

Nick Scali Limited

ABN: 82 000 403 896

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Nick Scali Limited (the **Company**) will be held at:

Date: 21 October 2024
Time: 11.00am (AEDT)
Venue: Room A, Level 4, 100 Walker Street, North Sydney, NSW 2060

The attached Explanatory Memorandum explains the items of business to be considered at the Annual General Meeting (**AGM**) and forms part of, and should be read in conjunction with, this Notice of Meeting. Capitalised terms in this Notice of Meeting are defined in the Explanatory Memorandum.

1. AGENDA

Consideration of Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 30 June 2024.

Ordinary Business

Resolution 1 – Remuneration Report

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

"To adopt the Remuneration Report of the Company for the year ended 30 June 2024 as set out on pages 10 to 15 of the Annual Report."

Under the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Director John Ingram

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

"That John Ingram, who retires by rotation in accordance with the Company's Constitution rule 7.1(f), be re-elected as a Non-Executive Director of the Company."

Special Business

Resolution 3 – Increase to Aggregate Fee Pool for Non-Executive Directors

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

"That for the purposes of ASX Listing Rule 10.17, the Company's Constitution and all other purposes, the aggregate amount of fees that may be paid to Non-Executive Directors as a whole be increased from AUD\$ 1,000,000 to AUD\$ 1,500,000 for each financial year (an increase of AUD\$ 500,000), effective from 1 November 2024."

Resolution 4 – Capital Raising: Share Issue to Scali Consolidated Pty Limited

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

"That for the purposes of ASX Listing Rule 10.11, the Company's Constitution and all other purposes, 299,999 Shares be issued by the Company to Scali Consolidated Pty Limited on the terms and conditions set out in the Explanatory Memorandum."

2. VOTING EXCLUSION STATEMENTS

Resolution 1 – Remuneration Report

A vote must not be cast in any capacity on Resolution 1 by or on behalf of:

- a) a member of the KMP as disclosed in the remuneration report; and
- b) a Closely Related Party of those persons.

However, a person may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a KMP or a Closely Related Party of a KMP and either:

- a) the person is appointed as a proxy in writing that specifies the way the proxy is to vote; or
- b) the person voting is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on Resolution 1 and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP, including the Chair.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 1 as a proxy by a member of the KMP, or a Closely Related Party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair where the proxy appointment expressly authorises the Chair to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

If you appoint the Chair as your proxy, and you do not direct your proxy how to vote on the resolution in Item 1 on the voting form, you will be expressly authorising the Chair to exercise your proxy even if the resolution in Item 1 is connected directly or indirectly with the remuneration of a KMP of the Company, which includes the Chair. The Chair intends to vote undirected proxies able to be voted in favour of the resolution in Item 1.

If Shareholders (including nominees, custodians or fiduciaries) have questions on the voting restrictions outlined above, they should contact the Company's share registrar, Link Market Services Limited.

Resolution 3 – Increase to Aggregate Fee Pool for Non-Executive Directors

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- a) a Director; or
- b) an associate of a Director.

However, the Company will not disregard a vote cast in favour of Resolution 3 if:

- a) it is cast by a proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- b) it is cast by the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy or attorney decides; or
- c) it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided that the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution, and the holder votes on the resolution in accordance with the directions given by the beneficiary.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 3 as a proxy by a member of the KMP, or a Closely Related Party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair where the proxy appointment expressly authorises the Chair to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

If you appoint the Chair as your proxy, and you do not direct your proxy how to vote on the resolution in Item 3 on the voting form, you will be expressly authorising the Chair to exercise your proxy even if the

resolution in Item 3 is connected directly or indirectly with the remuneration of a KMP of the Company, which includes the Chair. The Chair intends to vote undirected proxies able to be voted in favour of the resolution in Item 3.

Resolution 4 – Capital Raising: Share Issue to Scali Consolidated Pty Limited

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a) Scali Consolidated and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- b) an associate of a person mentioned in (a).

However, the Company will not disregard a vote cast in favour of Resolution 4 if:

- a) it is cast by a proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form;
- b) it is cast by the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy or attorney decides; or
- c) it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided that the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution, and the holder votes on the resolution in accordance with the directions given by the beneficiary

3. ENTITLEMENT TO ATTEND AND VOTE

In accordance with Regulation 7.11.37 of the Corporations Regulations and the ASX Settlement Operating Rules, Company shares will be taken to be held by persons who are registered as Shareholders at 11:00am (AEDT) on 19 October 2024. Accordingly, transfers of shares in the Company registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

By order of the Board

Sheila Lines

Company Secretary

19 September 2024

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Notes

Proxies

If you are a Shareholder entitled to attend and vote at the AGM, you may appoint an individual or a body corporate to vote as a proxy. If a body corporate is appointed as a proxy, the body corporate must ensure that it appoints a corporate representative in accordance with Section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

If you are entitled to cast two or more votes, you may nominate one or two persons to vote on your behalf at the AGM. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. Fractions of votes resulting from the appointment of proxies will be disregarded. If no such number or proportion is specified, each proxy may exercise half your votes. A Proxy Form and a reply paid envelope have been included for Shareholders with this Notice of Meeting. Proxy voting instructions are provided on the back of the Proxy Form.

A proxy need not be a holder of Shares in the Company. If you wish to direct a proxy on how to vote on a resolution, place a mark (e.g. a cross) in the appropriate box on the Proxy Form and your votes may only be exercised in that manner. You may split your voting direction by inserting the number of Shares or percentage of Shares that you wish to vote in the appropriate box.

Proxy Delivery

Proxies must be given by post, fax, delivery or online and must be received by the Company's share registrar, Link Market Services Limited, by no later than 11:00am (Sydney time) on 19 October 2024, being 48 hours before the AGM:

By post:	Nick Scali Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235	
By facsimile:	In Australia	02 9287 0309
	From outside Australia	61 2 9287 0309
By delivery:	Link Market Services Limited Parramatta Square Level 22, Tower 6 10 Darcy Street Parramatta NSW 2150	

Online www.linkmarketservices.com.au

Any revocations of proxies must be received at one of these places before the commencement of the AGM, or at the registration desk on the day of the AGM before the commencement of the AGM.

Please note Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

Voting at the meeting

In accordance with the Company's constitution, the Chair intends to call a poll on each resolution proposed at the AGM. An ordinary resolution will be passed where more than 50% of the eligible votes cast are in favour of it.

Annual General Meeting – Explanatory Memorandum

1. Ordinary Business

1.1 Consideration of the Reports

In accordance with the requirements of the Corporations Act, the Financial Report, Directors' Report and Independent Auditor's Report of the Company for the most recent financial year, which are included in the Company's Annual Report, will be laid before the AGM.

Shareholders will be provided with the opportunity to ask questions about the reports or about the Company generally, but there will be no formal resolution put to the AGM. The auditor will be available at the AGM to answer any questions in relation to the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the Financial Report, the independence of the auditor in relation to the conduct of the audit and the conduct of the audit of the Financial Report.

1.2 Resolution 1 – Remuneration Report

The Corporations Act requires listed companies to put a remuneration report relating to director and executive remuneration for each financial year to members at their AGM. The Remuneration Report is included on pages 10 to 15 of the Company's Annual Report, which accompanies this Notice of Meeting.

The Remuneration Report outlines the remuneration arrangements in place for Directors and executives of the Company, and summarises the Company's remuneration philosophy as well as providing details of the Remuneration and Human Resources Committee, which is an established Board sub-committee.

Under section 250R(3) of the Corporations Act, the vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

The Chair intends to vote all undirected proxies able to be voted in favour of Resolution 1.

1.3 Resolution 2 – Re-election of John Ingram

In accordance with rule 7.1(f) of the Company's constitution, John Ingram retires from office at this general meeting, and being eligible to do so, offers himself for re-election as a Non-Executive Director of the Board.

John was appointed to the Board as non-executive Chair on 7 April 2004. He is a member of the Company's Audit Committee and the Remuneration and Human Resources Committee. John was formerly Managing Director of Crane Group Limited and has been the non-executive Chairman of Peter Warren Automotive Holdings Limited (ASX: PWR) since 2021.

In 2022, John agreed to a final three year term as the Company's Non-Executive Chair. It is intended that he serve only the final year of that term and seeks re-election to assist the Board and the Company with effective succession planning over the next year.

The Directors (with John Ingram abstaining) recommend Shareholders vote in favour of Resolution 2.

The Chair intends to vote all undirected proxies in favour of Resolution 2.

2. Special Business

2.1 **Resolution 3 – Increase to Aggregate Fee Pool for Non-Executive Directors**

In accordance with ASX Listing Rule 10.17 and the Company's constitution, Shareholder approval is sought for an increase in the maximum aggregate remuneration of Non-Executive Directors.

It is proposed that the fee pool for Non-Executive Directors be increased from AUD 1,000,000 to AUD 1,500,000 for each financial year (an increase of AUD\$ 500,000), effective from 1 November 2024. The fee pool is inclusive of statutory entitlements (including superannuation) and all fees payable to Non-Executive Directors for service on the Board, where applicable, are paid out of this fee pool.

The current aggregate Non-Executive Director fee pool limit of AUD 1,000,000 was set at the Company's annual general meeting in October 2021. The Board currently has 2 vacancies which will be filled shortly. Based on the current composition of the Board, and the appointment of 2 additional directors, the total fees payable to Non-Executive Directors for each financial year will be approximately AUD\$ 950,000, which represents 95% of the total current fee pool.

The proposed increase to the Non-Executive Director fee pool is sought to provide sufficient scope for succession planning, ongoing flexibility and to allow the Board to set fees considering the future workload of Non-Executive Directors.

No Shares have been issued to any Non-Executive Directors under ASX Listing Rules 10.11 or 10.14 with approval at any time within the last three years.

If Resolution 3 is not approved by Shareholders, the fee pool will remain at AUD\$ 1,000,000 for each financial year. This will mean that the Board will not have sufficient flexibility as described above which may limit the capacity of the Company to attract and recruit appropriate Non-Executive Directors in the future.

Noting that each Non-Executive Director has a personal interest in their own remuneration from the Company, the Board unanimously recommends that Shareholders vote in favour of this resolution.

The Chair intends to vote all undirected proxies able to be voted in favour of Resolution 3.

2.2 **Resolution 4 – Capital Raising: Share Issue to Scali Consolidated**

As disclosed to the market on 24 April 2024 (**Announcement**), the Company is proposing to issue 299,999 Shares (**Issue**) to Scali Consolidated subject to receiving Shareholder approval at this AGM.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to a related party or an associate of such a party, unless it obtains the approval of its Shareholders.

The Issue falls within Listing Rule 10.11.4 (as the issue will be to an associate of a related party of the Company (being Mr Anthony Scali)) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 4 seeks the required Shareholder approval to the Issue under and for the purposes of Listing Rule 10.11.

If Resolution 4 is passed, the Company will be able to proceed with the Issue and will obtain an additional \$4million to fund the UK growth strategy described in the Announcement.

If Resolution 4 is not passed, the Company will not be able to proceed with the Issue and additional funds may need to be sourced in order to assist the Company to fund the UK growth strategy described in the Announcement. There is no guarantee that such funds will be available.

For the purposes of Listing Rule 10.13, the following additional information is provided:

- a. Scali Consolidated will be issued 299,999 fully paid ordinary shares (**New Shares**) no more than 5 business days after this AGM (if approval is received);
- b. The issue price will be \$13.25 per New Share;
- c. The funds will be used to drive the Company's UK growth strategy as described in the Announcement
- d. The New Shares will be issued pursuant to a commitment letter entered into between the Company and Scali Consolidated, pursuant to which the Company agreed to issue the New Shares to Scali Consolidated on the terms set out in this Memorandum.

The Chair intends to vote all undirected proxies in favour of Resolution 4.

3. Glossary

ASX means the Australian Securities Exchange.

ASX Listing Rules means the listing rules of the ASX.

Board means the Board of Directors of the Company.

Chair means the chair of the AGM.

Closely Related Party has the meaning given to it in the Corporations Act.

Company means Nick Scali Limited (ABN 82 000 403 896).

Corporations Act means *Corporations Act 2001* (Cth),

Corporations Regulations means *Corporations Regulations 2001* (Cth)

Director means a director of the Company

Explanatory Memorandum means the explanatory memorandum which forms part of this Memorandum.

Group means the Company and its subsidiaries.

Key Management Personnel or **KMP** has the meaning given to it in the *Corporations Act 2001* (Cth).

Memorandum means all of the documents accompanying the Notice of Meeting and referred to in the contents section.

Non-Executive Director means a non-executive director of the Company.

Notice of Meeting means the notice of meeting which forms part of this Memorandum.

Proxy Form means the proxy form for the AGM, attached as Attachment A.

Resolution means a resolution in the Notice of Meeting.

Scali Consolidated means Scali Consolidated Pty Limited ACN 002 410 559

Share means a fully paid ordinary share issued by the Company.

Shareholder means a person who holds shares in the Company.


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Attachment A – Proxy Form


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LODGE YOUR VOTE

 **ONLINE**
<https://investorcentre.linkgroup.com>

 **BY MAIL**
 Nick Scali Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

 **BY FAX**
 +61 2 9287 0309

 **BY HAND**
 Link Market Services Limited
 Parramatta Square, Level 22, Tower 6,
 10 Darcy Street, Parramatta NSW 2150

 **ALL ENQUIRIES TO**
 Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Nick Scali Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Monday, 21 October 2024 at Room A, Level 4, 100 Walker Street, North Sydney, NSW 2060 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 & 3: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 & 3, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

VOTING DIRECTIONS

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

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

Resolutions

	For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director John Ingram	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Increase to Aggregate Fee Pool for Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Capital Raising: Share Issue to Scali Consolidated Pty Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

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STEP 1

STEP 2

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Saturday, 19 October 2024**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



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



BY MAIL

Nick Scali Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

IMPORTANT INFORMATION

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

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