

**ASX Announcement**  
**11 October 2022**

## **2022 Notice of Annual General Meeting**

Accent Group Limited (ASX:AX1) attaches the 2022 Notice of Annual General Meeting and Voting Form which was distributed to shareholders yesterday.

Accent Group's 2022 Notice of Annual General Meeting and Voting Form can also be viewed online at <https://www.accentgr.com.au/investor/investor-information>.

**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.

For personal use only

10 October 2022

Dear Fellow Shareholder

On behalf of the Directors of Accent Group Limited (the **Company**), it is my pleasure to invite you to attend the 2022 Annual General Meeting (**AGM**) to be held on Friday, 11 November 2022 at 10:00am (AEDT).

We are delighted to be holding the AGM as a hybrid meeting this year, offering shareholders the flexibility to attend either in person or virtually via the online platform.

The Notice of Meeting, including details on accessing the meeting and voting details are available at [www.accentgr.com.au/for-investors](http://www.accentgr.com.au/for-investors). You may vote prior to the AGM via the online voting facility, or by lodging the voting form attached to the Notice of Meeting, by no later than 10.00am (AEDT) on Wednesday, 9 November 2022. **Your Directors strongly encourage you to lodge your voting form prior to the AGM.**

If attending virtually, there will be 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](http://www.investorvote.com.au).

If you have any questions about the AGM or about voting or submitting questions to the AGM, please feel free to contact the Company Secretary at [investors@accentgr.com.au](mailto: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 20 to 36 of the Company's 2022 Annual Report;
- Item 3:** the re-election of David Gordon and Stephen Goddard as directors of the Company;
- Item 4:** the approval of variations to FY18-FY22 (Tranche 2) and FY20-FY22 (Tranche 3) Performance Rights; and
- Item 5:** the approval of the Performance Rights Plan.

As always, your Board has considered any feedback following the 2021 AGM and continued to take action to ensure a high level of detail and transparency 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 2022 AGM.

Yours faithfully,



**David Gordon**  
Chairman

For personal use only

For personal use only



**Accent Group Limited**

ABN: 85 108 096 251

Notice of Annual General Meeting  
2022

# Notice of Annual General Meeting

Notice is given that the 2022 Annual General Meeting (“AGM” or “Meeting”) of Accent Group Limited (“Company”) will be held as follows:

**Date:** Friday, 11 November 2022

**Time:** 10:00am (AEDT)

**Venue:** In-person at Accent Group Limited, 2/64 Balmain Street, Cremorne VIC 3121  
**Online at** <https://meetnow.global/MXJDGFG> (meeting ID MXJDGFG)

## 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 26 June 2022.

### 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 26 June 2022 be adopted.”*

### Item 3: Re-election of Directors

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

- a. *“That Mr David Gordon, who retires in accordance with clause 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 Stephen Goddard, who retires in accordance with clause 22.1 of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company.”*

### Item 4: Variations to FY18-FY22 (Tranche 2) and FY20-FY22 (Tranche 3) Performance Rights

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

*“That, for the purposes of Listing Rule 6.23 and for all other purposes, shareholders approve the Board’s proposal to exercise certain discretions in relation to the Tranche 2 and Tranche 3 performance rights on issue (together, the **Performance Rights**) as follows:*

- a. *in respect of up to 50% of the Performance Rights, to waive the performance-based vesting condition (the **EPS Condition**) that applies to those Performance Rights;*

- b. *in respect of the remaining 50% of the Performance Rights, to extend by approximately 12 months the expiry of the assessment period by reference to which the EPS Condition and applicable employment-based vesting condition are respectively measured so that:*
  - i. *the assessment period for the EPS Condition ends on 2 July 2023 (instead of 26 June 2022), such that the EPS Condition requires the Company to achieve adjusted diluted earnings per share of at least 10.94 cents for the 12 months ending 2 July 2023; and*
  - ii. *the assessment date for the applicable employment-based vesting condition occurs immediately following release of the Company’s financial results for the financial year ending 2 July 2023 (instead of 26 June 2022); and*
- c. *in respect of up to 100% of the Performance Rights, to extend the period for exercise of any vested Performance Right by up to 18 months from the date of vesting,*

*as further outlined in the Explanatory Statement which accompanies and forms part of this Notice.”*

### Item 5: Approval of Performance Rights Plan

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

*“That, for the purpose of ASX Listing Rule 7.2, Exception 13(b) and for all other purposes, Shareholders approve the issue of securities under the Performance Rights Plan as an exception to ASX Listing Rule 7.1 as described in the Explanatory Statement which accompanies and forms part of this Notice.”*

## Notice of Annual General Meeting

### VOTING EXCLUSIONS

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 Items 2, 4 and 5), 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.

#### Voting exclusions for Item 2 (Remuneration Report)

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:

- c. in accordance with a direction on the proxy form; or
- d. 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.***

#### 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 (Variations to FY18-FY22 (Tranche 2) and FY20-FY22 (Tranche 3) Performance Rights)

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

- a. by, or on behalf of, any person that holds a Performance Right that is the subject of the resolution in Item 4 or their 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.***

#### Voting exclusions for Item 5 (Approval of Performance Rights Plan)

No votes may be cast, and the Company will disregard any votes cast, on the resolution set out in Item 5:

- a. by, or on behalf of, any person who is eligible to participate in the Performance Rights Plan or their 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,

unless the vote is cast as a proxy for a person entitled to vote on Item 5:

- c. a person as a proxy or attorney for a person who is entitled to vote on the resolution in Item 5, in accordance with the directions given to the proxy or attorney to vote on the resolution in Item 5 in that way; or
- d. the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution in Item 5, pursuant to an express authorisation to exercise the proxy as the Chairman sees fit; or
- e. 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 5.***

## Notice of Annual General Meeting

### ELIGIBILITY TO PARTICIPATE AND VOTE

You are eligible to participate and vote at the Meeting if you are a registered holder of shares of the Company at 7:00pm (AEDT) on Wednesday, 9 November 2022.

Transactions registered after that time will be disregarded in determining which shareholders are entitled to vote at the Meeting.

If more than one joint holder of shares participates in the Meeting (whether personally, by proxy, by attorney or by representative) and votes, only the vote of the joint holder whose name appears first on the register will be counted.

All resolutions at the Meeting will be determined by way of a poll. You may vote by attending the AGM in person, by proxy or personal/corporate representative.

### REGISTRATION

Shareholders wishing to attend the Meeting online can register to participate in the Meeting via the online platform at <https://meetnow.global/MXJDGFG> (meeting ID MXJDGFG).

In-person and online registration for the Meeting will commence from 9:30am (Melbourne time) on Friday, 11 November 2022.

### HOW TO VOTE

#### Direct voting – prior to the Meeting

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

You may cast a direct vote prior to the Meeting either online at [www.investorvote.com.au](http://www.investorvote.com.au) or by completing and submitting a Voting Form.

To vote by direct vote, mark Box "A" (in "Step 1") on the Voting Form. You must complete the voting directions for Items 2, 3(a), 3(b), 4 and 5 (in "Step 2") by marking "For", "Against" or "Abstain" for your vote to be counted.

If you cast a direct vote prior to the Meeting, you may still participate in the Meeting. If you participate in the Meeting, the Chair has determined that your direct vote will not be cancelled unless you cast a live vote during the Meeting or complete and submit a poll voting card on the day.

#### Voting at the Meeting

Eligible shareholders may attend the Meeting and vote in person.

You may still attend the Meeting and vote in person even if you have lodged a direct vote or appointed a proxy prior to the Meeting. You will be provided with a poll voting card on the day. If you have previously submitted a Voting Form and you vote during the Meeting, your vote at the Meeting will cancel your direct vote (unless you instruct the Company or Computershare otherwise) or suspend your proxy appointment while you are present at the Meeting.

While you are not required to submit your Voting Form if you attend the Meeting in person, please bring your personalised Voting Form with you as it will help you register your attendance at the Meeting. If you do not bring your Voting Form with you, you can still attend the Meeting but representatives from Computershare will need to verify your identify.

#### Voting online – during the Meeting

Online attendees will be able to vote in real-time during the Meeting when invited by the Chair. You will be able to vote for, against or abstain in relation to each item through the online platform.

#### 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.

#### Lodging your voting or proxy form

You can lodge your completed voting or proxy form with the Company's share registry, Computershare Investor Services Pty Limited ("**Computershare**"), either:

- online at [www.investorvote.com.au](http://www.investorvote.com.au);
- 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, 9 November 2022**, 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.

## Notice of Annual General Meeting

### 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](http://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.

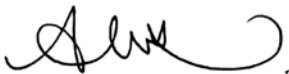
### VIRTUAL PARTICIPATION AND QUESTIONS

Shareholders will be able to participate in the Meeting virtually via an online platform provided by Computershare. 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](http://www.accentgr.com.au/for-investors).

The AGM will be webcast live from the website at <https://meetnow.global/MXJDGFG> (meeting ID MXJDGFG). 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](http://www.investorvote.com.au).

**By order of the Board**



**Alethea Lee**  
Company Secretary  
10 October 2022

# Explanatory Notes

## 1. Financial Statements

The Company's Financial Report, Directors' Report and Auditor's Report for the year ended 26 June 2022 are set out in its annual report, available at [www.accentgr.com.au/for-investors/annual-reports/](http://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 26 June 2022 ("**Remuneration Report**") is set out on pages 20 to 36 of the Company's annual report, available at [www.accentgr.com.au/for-investors/annual-reports/](http://www.accentgr.com.au/for-investors/annual-reports/).

The Board continues to respond to feedback received from shareholders and their advisors in relation to the Company's remuneration practices and will continue to maintain the same level of transparency provided in the Remuneration Report in relation to STI disclosures.

In relation to the Company's LTI program, the Board still considers that a single metric program, using earnings per share ("**EPS**") as the measure, to be the best approach for the delivery of a scheme that is easy for participants to understand and thus creates real incentive during the year, and that aligns management performance with shareholder value creation. While the Company has implemented multi-metric approaches in prior LTI schemes, it 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, members of management are able to calculate for themselves and monitor their performance against target metrics 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 of Meeting.

### 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

Mr David Gordon is retiring by rotation in accordance with the Company's Constitution. Mr Gordon is eligible to stand for re-election. His experience and expertise is set out below.

Mr Stephen Goddard is also retiring by rotation in accordance with the Company's Constitution. Mr Goddard is eligible to stand for re-election. His experience and expertise is set out below.

### a) Mr David Gordon Non-Executive Director

David has over 20 years' experience as a director of both public and private companies, and has spent more than 30 years working in corporate advisory roles to Australian and international organisations. David is the Chairman of the Board of nib Holdings Limited and its health fund subsidiary, nib Health Funds Limited, and is Chairman of Shippit Pty Limited, Homecare Holdings Pty Ltd and Genesis Capital Manager 1 Pty Ltd. He is a non-executive director of international not-for-profit organisation High Resolves Pty Ltd. David has been a non-executive director of the Company since 2006 and was appointed Chairman in November 2017. He is also the Chairman of the People and Remuneration Committee and a member of the Audit and Risk Committee and Digital Strategy Group.



## Explanatory Notes

Given Mr Gordon's tenure with the Company, the Board regularly assesses his independence. Having regard to the fact that he is non-executive, not a substantial shareholder, conducts himself at arm's length in his engagement with the Company and brings his considerable skills and knowledge to bear on matters before the Board, the Board has again recently determined (with Mr Gordon abstaining) that Mr Gordon is still considered independent.

### Board Recommendation

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

### b) Mr Stephen Goddard Non-Executive Director

Stephen has more than 30 years of retail experience, having held senior executive positions with some of Australia's best-known retailers, including Finance Director and Operations Director for David Jones, founding Managing Director of Officeworks, and various senior management roles with Myer. He is the Chairman of the Board and the Remuneration and Nomination Committee of JB Hi-Fi Limited, and a non-executive director and chair of the Audit and Risk Committees of both GWA Group Limited and Nick Scali Limited. He has been a non-executive director of the Company since November 2017.

### Board Recommendation

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

## 4. Variations to FY18-FY22 (Tranche 2) and FY20-FY22 (Tranche 3) Performance Rights

### Background

The Company's performance rights plan (the **Performance Rights Plan**), which was first approved by shareholders at the Company's 2016 AGM, authorises the Board to issue performance rights to eligible employees. The Performance Rights Plan was most recently approved by shareholders in 2019 for the purposes of Exception 9 of Listing Rule 7.2 (equivalent to Exception 13(b) of Listing Rule 7.2 as it currently applies) so that any securities issued under the Performance Rights Plan in the 3 years that followed would be excluded from the Company's 15% placement limit under Listing Rule 7.1.

In December 2017, the Company issued performance rights (the **Tranche 2 Performance Rights**) subject to the following performance and retention conditions:

- A performance condition that at least 10% compound adjusted diluted earnings per share (**ADEPS**) growth

per annum be achieved over the performance period of FY18-FY22 (the **EPS Condition**); and

- a retention condition that a participant had to be employed at the relevant testing date, which was immediately post release of the Company's FY22 financial results (the **Employment Condition**).

Under the rules governing the Performance Rights Plan (the **Plan Rules**), the Board has the express discretion to:

- amend the Plan Rules subject to conditions; and
- waive in whole or in part any terms or conditions in relation to performance rights granted under the Performance Rights Plan, including any performance and retention conditions.

There are currently 19,700,000 performance rights on issue under Tranche 2, of which 8,500,000 were granted to KMP (including 5,500,000 to the Company's CEO Daniel Agostinelli which were approved by shareholders at the Company's 2017 AGM).

In November 2019, the Company issued additional performance rights (the **Tranche 3 Performance Rights**) to those senior managers that did not receive any Tranche 2 Performance Rights. For this reason, the Tranche 3 Performance Rights effectively operated as a 'catch up' grant to the Tranche 2 Performance Rights. Accordingly, the terms of the Tranche 3 Performance Rights mirror those of the Tranche 2 Performance Rights and are subject to an identical EPS Condition and Employment Condition.

There are currently 1,486,481 performance rights on issue under Tranche 3, none of which were granted to KMP.

Further details of Tranche 2 and Tranche 3 Performance Rights (together, the **Performance Rights**) are set out in the Company's Remuneration Report.

### Proposed actions

For the reasons set out in this Explanatory Statement, and as previously disclosed in the Company's Remuneration Report, the Board is proposing to exercise the following discretions in relation to the Performance Rights on issue under the Plan Rules:

- in respect of up to 50% of the Performance Rights, to waive the EPS Condition that applies to those Performance Rights;
- in respect of the remaining 50% of the Performance Rights, to extend by approximately 12 months the expiry of the assessment period by reference to which the EPS Condition and Employment Condition are respectively measured against, so that:
  - the assessment period for the Performance Condition ends on 2 July 2023 (instead of 26 June 2022), such that the EPS Condition requires the Company to achieve adjusted diluted earnings per share of at least 10.94 cents for the 12 months ending 2 July 2023; and

## Explanatory Notes

- ii. the assessment date for the Employment Condition occurs immediately following release of the Company's financial results for the financial year ending 2 July 2023 (instead of 26 June 2022); and
- c. in respect of up to 100% of the Performance Rights, to extend the period for exercise of any vested Performance Right by up to 18 months from the date of vesting.

The reasons for the proposed actions are set out below. Notwithstanding the fact that the Board intends (subject to shareholder approval) to undertake the proposed actions, the Board still considers that a single metric program, using EPS as the measure, to be the best approach for the delivery of the Company's LTI scheme.

### Reasons for the proposed actions

#### **Deemed vesting for initial 50% of Performance Rights**

As previously disclosed in the Company's 2020 Annual Report, in the early stages of the COVID-19 pandemic, the Board exercised its discretion under the Plan Rules to deem the EPS Condition for 50% of the Tranche 2 Performance Rights as having been met. This decision was made in recognition of the excellent financial performance achieved to that point, with the compound EPS growth per annum achieved for the first 2.5 years of the measurement period for the Tranche 2 Performance Rights being 20.8%. This was significantly ahead of the required growth rate of 10%, representing a considerable achievement by management in reaching this level of growth over this period. In addition, based on management accounts for the 2019 calendar year, the Company had already achieved EPS equal to the level required to trigger vesting in 2022. Another factor in the Board's consideration in coming to the decision was to provide some certainty for LTI participants during a highly uncertain period and thereby enhance executive retention.

The Performance Rights affected by this decision remained subject to satisfaction of the Employment Condition so that a participant was still required to be employed at the testing date (immediately post release of the Company's FY22 financial results) in order for these Performance Rights to vest.

On this basis, 50% of the Tranche 2 Performance Rights were expected to vest on 19 August 2022, subject to receipt of shareholder approval.

It is proposed that the Tranche 3 Performance Rights will be treated on the same basis as Tranche 2.

#### **Extended vesting period for remaining 50% of Performance Rights**

The Board considers that the Tranche 2 Performance Rights allocation has been extremely effective in driving shareholder value, with the Company achieving 21.1% per annum compound ADEPS growth in the first 4 years of the Performance Rights Plan to 27 June 2021. This growth

was significantly ahead of the required growth of 10% per annum at that time and represented a considerable achievement by the Company's management (and others), particularly having regard to the relatively short period of time over which it was achieved. The Company's management accounts at that time supported the view that the Company would likely have achieved, and even exceeded, the EPS hurdle required to satisfy the EPS Condition had it not been for the materially disruptive impact of the COVID-19 global pandemic on the Company's operations.

Therefore, in recognition of that impact on the Company's business operations, which was beyond the reasonable control of management, coupled with the freeze on fixed remuneration and the non-payment of any STI component for KMP in relation to FY22, the Board intends (subject to receipt of shareholder approval) to exercise its discretion under the Plan Rules to extend the assessment period for the EPS Condition and the Employment Condition as described in this Explanatory Statement for the remaining 50% of the Tranche 2 Performance Rights.

That is, subject to receipt of shareholder approval, the remaining 50% of the Performance Rights currently held by participants will vest if:

- a. the Company achieves adjusted diluted earnings per share of at least 10.94 cents (equivalent to 10% compounding ADEPS growth per annum from FY18-FY22 which was the original performance condition) in FY23; and
- b. the relevant participant remains employed immediately following release of the Company's financial results for FY23.

These Performance Rights continue to be subject to all other relevant Plan Rules. The Board has taken the view that extending the assessment period for the remaining Performance Rights, rather than for all the remaining rights to lapse, both rewards participants for their significant work and achievements, and serves as a powerful retention incentive (ensuring that retention is not compromised by an event beyond management's reasonable control).

The Board considers the value of the Performance Rights to still be at risk for the deferred year due to those Performance Rights remaining subject to the original EPS Condition and Employment Condition (as amended).

As noted above, it is proposed that the Tranche 3 Performance Rights in the Tranche 3 allocation will be treated on the same basis as Tranche 2.

#### **Extended exercise period for Performance Rights**

Further to the above, the Board intends (subject to receipt of shareholder approval) to extend the exercise period for Tranche 2 and Tranche 3 Performance Rights by up to 18 months from the date of vesting to provide participants with greater flexibility. The proposed extension does not affect any other vesting conditions.

## Explanatory Notes

### ASX waiver

Listing Rule 6.23.3 states that a change affecting options (which include performance rights) that has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise of that option cannot be made.

Listing Rule 6.24 further states that a change which is not prohibited under Listing Rule 6.23.3 can only be made if holders of ordinary securities approve the change.

The ASX has granted the Company a waiver from Listing Rule 6.23.3 to allow the Board to exercise its discretion in relation to the proposed actions for the Tranche 2 and Tranche 3 Performance Rights in the manner described above provided that the Company obtains shareholder approval for such matters.

If the resolution in Item 4 is not passed, the Board will consider alternative remuneration arrangements which are consistent with the Company's remuneration principles, while maintaining the competitiveness of its KMP's and senior managers' remuneration. This may include the payment of equivalent cash bonuses to relevant participants.

### Board Recommendation

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

## 5. Approval of Performance Rights Plan

### Background and reason for the Resolution

As noted on page 7 of this Explanatory Statement, shareholders approved the issue of securities under the Performance Rights Plan at the Company's 2019 AGM) for the purposes of ASX Listing Rule 7.2, Exception 9 (equivalent to Exception 13(b) of Listing Rule 7.2 as it currently applies). As a result of this approval, securities issued under the Performance Rights Plan during the 3 years following the 2019 AGM were (and continue to be) treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 and were (and continue to be) excluded from the 15% limit for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.1 restricts the number of equity securities which a listed entity can issue in any 12-month period, without the approval of its shareholders, to 15% of the number of securities on issue at the start of the period. ASX Listing Rule 7.2 allows certain issues of securities to be excluded from the 15% limit, including under Exception 13(b), where an issue is made under an employee incentive scheme, if within 3 years before the date of issue, the terms of the scheme were approved by shareholders.

The 2019 AGM shareholder approval is only valid for 3 years and, accordingly, the resolution in Item 5 seeks shareholder approval again for the issue of securities under the Performance Rights Plan for the purposes of

ASX Listing Rule 7.2, Exception 13(b). If this resolution is approved by shareholders, securities issued under the Performance Rights Plan over the next 3 years from the date of the Meeting will be treated as having been made with the approval of Shareholders for the purposes of ASX Listing Rule 7.1 and will be excluded from the 15% limit. This will enable the Company to issue further securities up to the 15% limit in each 12-month period during the next 3 years without shareholder approval, provided that the number of securities issued under the Performance Rights Plan does not exceed the maximum aggregate number of securities set out below.

### ASX Information

A summary of the key terms of the Performance Rights Plan is set out in Schedule A to this Notice.

17,501,826 performance rights have been issued under the Performance Rights Plan since it was last approved by shareholders in 2019.

The maximum aggregate number of securities proposed to be issued under the Performance Rights Plan in the 3-year period following shareholder approval under this Item 5 (if approved) is 18,000,000. This number is not intended to be a prediction of the actual number of securities that may be issued under the Performance Rights Plan, rather it is intended to be a ceiling on the number of securities approved to be issued under the Performance Rights Plan for the purposes of Exception 13(b) of Listing Rule 7.2. If the maximum number is reached, any additional issues of securities under the Performance Rights Plan would not have the benefit of Exception 13(b) and would be included for the purposes of calculating the capacity of the Company to issue securities under the 15% limit imposed by Listing Rule 7.1, unless a further shareholder approval is obtained, another exception in Listing Rule 7.2 applies or the Company acquires the relevant shares on-market to satisfy the allocation of securities under the Performance Rights Plan.

A voting exclusion statement is included in the Notice.

If the resolution in Item 5 is not passed, the Company will still be entitled to issue securities under the Performance Rights Plan, but those securities would be included for the purposes of calculating the capacity of the Company to issue securities under the 15% limit imposed by Listing Rule 7.1, unless a further shareholder approval is obtained, another exception in Listing Rule 7.2 applies or the Company acquires the relevant shares on-market to satisfy the allocation of securities under the Performance Rights Plan.

### Board Recommendation

*The Directors (other than Mr Agostinelli), unanimously recommend that Shareholders vote in favour of the resolution in Item 5.*

## Explanatory Notes

### Schedule A - Summary of key terms of the Performance Rights Plan

---

<b>Objects</b>	<p>The objects of the Performance Rights Plan (the “<b>Plan</b>”) are to:</p> <ol style="list-style-type: none"><li>align the interests of employees of the Group with those of shareholders;</li><li>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; and</li><li>recognise employees of the Group for their contribution to the future success of the Company.</li></ol>
<b>Eligibility and grant of Performance Rights</b>	<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>
<b>Performance Rights</b>	<p>Unless the Board determines otherwise:</p> <ol style="list-style-type: none"><li>each Performance Right generally entitles its holder, upon vesting and exercise of that Performance Right, to either:<ol style="list-style-type: none"><li>one ordinary share in the capital of the Company (“<b>Share</b>”), which may be provided by way of the issue of a new Share or transfer of an existing Share (a “<b>Performance Share</b>”); or</li><li>a 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;</li></ol></li><li>no payment is required for the grant of a Performance Right;</li><li>each Performance Right is unlisted and will not be quoted on the ASX; and</li><li>Performance 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.</li></ol>
<b>Eligible Persons</b>	<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>
<b>Performance Conditions</b>	<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 (“<b>Performance Condition</b>”).</p>
<b>Vesting of Performance Rights</b>	<p>A Performance Right will not vest unless:</p> <ol style="list-style-type: none"><li>the Performance Conditions attaching to the Performance Right have been satisfied or have otherwise been waived by the Board in its absolute discretion; or</li><li>the 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).</li></ol>

## Explanatory Notes

---

<b>Lapsing of Performance Rights (including malus)</b>	<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"><li>the circumstances specified by the Board on or before the grant of the Performance Right;</li><li>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;</li><li>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</li><li>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).</li></ol>
--	---

---

<b>Unfair Performance Right benefits (clawback)</b>	<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>
---	--

---

<b>Trading of Performance Rights</b>	<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>
--------------------------------------	--

---

<b>Exercise of Performance Rights</b>	<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"><li>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</li><li>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.</li></ol> <p>Any vested Performance Rights must be exercised within 18 months from the date on which the Participant is notified that the Performance Rights have vested.</p>
---------------------------------------	---

---

For personal use only

## 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.

**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.

## Explanatory Notes

---

### Other

- a. 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.
  - b. 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.
  - c. 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

For personal use only

**Accent**  
Group

Accent Group Limited  
(ABN: 85 108 096 251)  
2/64 Balmain Street, Richmond VIC 3121  
+613 9427 9422  
[www.accentgr.com.au](http://www.accentgr.com.au)



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](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received by **10:00 am (AEDT) on Wednesday, 9 November 2022.**

## 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](http://www.investorcentre.com/au) and select "Printable Forms".

### Lodge your Form:

**XX**

#### Online:

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

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I999999999**  
**PIN: 99999**

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

#### By Mail:

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

#### By Fax:

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



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

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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 held at 2/64 Balmain Street, Cremorne VIC 3121 and online on Friday, 11 November 2022 at 10:00 am 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, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 2, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2, 4 and 5 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
Item 2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3a Re-election of Mr David Gordon as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3b Re-election of Mr Stephen Goddard as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Variations to FY18-FY22 (Tranche 2) and FY20-FY22 (Tranche 3) Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Approval of Performance Rights Plan	<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

AX 1

9 9 9 9 9 9 A



Computershare

