution 4 proposes that the maximum fee pool that can be paid to Non-executive Directors be increased by \$400,000 from \$700,000 to \$1,100,000 per annum.

The proposed increase would allow flexibility for market increases in the future and the capacity to appoint other Non-executive Directors as required, as well as allowing for better succession planning by facilitating the appointment of a new Non-executive Director before the retirement of an existing Non-executive Director.

Non-Executive Directors are remunerated via Board and Committee fees which are reviewed annually. Board and Committee fees are inclusive of statutory superannuation and reflect the time commitment and responsibilities involved, taking into account market rates and market trends. Non-Executive Directors do not receive payments on their retirement from office other than payments accruing from superannuation contributions comprising part of their remuneration.

The Directors consider Non-executive Directors' fees need to be market competitive to attract the best candidates considering the size and stage of development of the Company.

The Directors propose that in future years remuneration for Non-executive Directors be both by way of cash and the value of any equity issued to Non-executive Directors.

The Remuneration Report included in the Annual Report provides the principles used to determine the nature and amount of remuneration; details of remuneration and share-based compensation; and additional disclosures relating to Non-executive Directors.

On 23 October 2018 a total of 543,078 options over Ordinary Shares were granted to Non-executive Directors with the approval of Shareholders. The grants were made in respect of Director fees which would be payable in cash for the years ended 2019, 2020 and 2021 to the following Non-executive Directors:

| | |
|------------------|-----------------|
| Mr Stephen Heath | 181,026 Options |
| Ms Sue Thomas | 181,026 Options |
| Mr Conrad Yiu | 181,026 Options |

No other securities were issued to a non-executive director under rule 10.11 or 10.14 with the approval of the shareholders at any time within the preceding 3 years.

A voting exclusion statement is included under Resolution 4 in this Notice.

Board recommendation:

Each of the Directors recommends that shareholders vote in favour of increasing the total aggregate maximum remuneration to be paid to the Non-executive Director.

Item 5: Temple & Webster Group Ltd NED Equity Plan

Resolutions 5, 6, and 7: Shareholder approval for granting Securities to the Directors

The Company has established the Temple & Webster Group Ltd NED Equity Plan (**Plan**) to assist in the motivation, retention and reward of Non-executive Directors of the Company and providing an opportunity for the Directors to acquire shareholdings in the Company through the sacrifice of fees into equity. Under ASX Listing Rule 10.14, the Company is required to obtain shareholder approval before granting any Securities to the Non-executive Directors.

In designing the Plan, the Directors have ensured that the incentives for Non-executive Directors do not conflict with their obligations to bring independent judgement to their roles. Consistent with Principle 8 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the grants of Securities will better align the interests of the Non-executive Directors with the interests of Shareholders. In accordance with these governance recommendations the Securities are not subject to performance-based vesting conditions or vesting conditions of any kind.

Temple & Webster Group Ltd is proposing to issue Restricted Rights to Directors of the Company. Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the company;
- an associate of a director of the company; or
- a person whose relationship with the company or a person referred to above is such that, in ASX's opinion, the acquisition should be approved by its shareholders

unless it obtains the approval of its shareholders.

The proposed issue of Restricted Rights to Directors falls within Listing Rule 10.14.1 and therefore requires the approval of the Company's shareholders under Listing Rule 10.14. Resolutions 5, 6 and 7 seek the required shareholder approval to the proposed issue of Restricted Rights to Directors under and for the purposes of Listing Rule 10.14. If resolutions 5, 6 and 7 are passed, Temple & Webster Group Ltd will be able to proceed with the issue as described below. If resolution Resolutions 5, 6 and 7 are not passed, the Company will not be able to proceed with the issue described and the whole of the Director fee payable will be paid in cash.

Summary of Plan

The Plan enables the Company to issue Restricted Rights in respect of ordinary shares in the Company to Non-executive Directors of the Company on terms determined by the Directors from time to time.

The Plan has been specifically developed for the purpose of remunerating the Company's Non-executive Directors. Pursuant to the Plan, Non-executive Directors are entitled to receive Securities on the terms set out in this summary.

The value of the Securities when added to the Director fees which are payable in cash will produce a total remuneration package that is intended to be market competitive and reasonable given the Company's circumstances.

The current annual Board fees are:

| Role/Function | Main Board | Audit and Risk Management Committee | Nomination and Remuneration Committee |
|---------------|------------|-------------------------------------|---------------------------------------|
| Chair | \$212,750 | \$20,000 | \$20,000 |
| Member | \$115,000 | \$10,000 | \$10,000 |

In respect of the year ending 30 June 2022, the Non-executive Directors have elected to have part of their Directors' fees paid in equity, that is included in and not additional to the foregoing, as follows:

| | Part of Board Fee Payable in Equity |
|------------------|-------------------------------------|
| Mr Stephen Heath | \$25,000 |
| Ms Belinda Rowe | \$25,000 |
| Mr Conrad Yiu | \$75,000 |

The key terms of the Plan and the Securities proposed to be issued under the Plan are set out below. The information provided includes the information required to be included by ASX Listing Rule 10.15 in relation to Resolutions 5, 6, and 7.

Restricted Rights were selected as the most suitable equity structure for NEDs because they provide long term alignment with shareholders through exercise restrictions and disposal restrictions without compromising NED independence, due to the absence of any vesting conditions or "cliff" exercise prices.

Number of Securities: The number of Restricted Rights issued will be 9,729, as follows:

| | Category in rules 10.14 | Restricted Rights proposed to be issued | Current total remuneration package (\$ pa) |
|------------------|-------------------------|---|--|
| Mr Stephen Heath | Director | 1,946 | 212,750 |
| Ms Belinda Rowe | Director | 1,946 | 145,000 |
| Mr Conrad Yiu | Director | 5,837 | 135,000 |
| Total | | 9,729 | |

No prior issues: No persons referred to in ASX Listing Rule 10.14 have received Securities since the establishment of the Temple & Webster Group Ltd NED Equity Plan.

Formula: The number of Restricted Rights to be issued is equivalent to the value of Board Fees to be paid in equity for the relevant year. The formula for calculating the number of Restricted Rights to be issued is:

Number of Restricted Rights = Annual Director Fee Equity (\$) divided by the 10 trading day Volume Weighted Average Market Price (VWAP) of ordinary shares in the Company on the date of release of the 2021 financial results (being \$12.85), with the number of Restricted Rights granted rounded to the nearest whole number

Issue price: No cash amount will be payable by the Directors for the Restricted Rights as they are part of Board Fees.

Term: the period between the date of grant of a Restricted Right and the date on which it will lapse if not earlier exercised, which will be the 15th anniversary of the date of grant unless otherwise determined by the Board and specified in an Invitation.

Right: means an entitlement to a Share (which may include a Restricted Share, being a Share subject to disposal restrictions) when validly exercised. Rights do not carry dividend or voting entitlements.

Restricted Rights: means a Right which is fully vested at grant, but which is subject to exercise and disposal restrictions.

Disposal Restriction: Restricted Rights may not be transferred, sold or otherwise disposed of other than by force of law. If specified in an Invitation, Specified Disposal Restrictions may extend to the Shares resulting from the exercise of Restricted Rights (Restricted Share) which is a period during which the disposal of the underlying share is prohibited and enforced by the trustee of an employee share trust or via a CHESS holding lock .

Exercise Restriction: each Restricted Rights is subject to a minimum Exercise Restriction of at least 90 days after the Grant Date during which the Right may not be exercised, which may be set as a longer period if so specified in the Invitation. No extended Exercise Restriction is applicable to the Rights that are the subject of this resolution.

Issue of Restricted Rights: the Company will issue all of the Restricted Rights referred to above within 1 month of the Meeting.

Voting, dividends and entitlements: Restricted Rights do not carry voting or dividend entitlements. Each Restricted Right entitles the holder to one ordinary share in the Company upon exercise. A Rights holder may only participate in new issues of Securities to holders of ordinary shares in the Company if the Restricted Right has been exercised and shares allotted in respect of the Restricted Right before the record date for determining entitlements to the issue.

Quotation: the Company will not apply to ASX for official quotation of the Restricted Rights.

Issue or acquisition of shares: Shares allocated to a Director when Restricted Rights are exercised under the Temple & Webster Group Ltd NED Equity Plan may be issued by the Company or acquired by on or off-market purchases by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the Plan.

Eligible participants: All Non-executive Directors of the Company are entitled to participate in the Temple & Webster Group Ltd NED Equity Plan. As at the date of this Explanatory Statement, the Non-executive Directors are Mr Stephen Heath, Ms Sue Thomas, Ms Belinda Rowe and Mr Conrad Yiu. Any additional persons who become entitled to participate in the Temple & Webster Group Ltd NED Equity Plan after the Meeting will not be issued any Securities until approval is obtained under ASX Listing Rule 10.14.

Voting exclusions: A voting exclusion statement on each of resolution 5, 6, and 7 is set out in the Notice of Meeting.

No loans: No loans will be made by the Company in relation to the issue of the Restricted Rights.

Issue date: The Restricted Rights will be issued within 1 month after the Meeting.

In respect of Resolutions 5, 6, and 7:

- as noted above, under ASX Listing Rule 10.14, the Company is required to obtain shareholder approval before granting any Securities to the Directors; and

- ASX Listing Rule 10.15 requires certain information to be provided by the Company. That information is included in the summary of the Plan set out above.

Details of any securities issued under the Plan will be published in the annual report of the entity relating to the period in which they were issued, 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 an issue of securities under the Plan after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

A copy of the Temple & Webster Group Ltd NED Equity Plan Rules can be found at <http://www.templeandwebstergroup.com.au/Investor-Centre/>

Board recommendation:

Each of the Directors (with each Director abstaining in respect of their own remuneration) recommends that shareholders vote in favour of each of Resolution 5, Resolution 6 and Resolution 7.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Temple & Webster Group Ltd
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
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Temple & Webster Group Ltd and entitled to attend and vote hereby appoint:

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 and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or 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 act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am on Monday, 18 October 2021** (the Meeting) and at any postponement or adjournment of the Meeting. The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/TPW21> (refer to details in the Virtual Annual General Meeting Online Guide).

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

VOTING DIRECTIONS

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

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

Resolutions

For Against Abstain*

1 Adoption of Remuneration Report

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

5 Issue of Securities to Mr Stephen Heath

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

2 Re-election of Ms Belinda Rowe as a Director

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

6 Issue of Securities to Ms Belinda Rowe

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

3 Re-election of Mr Stephen Heath as a Director

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

7 Issue of Securities to Mr Conrad Yiu

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

4 Non-executive Directors' total aggregate maximum remuneration

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting Virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Saturday, 16 October 2021**, 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

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



BY MOBILE DEVICE

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

QR Code



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



BY MAIL

Temple & Webster Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions

