

ASX Announcement
18 October 2021

2021 Notice of Annual General Meeting

Please find attached the 2021 Notice of Annual General Meeting and Voting Form of Accent Group Limited (ASX:AX1) which was distributed to shareholders today.

Accent Group's 2021 Notice of Annual General Meeting and Voting Form can also be viewed online at <https://www.accentgr.com.au/investor/investor-documents>.

For further information contact: Alethea Lee, Company Secretary, T: +61 2 8310 0028

The release of this announcement was authorised by Alethea Lee, Company Secretary.

18 October 2021

Dear Fellow Shareholder

On behalf of the Directors of Accent Group Limited (the **Company**), it is my pleasure to invite you to attend the 2021 Annual General Meeting (**AGM**) to be held on Friday, 19 November 2021 at 10:00am (AEDT).

Your Board has continued to closely monitor the impact of the COVID-19 pandemic and Government directives. **To ensure the health and wellbeing of our shareholders, our people and the community, we have decided to hold the AGM virtually again this year.**

The Notice of Meeting and details on accessing the virtual meeting platform are available at www.accentgr.com.au/for-investors. The virtual meeting will include an online voting facility and you can also vote prior to the AGM by lodging the voting form attached to the Notice of Meeting by no later than 10.00am (AEDT) on Wednesday, 17 November 2021. **Your Directors strongly encourage you to lodge your voting form prior to the AGM.**

The virtual meeting will also include a facility for you to ask questions in relation to the business of the meeting (through a chat functionality) or you can submit questions online when voting prior to the AGM at www.investorvote.com.au.

If you have any questions about the virtual AGM or about voting or submitting questions to the AGM, please feel free to contact the Company Secretary at investors@accentgr.com.au.

Your Directors unanimously recommend (with certain Directors abstaining where appropriate) that shareholders vote IN FAVOUR of ALL resolutions.

AGM

At the AGM, you will have the opportunity to vote on:

- Item 2:** the adoption of the Remuneration Report as set out on pages 29 to 43 of the Company's 2021 Annual Report;
- Item 3:** the re-election of Donna Player and election of Brett Blundy as directors of the Company; and
- Item 4:** the grant of performance rights to the Company's CEO, Daniel Agostinelli.

Following the 2020 AGM, the Company received feedback from some shareholders and proxy advisors regarding the level of disclosure in relation to the Company's remuneration practices. Your Board has considered this feedback and continued to take action to increase the level of detail and transparency provided in this year's Remuneration Report. The Board will continue to review executive remuneration to ensure that it aligns with the Company's strategy, motivates management and supports the delivery of sustainable long-term returns to shareholders.

I look forward to your attendance at our virtual 2021 AGM.

Yours faithfully,



David Gordon
Chairman



Accent Group Limited

ABN 85 108 096 251

Notice of Annual General Meeting
2021

Notice of Annual General Meeting

Notice is given that the 2021 Annual General Meeting ("AGM" or "Meeting") of Accent Group Limited ("Company") will be held as a virtual meeting as follows:

Date: Friday, 19 November 2021

Time: 10:00am (AEDT)

Venue: Online at <https://web.lumiagm.com/312655463>

ITEMS OF BUSINESS

Item 1: Financial statements and reports

To receive and consider the Company's Financial Report, together with the Directors' Report and Auditor's Report, for the year ended 27 June 2021.

Item 2: Adoption of the Remuneration Report

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

"That the Remuneration Report as set out in the Annual Report of the Company for the year ended 27 June 2021 be adopted."

Item 3: Re-election of Directors

To consider and, if thought fit, pass the following resolutions as separate **ordinary resolutions**:

- a. *"That Ms Donna Player, who retires in accordance with rule 22.1 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."*
- b. *"That Mr Brett Blundy who, having been appointed as a Director of the Company on 23 April 2021 in accordance with rule 21.2.1 of the Company's Constitution, retires in accordance with ASX Listing Rule 14.4, and being eligible for election, be elected as a Director of the Company."*

Item 4: Grant of Performance Rights to a Director and related party, Mr Daniel Agostinelli

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

"That, for the purposes of section 200B of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, shareholders approve the grant by the Company to Mr Daniel Agostinelli of 1,018,100 Performance Rights, as outlined in the Explanatory Statement which accompanies and forms part of this Notice."

The proposed items of business should be read in conjunction with the explanatory notes on pages 5 to 14.

VOTING EXCLUSIONS

Voting exclusions for Item 2 (Remuneration Report)

For all resolutions that are directly or indirectly related to the remuneration of a member of the Key Management Personnel ("KMP") of the Company (being the resolution set out in Item 2), the *Corporations Act 2001* (Cth) ("**Corporations Act**") restricts KMP and their closely related parties from voting in certain circumstances.

A 'closely related party' is defined in the *Corporations Act* and includes a spouse, dependent and certain other close family members, as well as any companies controlled by the KMP.

Accordingly, no votes may be cast, and the Company will disregard any votes cast, on the resolution set out in Item 2:

- a. by, or on behalf of, a member of the KMP named in the Remuneration Report and their closely related parties, in any capacity; or
- b. as a proxy by a person who is a member of the KMP at the date of the Meeting or who is a closely related party of a member of the KMP,

unless the vote is cast as a proxy for a person entitled to vote on Item 2:

- i. in accordance with a direction on the proxy form; or
- ii. by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit even though the resolution is connected directly or indirectly with the remuneration of a KMP.

The Chairman intends to vote undirected proxies FOR the resolution in Item 2.

Notice of Annual General Meeting

Voting exclusions for Item 3 (Re-election of Directors)

There are no voting exclusions for Item 3.

The Chairman intends to vote undirected proxies FOR the resolutions in Item 3.

Voting exclusion for Item 4 (Grant of Performance Rights to a Director)

The Company will disregard any votes cast in favour of the resolution in Item 4:

- a. by Mr Daniel Agostinelli or his associates regardless of the capacity in which the vote is cast; or
- b. as a proxy by a person who is a member of the KMP at the date of the Meeting or who is a closely related party of a member of the KMP.

However, votes will not be disregarded if they are cast by:

- a. a person as a proxy or attorney for a person who is entitled to vote on the resolution in Item 4, in accordance with the directions given to the proxy or attorney to vote on the resolution in Item 4 in that way; or
- b. the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution in Item 4, pursuant to an express authorisation to exercise the proxy as the Chairman sees fit; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. 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
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman intends to vote undirected proxies FOR the resolution in Item 4.

HOW TO VOTE

Eligibility to vote

For the purpose of voting at the Meeting, the Directors have determined that persons who are registered holders of shares of the Company at 7:00pm (AEDT) on Wednesday, 17 November 2021 are entitled to vote at the Meeting. Transactions registered after that time will be disregarded in determining which shareholders are entitled to vote at the Meeting.

All resolutions at the Meeting will be determined by way of a poll.

Voting at the Meeting

You may vote live and online during the Meeting using the Lumi platform (if using a computer) or the Lumi app (if using a mobile device). The Chairman will open the poll at the start of the Meeting and the poll will remain open until the close of the Meeting.

More information regarding online participation at the Meeting (including how to vote and ask questions online during the Meeting) is available in the Online Meeting Guide available at www.accentgr.com.au/for-investors.

Direct voting

You may vote directly on resolutions considered at the meeting without attending the meeting or appointing a proxy.

To vote by direct vote, mark Box "A" (in "Step 1") on the Voting Form. You must complete the voting directions for Items 2, 3a, 3b and 4 (in "Step 2") by marking "For", "Against" or "Abstain" for your vote to be counted.

Voting by proxy

If you are entitled to attend and vote at the Meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a shareholder of the Company and may be an individual or a body corporate. If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify the proportion or number, each proxy may exercise one half of the votes.

You may specify the way in which your proxy is to vote on each resolution by marking the boxes 'for', 'against' or 'abstain' on your proxy form, or you may allow the proxy to vote at his or her discretion. If you appoint the Chairman as proxy (or the Chairman becomes your proxy by default) and you do not direct the Chairman how to vote, then you are expressly authorising the Chairman to exercise your proxy as the Chairman decides.

The Chairman intends to vote in favour of each item of business (where permissible).

If you appoint a proxy and direct them how to vote, and your proxy does not attend the Meeting or does not vote if a poll is called on an item of business, your directed proxies will automatically default to the Chairman, who is required to vote proxies as directed on a poll.

Notice of Annual General Meeting

Lodging your proxy form

A personalised proxy form is included with this Notice and you can lodge your completed proxy form with the Company's share registry, Computershare Investor Services Pty Limited ("**Computershare**"), either:

- online at <https://web.lumiagm.com/312655463>;
- by fax on +61 3 9473 2555; or
- by post to GPO Box 242, Melbourne, VIC 3001.

To be valid, your proxy form must be received by Computershare no later than **10:00am (AEDT) on Wednesday, 17 November 2021**, being 48 hours before the start of the AGM. If the proxy form is signed by an attorney, the original power of attorney under which the proxy form was signed (or a certified copy) must also be provided to Computershare when you lodge the proxy form.

Corporate representatives

A corporate shareholder may appoint a person to act as its representative at the Meeting by providing that person with a properly executed letter or another document confirming that they are authorised to act as the corporate shareholder's representative. You can download an 'Appointment of Corporate Representative' form from Computershare's website at www.investorcentre.com/au and select "**Printable Forms**". The document must be lodged with the Company before the Meeting and the Company will retain such document.

VIRTUAL PARTICIPATION AND QUESTIONS

Shareholders will be able to virtually participate in the Meeting via an online platform provided by Lumi. For detailed steps on how to participate in the Meeting virtually, please refer to the Online Meeting Guide available at www.accentgr.com.au/for-investors.

The AGM will be webcast live from the website at <https://web.lumiagm.com/312655463>. If you choose to participate online, you will be able to view and listen to the live webcast of the meeting, speak and ask the meeting questions (through the online meeting platform) and submit your votes in real time.

Even if you are planning on participating in the meeting in real time, we encourage you to submit a proxy and any questions ahead of the AGM to avoid any technical issues that may occur on the day. You can submit an online question when voting online prior to the AGM at www.investorvote.com.au.

By order of the Board



Alethea Lee
Company Secretary
18 October 2021

Explanatory Notes

1. Financial Statements

The Company's Financial Report, Directors' Report and Auditor's Report for the year ended 27 June 2021 are set out in its annual report, available at www.accentgr.com.au/for-investors/annual-reports/.

There is no requirement for shareholders to vote on these reports, but shareholders will be given a reasonable opportunity at the AGM to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity at the AGM to ask the Company's auditor, Deloitte, questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Deloitte in relation to the conduct of the audit.

2. Remuneration Report

The Company's Remuneration Report for the year ended 27 June 2021 ("**Remuneration Report**") is set out on pages 29 to 43 of the Company's annual report, available at www.accentgr.com.au/for-investors/annual-reports/.

Following the Company's 2020 AGM, the Company received feedback from shareholders and their advisors on a number of issues including the appropriateness of STI vesting outcomes given the wage subsidies received, disclosure regarding the use of subsidies in the calculation of STI outcomes, and the single metric approach (EPS only) in the LTI program.

The Board has considered the concerns raised and has taken action to increase the level of detail and transparency provided in the Remuneration Report for FY21 and going forward. Specifically:

- Excluding the net benefit of all government wage subsidies received in the calculation of vesting outcomes for STI;
- Continued enhanced disclosure regarding remuneration, particularly around the STI KPIs and how these are measured; and
- The introduction of strategic non-financial KPIs (20% of STI award) for FY21.

The Board has also taken into consideration the feedback received concerning the single metric approach in the LTI program.

The Company has implemented a multi-metric approach in prior LTI schemes, but found that the complexity detracted from the effectiveness of the scheme. Participants were unable to determine for themselves how

their performance measured up against the target until the calculation was done by experts after the end of the relevant period. Since implementing a single, EPS-only methodology, management are able to calculate for themselves and monitor their performance against target regularly during the period and the outcomes have been demonstrably better. Accordingly, the Board still considers a single metric program using EPS as the measure to be the best approach for aligning management performance with shareholder value creation.

The Board will continue to review KMP remuneration to ensure that it aligns with the Company's strategy, motivates management and supports the delivery of superior and sustainable long-term returns to shareholders. As part of the review process, the Company will continue to engage with its major shareholders and proxy advisors.

In accordance with the Corporations Act, the Company is required to present the Remuneration Report to its shareholders at the AGM and shareholders will be asked to vote on this item. The vote is advisory only and does not bind the Directors or the Company, but the Directors will have regard to the outcome of the vote and the discussion at the AGM when determining the Company's Remuneration strategy.

A voting exclusion statement is included in the Notice.

Board Recommendation

*The Board unanimously recommends that shareholders vote **in favour** of the resolution in Item 2.*

As stated in the Notice of Meeting, each of the KMPs whose remuneration is included in the Remuneration Report and closely related parties of those KMPs are not eligible to vote on this resolution, except as set out in the Notice of Meeting.

3. Re-election of Directors

Ms Donna Player is retiring by rotation in accordance with the Company's Constitution. Ms Player is eligible to stand for re-election. Her experience and expertise is set out below.

Mr Brett Blundy was appointed by the Board after the last AGM and, in accordance with the Company's Constitution and the ASX Listing Rules, is offering himself for election as a Director of the Company. His experience and expertise is set out below.

Explanatory Notes

a) Ms Donna Player Non-Executive Director

Donna has over 35 years' experience in retail including senior executive positions in merchandising, planning and marketing with Big W and David Jones. Donna is currently a non-executive Director of Baby Bunting Group Limited and the Merchandise Director of Camilla Australia. Donna has a proven track record in developing and delivering retail strategy and business transformation. Donna was appointed as a Non-Executive Director in November 2017 and is a member of the People and Remuneration Committee.

Board Recommendation

*The Directors (with Ms Player abstaining) unanimously support the re-election of Ms Player and recommend that shareholders vote **in favour** of the resolution in Item 3(a).*

b) Mr Brett Blundy Non-Executive Director

Brett is one of Australia's best known and most successful retailers and entrepreneurs. He is the Chairman and Founder of BBRC, a private investment group with diverse global interests across retail, capital management, retail property, beef, and other innovative ventures. BBRC's Retail presence extends to over 800 stores across more than 15 countries, and its Capital Management business has offices in Sydney & New York.

Board Recommendation

*The Directors (with Mr Blundy abstaining) unanimously support the election of Mr Blundy and recommend that shareholders vote **in favour** of the resolution in Item 3(b).*

4. Grant of Performance Rights to a Director and related party, Mr Daniel Agostinelli

Background

Item 4 seeks shareholder approval to grant to Mr Daniel Agostinelli, the Company's CEO and Executive Director, 1,018,100 Performance Rights under the Company's Performance Rights Plan ("Plan"). A summary of the key terms of the Plan is set out in Schedule A.

The Performance Rights proposed to be granted to Mr Agostinelli entitle him to acquire up to a maximum of 1,018,100 fully paid ordinary shares in the Company ("Shares") at the end of the four-year assessment period ending 30 June 2025. Specifically, if the relevant Vesting Conditions (as summarised below) are satisfied (or waived), the Performance Rights proposed to be granted to Mr Agostinelli will vest on a sliding scale as follows:

Compound per annum EPS growth over the four-year period ending 30 June 2025	Number of Shares that Mr Agostinelli will acquire
Less than 9% per annum (below threshold)	Nil
9% per annum (at threshold)	339,367
9%-11% per annum	Straight line pro rata between 339,367 and 678,733
11% per annum (at target)	678,733
11%-16% per annum	Straight line pro rata between 678,733 and 1,018,100
16% or greater per annum (at stretch)	1,018,100

Any Shares acquired by Mr Agostinelli under this proposed 'Tranche 6' of the Plan (as proposed by Item 4) will also be subject to a 12-month escrow period and Mr Agostinelli will be restricted from dealing with the Shares until 1 September 2026.

A summary of Mr Agostinelli's existing and proposed additional Performance Rights is as follows:

Tranche (grant date)	Last year of assessment period	Number of outstanding Performance Rights
Tranche 1 (11 Jan 2017)	–	Nil*
Tranche 2 (27 Dec 2017)	FY22	5,500,000
Tranche 4 (30 Nov 2019)	FY23	795,031
Tranche 5 (18 Nov 2020)	FY24	1,222,930
TOTAL (currently on issue)		7,517,961
Proposed Tranche 6 (as proposed by Item 4)	FY25	1,018,100
TOTAL (including Proposed Tranche 6)		8,536,061

* Mr Agostinelli was granted 371,526 Tranche 1 Performance Rights, of which 319,512 vested into Shares on 9 November 2019 and 52,014 have expired.

Reasons for the additional grant of Performance Rights

In 2017, the Board set a long-term strategic objective of delivering shareholders a minimum 10% per annum compounding Earnings Per Share ("EPS"¹) growth over the ensuing five years to the end of FY22, whilst maintaining a healthy dividend payout ratio. In 2017, Mr Agostinelli was granted his Tranche 1 and Tranche 2 Performance Rights as detailed above based on this long-term strategic objective.

1. EPS refers to the Company's Diluted Earnings Per Share as detailed in Note 45 of the Company's 2017 annual report.

Explanatory Notes

In 2019, Mr Agostinelli was granted an additional 795,031 Performance Rights under Tranche 4, with a four-year assessment period to the end of FY23.

In 2020, Mr Agostinelli was granted an additional 1,222,930 Performance Rights under Tranche 5, with a four-year assessment period to the end of FY24.

The current Tranches 2 to 5 of the Plan have a single performance measure and require the achievement of 10% compounding EPS growth over the relevant performance period. The Board periodically evaluates the impact and relevance of this performance measure and considers it to be effective in achieving the stated objectives, given that the Plan has been successful in driving outstanding performance since its inception in FY17, with compounding EPS growth p.a. of 26.5% achieved over the last five years.

The Performance Rights which are proposed to be granted pursuant to Item 4 (Tranche 6) will be measured over a four-year assessment period to the end of FY25, and largely follow the same structure as that for Tranche 5, except that the performance requirement thresholds have been increased from those which applied for Tranche 5, as set out below.

The maximum number of 1,018,100 Performance Rights proposed to be granted to Mr Agostinelli (at stretch) under Tranche 6 have a fair value of \$1,794,417 (as set out below). The number of Performance Rights have been determined based on 150% of Mr Agostinelli's FY22 total fixed remuneration, divided by the volume weighted average price of the Company's shares over the ten trading days ("**10-day VWAP**") following Wednesday, 18 August 2021, being the date on which the Company released its results for the financial year ended 27 June 2021 (that 10-day VWAP being, \$2.21).

The number of Shares that Mr Agostinelli will be entitled to acquire in respect of the Tranche 6 Performance Rights depends on the Company's performance over the four-year period to 30 June 2025. Importantly, the Board's objective of delivering at least 10% per annum compounding EPS growth has now increased to **11% per annum compounding EPS growth**. Should that **target** of 11% be achieved, Mr Agostinelli's Tranche 6 Performance Rights will vest and may be exercised into 678,733 Shares, being 100% of his FY22 total fixed remuneration (at the 10-day VWAP of \$2.21).

Having taken into consideration the feedback provided to the Company in relation to the cliff vesting of the previous tranches issued under the Plan, the Board introduced sliding scale performance requirements for Tranche 5. Tranche 6 will therefore also have sliding scale performance requirements, the thresholds of which have been increased from Tranche 5:

- a **threshold** performance requirement of 9% per annum compound EPS growth over the four-year period to 30 June 2025, which would entitle Mr Agostinelli to acquire 339,367 Shares, being 50% of his FY22 total fixed remuneration (at the 10-day VWAP of \$2.21). Mr Agostinelli will not be entitled to acquire any Shares if the compound EPS growth for the period is less than 9% per annum;
- a **target** performance requirement of 11% per annum compound EPS growth over the four-year period to 30 June 2025, which would entitle Mr Agostinelli to acquire 678,733 Shares, being 100% of his FY22 total fixed remuneration (at the 10-day VWAP of \$2.21); and
- a **stretch** performance requirement of 16% per annum compound EPS growth over the four-year period to 30 June 2025, which would entitle Mr Agostinelli to acquire 1,018,100 Shares, being 150% of his FY22 total fixed remuneration (at the 10-day VWAP of \$2.21),

with straight line pro rata vesting applying between the achievement of threshold, target and stretch annual compound EPS growth, as set out above.

The Board has determined that long term EPS growth above 11% per annum is in the top quartile of historic performance for ASX200/300 companies over the last 10 years and is likely to be a strong proxy for top quartile company performance for comparable companies over the four-year period to 30 June 2025. Accordingly, the Board considers that the target EPS growth of 11% per annum continues to be an appropriate target for driving strong shareholder returns.

As per Tranche 5, the Board has determined to include the 16% per annum stretch target in Tranche 6 to have targets beyond the 11% per annum compound EPS growth. The delivery of that stretch target EPS over the four years to 30 June 2025 would be extremely value adding for shareholders and supports the maximum potential number of Shares that Mr Agostinelli would be entitled to acquire in that case.

Explanatory Notes

Vesting Conditions

Subject to the terms of the Plan, the Performance Rights proposed to be granted to Mr Agostinelli under Tranche 6 will be subject to the following vesting conditions (which must be satisfied or waived by the Board):

1. **Performance condition:** As set out above, the Performance Rights will vest according to a sliding scale based on the achievement of compound EPS growth over the four-year assessment period to 30 June 2025 of between 9% per annum (threshold), 11% per annum (target) and 16% per annum (stretch) (as calculated by the Board and subject to any adjustments that the Board, in its absolute discretion, deems reasonable). This performance condition will be measured on a statutory post AASB-16 basis with the reference diluted EPS for the base year being 13.66 cents per share. The required FY25 EPS for this performance condition to be satisfied is as follows:

Performance requirement	FY21 statutory diluted EPS (cents per share)	FY25 statutory diluted EPS (cents per share)	% annual EPS growth
Threshold	13.66	19.28	9%
Target	13.66	20.74	11%
Stretch	13.66	24.73	16%

It is important to note that statutory diluted EPS takes into account the Company's statutory net profit, including the cost of the Plan and the dilutive impact of the Performance Rights that are expected to convert into Shares. On this basis, the absolute net EPS delivered to shareholders at target would be 11% after all the costs of the Plan are factored in.

2. **Service condition:** The second condition is that Mr Agostinelli must be continuously employed by an entity of the Group for the period to 1 September 2025 and must not have resigned as an employee by that date.

The Plan also contains standard malus provisions giving the Board the ability to clawback any unfair benefits received by a participant where a Performance Right has vested or may vest (including during the 12-month escrow period described below) as a result of the fraud, dishonesty, breach of obligations or knowing material misstatement of financial statements by the participant or by any other employee of the Group. These provisions allow the Board to (among other things) determine that a Share acquired after satisfaction of the vesting conditions will be forfeited in the circumstances set out above, in which case that Share may be bought back and cancelled for nominal consideration.

All Shares issued to Mr Agostinelli on exercise of the Performance Rights for which approval is being sought under this Item 4 will also be subject to an escrow

arrangement under which Mr Agostinelli will be restricted from dealing with the Shares until 1 September 2026. There are limited circumstances in which the Shares may be released from escrow prior to 1 September 2026.

Accordingly, the vesting conditions attaching to the Performance Rights and the corresponding escrow arrangements provide a powerful incentive for Mr Agostinelli to continue to drive long term value creation for shareholders and deliver the targeted performance outcomes set by the Board.

The Board continues to be of the view that EPS growth is the most appropriate performance condition for the Company's long term remuneration strategy, being a widely used and well understood indicator of company performance and a long-term driver of shareholder value creation through the link to share price and dividend growth. EPS growth represents a transparent and well understood metric for both shareholders and management that is not subject to market outcomes but rather is a direct outcome of the strategic and operational efforts of the management team over time. EPS also incorporates all the aspects of a Company's financial performance that are within management's control.

The Board considered the inclusion of additional performance conditions (such as total shareholder return, as had been the case in previous tranches under the Plan), but management feedback has consistently been that such additional conditions are complex to calculate and therefore do not act as an effective management incentive. By contrast, the Company has achieved superior performance while EPS growth has been the sole performance condition under the Company's long-term remuneration plan. The Board has therefore determined that continuing compound EPS growth as the sole performance condition is both appropriate and in the best interests of shareholders.

Shareholder approval – ASX Listing Rules

ASX Listing Rule 10.14 requires shareholders to approve the proposed grant of Performance Rights under Item 4 to Mr Agostinelli, being a Director of the Company.

If approval is given for the grant of the Performance Rights under ASX Listing Rule 10.14, approval is not required for the allocation and issue of Shares on vesting and exercise of any Performance Rights under ASX Listing Rule 7.1, and separate approval is not required under ASX Listing Rule 10.11 (which provides a general restriction against issuing securities to directors without shareholder approval).

If the resolution in Item 4 is not passed, the Board will need to consider alternative remuneration arrangements which are consistent with the Company's remuneration principles, while maintaining the competitiveness of Mr Agostinelli's remuneration. This might include a cash payment to Mr Agostinelli at the end of the four-year performance period equivalent in value to the Performance Rights he would have received had shareholder approval been obtained.

Explanatory Notes

Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following additional information is provided to shareholders in relation to Item 4:

Information	Disclosure
The number and class of securities proposed to be issued	1,018,100 Performance Rights that will entitle Mr Agostinelli to acquire up to a maximum of 1,018,100 Shares if the stretch target of 16% per annum compound EPS growth is achieved or waived (and such other conditions attaching to the Performance Rights are satisfied or waived in accordance with the terms of the Plan).
Details of the Director's current total remuneration package	<p>Mr Agostinelli's total current remuneration package is comprised of the following:</p> <ul style="list-style-type: none"> – Total fixed remuneration (inclusive of superannuation and leave benefits) of \$1,500,000; – Short term cash incentives with a maximum opportunity of up to \$1,500,000; and – Long term share-based incentives, including all Performance Rights received prior to the date of the Meeting, and the Performance Rights for which approval is being sought under item 4 which, as at the date of this Notice, have an estimated fair value of \$2,250,000 (if the stretch target of 16% per annum compound EPS growth is achieved over the four-year period ending 30 June 2025). <p>Further details of Mr Agostinelli's remuneration package are set out in the Remuneration Report in the Company's 2021 Annual Report.</p>
The number of securities that have previously been issued to the Director under the Plan	Mr Agostinelli has previously received 7,889,487 Performance Rights, of which 319,512 have vested and been exercised into 319,512 Shares and 52,014 have expired (such vested and expired Performance Rights comprised Mr Agostinelli's Tranche 1 Performance Rights). These Performance Rights were granted for no consideration following shareholder approval at the Company's 2016, 2017, 2019 and 2020 AGMs.
Details of the Performance Rights	<p>A summary of the key terms of the Plan is contained in Schedule A and further details of the relevant vesting conditions are set out above.</p> <p>The Board has determined to grant Performance Rights to Mr Agostinelli because the Performance Rights link the ultimate value of the benefit provided to Mr Agostinelli to the continued growth of the Company and therefore provide an incentive for Mr Agostinelli to ensure the Company continues to deliver superior and sustainable growth in shareholder value.</p> <p>The Company has valued the Performance Rights using a Black-Scholes option pricing model, based on the following assumptions:</p> <ul style="list-style-type: none"> – share price of \$2.21²; – risk-free rate of 0.25%; – dividend yield of 5.90%; – volatility factor of 25.00%; and – time to maturity of 4 years. <p>As set out above, as at the date of this Notice, the Tranche 6 Performance Rights have an estimated fair value of up to \$1,794,417 (if the stretch target of 16% per annum compound EPS growth is achieved).</p>
The date(s) on or by which the Company will issue the Performance Rights to the Director	If Item 4 is approved by shareholders, the Board intends to grant the Performance Rights to Mr Agostinelli as soon as practicable after the AGM, but in any event no later than 12 months after the AGM.

2. Being the 10-day VWAP following Wednesday, 18 August 2021, being the date on which the Company released its results for the financial year ended 27 June 2021.

Explanatory Notes

Information	Disclosure
The price at which the Company will issue the Performance Rights to the Director	The Performance Rights will be granted for no consideration. In addition, once vested, the Performance Rights become immediately exercisable. Following exercise of the Performance Rights, the Company must either issue the number of Shares for every Performance Right exercised based on the sliding scale of vesting described above or pay an equivalent cash amount in accordance with the terms of the Plan. The Shares will be issued for no consideration and will be subject to the 12-month escrow arrangements described above.

The Company advises that no loan will be made by the Company to Mr Agostinelli in relation to the acquisition of the Performance Rights or any Shares resulting from the exercise of the Performance Rights.

Details of any Performance Rights issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Plan after the resolution in Item 4 is approved and who were not named in this Notice will not participate until approval is obtained under that rule.

A voting exclusion statement is included in the Notice.

Corporations Act - Acceleration of vesting

Part 2D.2, Division 2 of the Corporations Act provides that a listed company must not permit a person in a managerial or executive office (including a director) to receive a benefit in connection with their retirement or removal from office or employment ("**Termination Benefit**"), except with respect to certain statutory exceptions, over the applicable 'base salary amount' without shareholder approval.

Under the Plan, where a participant ceases to be an employee of an entity of the Group, all unvested Performance Rights held by that participant will lapse. However, in such circumstances, the Board has the discretion to otherwise determine how Performance Rights are to be treated. For example, where the reason for that participant ceasing employment is because of death, total and permanent disability, retirement or redundancy (as determined by the Board) or any other reason with the approval of the Board, the Board may determine that some or all of the Performance Rights held by that participant do not lapse. In addition, in the event of a "Change of Control Event" (which includes a takeover, scheme of arrangement or winding-up of the Company), in respect of a participant's unvested Performance Rights: (i) such Performance Rights shall automatically and immediately vest from the date of the event in the proportion that the Company's share price has increased since the date of grant of the Performance Rights; and (ii) the Board may determine that all or a specified number of the participant's remaining unvested Performance Rights automatically and immediately vest.

The Board has formed the view that should the Performance Rights of Mr Agostinelli not automatically lapse on cessation of employment, the value of the Performance Rights provided to him may be considered a Termination Benefit. Similarly, in the event that the Performance Rights granted to Mr Agostinelli vest on a "Change of Control Event", the value of the Performance Rights provided may be considered a Termination Benefit (particularly if he is no longer employed by the Company after the relevant "Change of Control Event"). Accordingly, shareholder approval is being sought for any such benefit which Mr Agostinelli may receive under the Plan.

If shareholders approve the resolution in Item 4, the maximum number of Performance Rights that may vest upon the retirement or removal from office of Mr Agostinelli under the Plan will be the number of Performance Rights granted to him under Item 4 as detailed above (plus the number of Performance Rights previously granted to him). However, the actual number of Performance Rights that may vest upon retirement or removal from office will depend on a range of factors. Accordingly, the precise value of the affected Performance Rights cannot be ascertained at this time. Matters, events and circumstances that will, or are likely to, affect the calculation of that value include the following:

- the number of unvested Performance Rights held by Mr Agostinelli prior to the cessation of engagement/employment;
- the extent to which the relevant Performance Conditions attaching to the Performance Rights before they vest and are exercisable are met at the time;
- the period that has elapsed at that time since the effective grant of the Performance Rights;
- the reasons for cessation of engagement/employment;
- the number of Performance Rights that vest; and
- the Company's share price at the date of vesting.

The Company will calculate the value of the Performance Rights on the basis of the prevailing share price of the Company at the time.

Board Recommendation

*The Board (other than Mr Agostinelli) unanimously recommends that shareholders vote **in favour** of the resolution in Item 4.*

Explanatory Notes

Schedule A – Summary of key terms of the Plan

Objects	<p>The objects of the Plan are to:</p> <ol style="list-style-type: none">align the interests of employees of the Group with those of shareholders;provide employees of the Group who are considered to be key to the future success of the Company with the opportunity to receive Shares in order to reward, and retain the services of, those persons; andrecognise employees of the Group for their contribution to the future success of the Company.
Eligibility and grant of Performance Rights	<p>The Board may, from time to time, grant Performance Rights to an Eligible Person (as defined below) upon the terms set out in the Plan and upon such additional terms and conditions, including any Performance Conditions, as the Board determines (which may include granting Performance Rights in tranches). The Board may only grant Performance Rights where an Eligible Person continues to satisfy any relevant conditions imposed by the Board (which may include that the Eligible Person continues to be an employee and/or Director (as applicable) of an entity of the Group at the relevant time).</p>
Performance Rights	<p>Unless the Board determines otherwise:</p> <ol style="list-style-type: none">each Performance Right generally entitles its holder, upon vesting and exercise of that Performance Right, to either:<ol style="list-style-type: none">one Share, which may be provided by way of the issue of a new Share or transfer of an existing Share (a "Performance Share"); ora cash amount equal to the volume weighted average price of the Company's Shares on the ASX at close of trading of the ASX over the 10 trading days up to and including the date that the Performance Right vested;no payment is required for the grant of a Performance Right;each Performance Right is unlisted and will not be quoted on the ASX; andPerformance Rights do not confer on the holder any entitlement to any dividends or other distributions by the Company or any right to attend or vote at any general meeting of the Company.
Eligible Persons	<p>An Eligible Person means an employee of any entity of the Group who the Board determines to be eligible to participate in the Plan. An Eligible Person may include an executive Director of the Company, but may not include a non-executive Director of the Company.</p>
Performance Conditions	<p>A Performance Condition is any condition determined by the Board which must be satisfied or circumstances which must exist before a Performance Right vests and a person who holds a Performance Right can, if they so determine, exercise the Performance Right ("Performance Condition").</p>
Vesting of Performance Rights	<p>A Performance Right will not vest unless:</p> <ol style="list-style-type: none">the Performance Conditions attaching to the Performance Right have been satisfied or have otherwise been waived by the Board; orthe Board otherwise determines in accordance with the terms of the Plan (which includes in the event of a takeover, scheme of arrangement or winding-up of the Company as summarised below).

Explanatory Notes

Lapsing of Performance Rights (including malus)	<p>An unvested Performance Right will lapse in various prescribed circumstances, unless the Board determines otherwise. Such circumstances include:</p> <ol style="list-style-type: none"> the circumstances specified by the Board on or before the grant of the Performance Right; if a participant ceases to be, or resigns from their position as, an employee of an entity of the Group for any reason or they cease to satisfy any other relevant conditions imposed by the Board at the time of the grant of the Performance Rights; failure to meet the Performance Conditions attaching to the Performance Right or any Performance Conditions no longer, in the opinion of the Board, being capable of being satisfied in accordance with their terms; and if, in the opinion of the Board, a participant acts fraudulently or dishonestly, is in breach of their material duties or obligations to any entity of the Group, has committed an act of harassment or discrimination or has done any act which has brought the Group or any entity of the Group into disrepute (this may also apply to any vested and unexercised Performance Rights of the Participant).
Unfair Performance Right benefits (clawback)	<p>Under the Plan, the Board has certain rights to clawback any unfair benefits received by a participant where a Performance Right has vested (or may vest) or a Performance Share has been issued as a result of the fraud, dishonesty, breach of obligations or knowing material misstatement of financial statements by the participant or by any other employee of the Group. Such rights include the right to determine that the Performance Right has not vested (or will not vest) and/or to determine any treatment in relation to the Performance Right (including resetting Conditions and/or new Performance Rights be granted) and/or any benefit obtained by the participant from the exercise of the Performance Right (including deeming Performance Shares to be forfeited and bought back and cancelled for nominal consideration and/or demanding that the participant repays to the Company any such benefit).</p>
Trading of Performance Rights	<p>Each Performance Right cannot be traded other than with the prior written consent of the Board or by force of law upon death of the holder of the Performance Right (and then only to the holder's legal personal representative) or if the holder of the Performance Right becomes bankrupt (and then only to the holder's trustee in bankruptcy). Any attempt to trade the Performance Right by the participant other than the reasons described will result in the immediate lapsing of the Performance Right (unless the Board determines otherwise).</p>
Exercise of Performance Rights	<p>The exercise of a Performance Right is conditional upon the Performance Right having vested. If a Performance Right has vested, the holder of the Performance Right is entitled, in accordance with the exercise procedure set out in the Plan, to require the Company to either (at the absolute discretion of the Board):</p> <ol style="list-style-type: none"> issue to, or procure the transfer to, them (or their personal representative) the number of Shares to which they are entitled from the exercise of the Performance Right; or pay them a cash payment equal to the number of Performance Shares to which they are entitled from the exercise of the Performance Right multiplied by the volume weighted average price of the Company's Shares on the ASX at close of trading of the ASX over the 10 trading days up to and including the date the Performance Right vested. <p>Any vested Performance Rights must be exercised within 60 days from the date on which the Participant is notified that the Performance Rights have vested.</p>

Explanatory Notes

Capital Reorganisation

If Shares are issued pro rata to the shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profit or any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company is effected, the number of Performance Rights to which each participant is entitled, or any amount payable on exercise of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the participant as a result of such corporate actions (subject to compliance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation).

Takeover, Scheme of Arrangement and Winding-up

In the event of the occurrence of any one of the "Change of Control Events" described below, the following occurs:

- a. in respect of a participant's unvested Performance Rights:
 - i. such Performance Rights shall automatically and immediately vest from the date of the event in the proportion that the Company's share price has increased since the date of grant of the Performance Rights;
 - ii. the Board may determine that all or a specified number of the participant's remaining unvested Performance Rights automatically and immediately vest; and
 - iii. all other unvested Performance Rights of the participant will automatically and immediately lapse; and
- b. in respect of a participant's vested and unexpired Performance Rights, such Performance Rights shall automatically be deemed to have been exercised by the participant.

The "Change of Control Events" are as follows:

- a. a takeover bid (as defined in the Corporations Act) where the bidder and/or its associates acquire a relevant interest in more than 50% of the voting Shares of the Company;
 - b. a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
 - c. any person becomes bound or entitled to acquire Shares in the Company under section 414 of the Corporations Act or Chapter 6A of the Corporations Act;
 - d. any merger, consolidation or amalgamation involving the Company occurs or is proposed where the Board determines that the relevant circumstances constitute a change in control of the Company;
 - e. the Company or any other entity of the Group enters into an agreement or agreements to sell, in aggregate, a majority in value of the business or assets of the Group to a person or persons that are not entities of the Group;
 - f. the Company passes a resolution for voluntary winding up; or
 - g. an order is made for the compulsory winding up of the Company.
-

Shares issued under the Plan

Any Shares issued under the Plan upon vesting and exercise of a Performance Right will rank equally in all respects with other Shares for the time being on issue except as regards to any rights attaching to such Shares by reference to a record date prior to the date of their issue. The Company will apply for quotation of Shares issued under the Plan.

The Shares will not be subject to any transfer restrictions unless otherwise determined by the Board (noting the Board has determined that any Shares issued to Mr Agostinelli on exercise of the 1,222,930 Performance Rights proposed to be granted to him will be subject to the escrow arrangements described above in this Notice of Meeting).

Explanatory Notes

Plan Trustee	The Company may, at the sole discretion of the Board, determine that any Performance Shares be acquired by a plan trustee and then, from time to time, transferred to a participant. The Company may determine and conclude agreements with the plan trustee, and enforce or prosecute any rights and obligations under such agreements, without reference or recourse to a participant under the Plan.
Other	<ol style="list-style-type: none">The Board may at any time by resolution amend all or any of the provisions of the Plan, provided that such amendment is in compliance with the ASX Listing Rules and provided that no amendment is made to the terms of any granted Performance Right without the prior written consent of the participant if that amendment reduces the rights of the participant in respect of that Performance Right, other than an amendment introduced primarily for the purposes of complying with present or future legislation, to correct a manifest error or mistake, to benefit the administration of the Plan or to take into consideration possible adverse tax implications.The Board may terminate or suspend the Plan at any time, provided that such termination or suspension does not materially adversely affect the then existing rights of participants.The Board may waive in whole or in part any terms or conditions (including any Performance Condition) in relation to any Performance Rights granted under the Plan.

For personal use only



Accent Group Limited
(ABN: 85 108 096 251)
2/64 Balmain Street, Richmond VIC 3121
+61 3 9427 9422
www.accentgr.com.au



ABN 85 108 096 251

AX1

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

Need assistance?



Phone:

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



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received by **10:00am (AEDT) Wednesday 17 November 2021**.

Voting Form

How to Vote on Items of Business

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

VOTE DIRECTLY

Voting 100% of your holding: Mark either the For, Against or Abstain box opposite each item of business. Your vote will be invalid on an item if you do not mark any box OR you mark more than one box for that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the 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.

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/au and select "Printable Forms".

Lodge your Form:

XX

Online:

Lodge your vote online at 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

PIN: 99999

For Intermediary Online subscribers (custodians) go to 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.

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



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.



I 9999999999

I ND

Voting Form

Please mark ☒ to indicate your directions

Step 1

Indicate How Your Vote Will Be Cast *Select one option only*

XX

At the Annual General Meeting of Accent Group Limited to be virtually on Friday, 19 November 2021 at 10:00am and at any adjournment or postponement of that meeting, I/we being member/s of Accent Group Limited direct the following:

A Vote Directly ☐ Record my/our votes strictly in accordance with directions in Step 2. **PLEASE NOTE:** A Direct Vote will take priority over the appointment of a Proxy. For a valid Direct Vote to be recorded you must mark FOR, AGAINST, or ABSTAIN on each item.

OR

B Appoint a proxy to vote on your behalf ☐ I/we 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).

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 2 and 4 (except where I/we have indicated a different voting intention in step 2) even though Items 2 and 4 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 2 and 4 by marking the appropriate box in step 2.

Step 2

Items of Business

PLEASE NOTE: If you have appointed a proxy and 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. If you are directly voting and you mark the **Abstain** box for an item, it will be treated as though no vote has been cast on that item and no vote will be counted in computing the required majority.

	For	Against	Abstain
2 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a Re-election of Ms Donna Player as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b Election of Mr Brett Blundy as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of Performance Rights to a Director and related party, Mr Daniel Agostinelli	<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

A X 1

2 8 0 8 0 8 A



Computershare

