

**HARVEY NORMAN  
HOLDINGS LIMITED**

A.C.N 003 237 545

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AUSTRALIA

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19 October 2020

Company Announcements  
Australian Stock Exchange Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam,

**Re: 2020 Notice of Meeting and Proxy Form**

We enclose a copy of the:

1. 2020 Notice of Meeting;
2. Proxy Form; and
3. letter to Shareholders of Harvey Norman Holdings Limited.

If you have any queries, please do not hesitate to contact the writer.

This document was authorised to be provided to the ASX by the Company Secretary of Harvey Norman Holdings Limited.

Yours faithfully,



**Chris Mentis**  
Company Secretary

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## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Harvey Norman Holdings Limited ACN 003 237 545 will be held on **Wednesday 25 November 2020 at 11am (AEDST)** as a virtual meeting online at <https://web.lumiagm.com/370855253>.

Online registration will commence at 10am (AEDST) on Wednesday 25 November 2020. Shareholders and Proxy Holders are encouraged to participate in the AGM online, which will allow them to view a live webcast, ask questions in writing and vote. Further information on how Shareholders and Proxy Holders are able to participate in the AGM are detailed at Attachment C.

### AGENDA

#### Ordinary Business

##### Statements and Reports

1. To receive the Company's Financial Statements, the Directors' Declaration and the Directors' Report and Independent Audit Report for the year ended 30 June 2020.

*Note: Shareholders are not required to vote on this item of business.*

##### Remuneration Report

2. To adopt the Remuneration Report as included in the Directors' Report for the year ended 30 June 2020.

*Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.*

##### Election of Directors

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

"That Mr Gerald Harvey, a Director who retires by rotation at the close of the Meeting in accordance with Article 63A of the Constitution of the Company and being eligible, be re-elected as a Director of the Company."

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

"That Mr Chris Mentis, a Director who retires by rotation at the close of the Meeting in accordance with Article 63A of the Constitution of the Company and being eligible, be re-elected as a Director of the Company."

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

"That Ms Luisa Catanzaro be elected as a Director of the Company."

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## Special Business

### Changes to the Constitution – Virtual general meetings

6. To consider, and if thought fit, pass the following resolution as a special resolution with or without amendment:

"That the Constitution of the Company be modified by:

- (a) inserting a new Article 41A; and
- (b) amending Article 42, 43 and 55 of the Constitution of the Company,

with effect from the close of the 2020 Annual General Meeting of the Company in the manner outlined in the Explanatory Notes to this Notice of Meeting and set out in the amended Constitution tabled by the Chairman of the Meeting and signed for the purpose of identification."

### Changes to the Constitution – Small Holdings

7. To consider, and if thought fit, pass the following resolution as a special resolution with or without amendment:

"That the Constitution of the Company be amended by inserting a new Article 99 with effect from the close of the 2020 Annual General Meeting of the Company in the manner outlined in the Explanatory Notes to this Notice of Meeting and set out in the amended Constitution tabled by the Chairman of the Meeting and signed for the purpose of identification."

### Changes to the Constitution – Uncontactable Members

8. To consider, and if thought fit, pass the following resolution as a special resolution with or without amendment:

"That the Constitution of the Company be amended by inserting a new Article 100 with effect from the close of the 2020 Annual General Meeting of the Company in the manner outlined in the Explanatory Notes to this Notice of Meeting and set out in the amended Constitution tabled by the Chairman of the Meeting and signed for the purpose of identification."

## 2020 Extended Term Incentive Plan

### Grant of Performance Rights to Gerald Harvey and permit Gerald Harvey to acquire shares in the Company

9. To consider, and if thought fit, pass the following resolution as an ordinary resolution with or without amendment:

"That, for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the Company to grant up to 778,485 Performance Rights to Mr Gerald Harvey and permit Mr Gerald Harvey to acquire shares in the Company (whether by issue or by on-market purchase) under the 2020 Extended Term Incentive Plan, on the terms set out in the Explanatory Notes".

### Grant of Performance Rights to Kay Lesley Page and permit Kay Lesley Page to acquire shares in the Company

10. To consider, and if thought fit, pass the following resolution as an ordinary resolution with or without amendment:

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"That, for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the Company to grant up to 2,179,758 Performance Rights to Ms Kay Lesley Page and permit Ms Kay Lesley Page to acquire shares in the Company (whether by issue or by on-market purchase) under the 2020 Extended Term Incentive Plan, on the terms set out in the Explanatory Notes".

**Grant of Performance Rights to David Matthew Ackery and permit David Matthew Ackery to acquire shares in the Company**

11. To consider, and if thought fit, pass the following resolution as an ordinary resolution with or without amendment:

"That, for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the Company to grant up to 648,738 Performance Rights to Mr David Matthew Ackery and permit Mr David Matthew Ackery to acquire shares in the Company (whether by issue or by on-market purchase) under the 2020 Extended Term Incentive Plan, on the terms set out in the Explanatory Notes".

**Grant of Performance Rights to John Evyn Slack-Smith and permit John Evyn Slack-Smith to acquire shares in the Company**

12. To consider, and if thought fit, pass the following resolution as an ordinary resolution with or without amendment:

"That, for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the Company to grant up to 648,738 Performance Rights to Mr John Evyn Slack-Smith and permit Mr John Evyn Slack-Smith to acquire shares in the Company (whether by issue or by on-market purchase) under the 2020 Extended Term Incentive Plan, on the terms set out in the Explanatory Notes".

**Grant of Performance Rights to Chris Mentis and permit Chris Mentis to acquire shares in the Company**

13. To consider, and if thought fit, pass the following resolution as an ordinary resolution with or without amendment:

"That, for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the Company to grant up to 493,041 Performance Rights to Mr Chris Mentis and permit Mr Chris Mentis to acquire shares in the Company (whether by issue or by on-market purchase) under the 2020 Extended Term Incentive Plan, on the terms set out in the Explanatory Notes".

**Increase the total aggregate amount of directors' fees payable to all of the Company's non-executive directors**

14. To consider, and if thought fit, pass the following resolution as an ordinary resolution with or without amendment:

"That, for the purposes of Listing Rule 10.17, Article 61A of the Constitution and for all other purposes, approval be given for the Company to increase the total aggregate amount of directors' fees payable to all of the Company's non executive directors from \$1,000,000 to \$1,500,000, being an increase of \$500,000."

## ELIGIBILITY TO VOTE

For the purposes of the AGM, the Directors have determined that shares will be taken to be held by persons registered as Shareholders of the Company at **7pm (AEDST) on Monday 23 November 2020**.

## PROXIES

Each Shareholder who is entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote at the AGM on the Shareholder's behalf. A proxy need not be a Shareholder of the Company and may be either an individual or a body corporate. Where two proxies are appointed by a Shareholder, the Shareholder may specify the proportion or number of votes which each proxy is entitled to exercise on a poll. If the appointment does not specify the proportion or number of Shareholder's votes, each proxy may exercise one half of the votes on a poll.

## CORPORATE REPRESENTATIVES

Body corporate Shareholders may attend and vote during the meeting via corporate representative by using the Lumi website or the Lumi app using the Voting Access Code found on the Proxy Form. Only one login per body corporate with voting rights will be permitted. Any other people from the body corporate wishing to attend should register as guests to attend the meeting. By entering the body corporate's Voting Access Code you will be taken to have certified pursuant to section 250D of the Corporations Act that you have been validly appointed as the body corporate's representative to exercise all or any of the powers the body corporate may exercise at the AGM.

## PROXY DEADLINE

A Proxy Form and, if the Proxy Form is not signed by the Shareholder, the power of attorney or other authority (if any) under which the Proxy Form is signed (or a certified copy of that power of attorney or other authority), must be received by the Company at least 48 hours before the time for holding the AGM – that is, by **11am (AEDST) on Monday 23 November 2020**. Documents may be lodged with the Company by the methods set out in the Proxy Form.

## ATTACHMENTS

- A. **Voting Exclusion Statement**
- B. **Explanatory Notes and Glossary**
- C. **Virtual Meeting Guidelines**
- D. **Proxy Form**

Dated this 19<sup>th</sup> day of October 2020



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**Chris Mentis**  
Company Secretary

## ATTACHMENT A

### VOTING EXCLUSION STATEMENT

#### HARVEY NORMAN HOLDINGS LIMITED ACN 003 237 545 ("Company")

On 25 November 2020 at the Annual General Meeting of its Shareholders, the Company will disregard any votes cast on the following proposed resolutions:

#### **Ordinary Business**

**Resolution 2**      *To adopt the Remuneration Report as included in the Directors' Report for the year ended 30 June 2020*

- (a) by or on behalf of any key management personnel of the Company, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company, details of whose remuneration are included in the Remuneration Report (**Key Management Personnel**); and
- (b) by or on behalf of any associate or closely related party of any Key Management Personnel.

Closely related parties of Key Management Personnel are defined in the *Corporations Act 2001* (Cth) (**Corporations Act**) and include certain family members and any companies controlled by Key Management Personnel.

However, the Company need not disregard a vote if:

- it is cast by a proxy or attorney appointed in writing for a person who is entitled to vote, in accordance with a direction on the proxy form how the proxy is to vote on the proposed resolution;
- the vote is not cast on behalf of any Key Management Personnel, or any closely related party of any Key Management Personnel; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate or closely related party of any Key Management Personnel; and
  - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

#### **Special Business**

**Resolution 9**      *Grant of Performance Rights to Gerald Harvey and permit Gerald Harvey to acquire shares in the Company*

- (a) by or on behalf of Mr Gerald Harvey, Ms Kay Lesley Page, Mr David Matthew Ackery, Mr John Eryn Slack-Smith, and Mr Chris Mentis; and

- (b) by or on behalf of each associate of Mr Gerald Harvey, Ms Kay Lesley Page, Mr David Matthew Ackery, Mr John Evyn Slack-Smith and Mr Chris Mentis.

However, the Company need not disregard a vote if:

- it is cast by a proxy or attorney appointed in writing for a person who is entitled to vote, in accordance with a direction on the proxy form how the proxy is to vote on the proposed resolution;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote, in accordance with the direction on the proxy form to vote on the resolution as the proxy or attorney decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (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 in that way.

**Resolution 10**      *Grant of Performance Rights to Kay Lesley Page and permit Kay Lesley Page to acquire shares in the Company*

- (a) by or on behalf of Ms Kay Lesley Page, Mr Gerald Harvey, Mr David Matthew Ackery, Mr John Evyn Slack-Smith, and Mr Chris Mentis; and
- (b) by or on behalf of each associate of Ms Kay Lesley Page, Mr Gerald Harvey, Mr David Matthew Ackery, Mr John Evyn Slack-Smith and Mr Chris Mentis.

However, the Company need not disregard a vote if:

- it is cast by a proxy or attorney appointed in writing for a person who is entitled to vote, in accordance with a direction on the proxy form how the proxy is to vote on the proposed resolution;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote, in accordance with the direction on the proxy form to vote on the resolution as the proxy or attorney decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (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 in that way.

**Resolution 11**      *Grant of Performance Rights to David Matthew Ackery and permit David Matthew Ackery to acquire shares in the Company*

- (a) by or on behalf of Mr David Matthew Ackery, Mr John Evyn Slack-Smith, Mr Gerald Harvey, Ms Kay Lesley Page and Mr Chris Mentis; and
- (b) by or on behalf of each associate of Mr David Matthew Ackery, Mr John Evyn Slack-Smith, Mr Gerald Harvey, Ms Kay Lesley Page and Mr Chris Mentis.

However, the Company need not disregard a vote if:

- it is cast by a proxy or attorney appointed in writing for a person who is entitled to vote, in accordance with a direction on the proxy form how the proxy is to vote on the proposed resolution;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote, in accordance with the direction on the proxy form to vote on the resolution as the proxy or attorney decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (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 in that way.

**Resolution 12**      *Grant of Performance Rights to John Evyn Slack-Smith and permit John Evyn Slack-Smith to acquire shares in the Company*

- (a) by or on behalf of Mr John Evyn Slack-Smith, Mr Gerald Harvey, Ms Kay Lesley Page, Mr David Matthew Ackery and Mr Chris Mentis; and
- (b) by or on behalf of each associate of Mr John Evyn Slack-Smith, Mr Gerald Harvey, Ms Kay Lesley Page, Mr David Matthew Ackery and Mr Chris Mentis.

However, the Company need not disregard a vote if:

- it is cast by a proxy or attorney appointed in writing for a person who is entitled to vote, in accordance with a direction on the proxy form how the proxy is to vote on the proposed resolution;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction on the proxy form to vote as the proxy or attorney decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (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 in that way.

**Resolution 13**      *Grant of Performance Rights to Chris Mentis and permit Chris Mentis to acquire shares in the Company*

- (a) by or on behalf of Mr Chris Mentis, Mr David Matthew Ackery, Mr John Evyn Slack-Smith, Mr Gerald Harvey and Ms Kay Lesley Page; and
- (b) by or on behalf of each associate of Mr Chris Mentis, Mr David Matthew Ackery, Mr John Evyn Slack-Smith, Mr Gerald Harvey and Ms Kay Lesley Page.

However, the Company need not disregard a vote if:



- it is cast by a proxy or attorney appointed in writing for a person who is entitled to vote, in accordance with a direction on the proxy form how the proxy is to vote on the proposed resolution;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction on the proxy form to vote as the proxy or attorney decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (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 in that way.

**Resolution 14**      *Increase the total aggregate amount of directors' fees payable to all of the Company's non-executive directors*

- (a) by or on behalf of Mr Christopher Herbert Brown, Mr Kenneth William Gunderson-Briggs, Mr Graham Charles Paton, Mr Maurice John Craven, Mr Michael John Harvey and Ms Luisa Catanzaro; and
- (b) by or on behalf of each associate of Mr Christopher Herbert Brown, Mr Kenneth William Gunderson-Briggs, Mr Graham Charles Paton, Mr Maurice John Craven, Mr Michael John Harvey and Ms Luisa Catanzaro.

However, the Company need not disregard a vote if:

- it is cast by a proxy or attorney appointed in writing for a person who is entitled to vote, in accordance with a direction on the proxy form how the proxy is to vote on the proposed resolution;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction on the proxy form to vote as the proxy or attorney decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (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 in that way.



- 2.6 The Designated Proxy Holder intends to vote undirected proxies **in favour of Resolutions 2 to 14 (inclusive)**.

### **Resolutions 3 to 5 - Election of Directors**

- 3.1 Article 63A of the Constitution of the Company provides that at every annual general meeting, one third of the Directors of the Company must retire from office and that no Director shall retain office for a period exceeding three years, without submitting himself or herself for re-election.
- 3.2 Mr Harvey and Mr Mentis who retire at the end of the Annual General Meeting, submit themselves for re-election.
- 3.3 The Board (with the exception of each Director in relation to her or his own election) supports the re-election of Mr Harvey and Mr Mentis.
- 3.4 Ms Catanzaro submits herself for election as a director of the Company. The Board supports the election of Ms Catanzaro.

#### **Resolution 3 – Gerald Harvey**

- 3.5 Mr Gerald Harvey was the co-founder of Harvey Norman Holdings Limited in 1982 with Mr Ian Norman. Mr Harvey has overall executive responsibility for the strategic direction of the Consolidated Entity and in particular, property investments.

#### **Resolution 4 – Chris Mentis**

- 4.1 Mr Mentis was appointed a director of the Company on 30 August 2007.
- 4.2 Mr Mentis joined the Company as Financial Controller on 15 December 1997. On 20 April 2006, he became Chief Financial Officer and Company Secretary. Mr Mentis is a Fellow of Chartered Accountants Australia & New Zealand and a Fellow of the Governance Institute of Australia, with extensive experience in financial accounting. Mr Mentis has overall executive responsibility for the accounting and financial matters of the Consolidated Entity.

#### **Resolution 5 – Luisa Catanzaro**

- 5.1 Ms Catanzaro has more than 30 years of professional experience in senior finance executive roles across a range of industries including FMCG and agriculture sectors, and with ASX listed companies. She is currently a non-executive director of ASX listed company, Ricegrowers Limited (SunRice) where she is chair of the finance, risk and audit committee and a member of the remuneration and nomination committees. She was also involved in SunRice's listing on the ASX.
- 5.2 Ms Catanzaro was CFO of Lynas Corporation Limited for over three years, during a period of growth for the company when it was raising considerable amounts of capital and establishing operations in Malaysia. Ms Catanzaro was CFO and Company Secretary of Dairy Farmers, the former dairy farmer co-operative, for four years (2005-2009) and The Agricultural Company Limited for over three years (2001-2004), including being involved in its IPO on the ASX. Prior to these appointments, she held a senior finance executive role with Pioneer International Limited.

- 5.3 Ms Catanzaro has a Bachelor of Commerce from the University of NSW, is a Fellow of Chartered Accountants Australia & New Zealand and is also a Graduate of the Australian Institute of Company Directors.

### **Resolutions 6 to 8 - Changes to the Constitution**

- 6.1 Resolutions 6 to 8 propose changes to the Constitution of the Company which are aimed at ensuring that:
- (a) the Company can convene a general meeting to be held at two or more places using technology as permitted by the Corporations Act;
  - (b) the Company can deal with non-marketable parcels of shares in a way that is consistent with the Listing Rules; and
  - (c) the Company can manage situations where the Company does not have a current or valid address or bank account details in respect of a shareholder and is required to either give notice to or pay money to that shareholder.
- 6.2 An explanation of each of the proposed amendments is set out below.
- 6.3 A copy of the Constitution showing the proposed amendments is available on the Company's website at: [www.harveynormanholdings.com.au](http://www.harveynormanholdings.com.au). A printed copy of the Constitution showing the proposed amendments can be obtained by calling +61 2 9201 6104.
- 6.4 The Board unanimously recommends that Shareholders vote in favour of the proposed changes to the Constitution.

### **Resolution 6 – Virtual general meetings**

- 6.5 Currently, any director of the Company can convene a general meeting pursuant to the Constitution.
- 6.6 The current Constitution contemplates that any general meeting will be held at one physical venue and does not contemplate the holding of a general meeting at two or more places using audio, audio-visual or any other technology, or wholly by using technology.
- 6.7 Section 249S of the Corporations Act expressly allows a company to hold a general meeting at two or more venues using any technology that gives shareholders as a whole a reasonable opportunity to participate in the meeting.
- 6.8 On 6 May 2020, in response to the COVID-19 pandemic, temporary modifications to the Corporations Act under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 (Determination)* came into effect which enable the holding of general meetings using virtual technologies.
- 6.9 The measures introduced by the Determination are temporary only and are due to expire on 31 March 2021, subject to any further extension of the measures.
- 6.10 The amendments proposed to the Constitution will enable the Company to continue to hold general meetings using technology after the relief offered by the Determination expires and consistent with section 249S of the Corporations Act.
- 6.11 The proposed amendments to the Constitution have the effect of:
- (a) enabling the Company to hold a general meeting at two or more places using technology, or wholly using technology, which gives the shareholders of the

Company as a whole a reasonable opportunity to participate in the general meeting;

- (b) if a general meeting is to be held at two or more places or wholly using technology, requiring that the relevant notice of meeting includes details of the technology that will be used to facilitate the holding of the general meeting;
  - (c) deeming shareholders and where relevant, their proxies, attorneys and representatives, to be present at a general meeting which is held at two or more places where such shareholder or their proxy, attorney or representative participates in the general meeting using the technology provided for in the relevant notice of meeting;
  - (d) dealing with technical difficulties which may impact on the ability of shareholders as a whole to have a reasonable opportunity to participate in the general meeting; and
  - (e) confirming that a shareholder may appoint a proxy to attend a general meeting in any manner authorised by the Corporations Act and the Listing Rules, including by using technology where provided for in the relevant notice of meeting.
- 6.12 The Board considers the proposed amendments to be in the best interests of Shareholders as the amendments will provide the Board with the flexibility to hold meetings online where this would be beneficial and in the interests of Shareholders.
- 6.13 While the Company is holding its 2020 Annual General Meeting virtually due to the COVID-19 pandemic, the Company has no current intention to move permanently to holding its general meetings virtually.
- 6.14 The Board considers the proposed amended provisions to be appropriate and usual for an ASX listed company.

**Resolution 7 - Changes to the Constitution – Small Holdings**

- 7.1 The Constitution currently does not contain any provisions which provide for the sale or buyback of securities of a holder who has less than a marketable share of those securities.
- 7.2 A **Small Holding** means a parcel of shares in the Company the aggregate value of which, determined by the closing price of such shares on the stock market of the ASX, is less than a '*marketable parcel*' of shares as provided under the Listing Rules.
- 7.3 The administrative costs associated with Small Holdings can be burdensome from both a company and shareholder perspective. From a shareholder's perspective, Small Holdings can be difficult or expensive to sell, taking into account the brokerage fees which may apply in relation to a sale.
- 7.4 It is proposed that a new provision, Article 99, is inserted into the Constitution to allow the Company to sell or buyback Small Holdings in accordance with the requirements set out in the Listing Rules. Such a provision is allowed by the Listing Rules (in particular, Listing Rules 15.13 and 15.13A) and is commonly included in the constitutions of Australian listed companies.
- 7.5 In summary, the proposed amendments enable the Company to offer to sell as agent or buy Small Holdings from a Shareholder once in each 12 month period. A Shareholder who wishes to retain their Small Holding may elect to do so by giving notice to the Company within six weeks of receiving a "Divestment Notice" from the

Company. The Company will bear the costs of the sale or buy-back and the proceeds will be sent to the former holder of the Small Holding after the sale or buy-back. The proposed amendments also address new Small Holdings which are created by the transfer of a Small Holding after the date the new Article 99 comes into effect.

- 7.6 The Company has no immediate or current plan to use the Small Holdings provisions.
- 7.7 The Board considers the proposed amended provisions to be appropriate for an ASX listed company.

**Resolution 8 - Changes to the Constitution – Uncontactable Members**

- 8.1 The Constitution currently does not contain any provisions which address situations where there are uncontactable Shareholders.
- 8.2 It is proposed that the Constitution is amended to allow the Company:
- (a) to give notice to Shareholders who are not contactable at any address known to the Company, by exhibiting the notice at the Company's registered office for two weeks; and
  - (b) in circumstances where the Company does not have a valid or current address or bank account details of a Shareholder, to credit an amount payable in respect of that Shareholder's shares to an account of the Company to be held until that Shareholder claims the amount payable or nominates a valid account.
- 8.3 The Board considers the proposed amended provisions to be appropriate for an ASX listed company.

**Resolutions 9 to 13 - Grant of performance rights and acquisition of shares in the Company under the ETI Plan**

**2020 Extended Term Incentive Plan**

- 9.1 In Resolutions 9 to 13 inclusive, Shareholders are being asked to approve the grant of performance rights and acquisition of shares in the Company by Directors of the Company, details of which are set out below, under the Harvey Norman 2020 Extended Term Incentive Plan (**ETI Plan**). An overview of the rules governing the ETI Plan is set out below.

**Remuneration Principles and Strategy**

- 9.2 The executive remuneration strategy of the Company is designed to attract, motivate and retain high performing individuals and align the interests of executives with shareholders. A detailed illustration of how the remuneration strategy of the Company aligns with the strategic direction and links remuneration outcomes to performance is set out at pages 36 to 61 of the 2020 Annual Report.

**Responsibilities of the Remuneration Committee**

- 9.3 The Remuneration Committee is responsible for making recommendations to the Board on the remuneration arrangements for executive Directors and non-executive Directors (**NEDs**).
- 9.4 The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of NEDs and executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing director and executive team. The Remuneration Committee engaged an independent expert external consultant (**Consultant**) to provide analysis, observations and advice to the Remuneration

Committee in relation to the design, level and composition of executive remuneration (**Expert Advice**). The Expert Advice was used by the Remuneration Committee to inform the decisions of the Remuneration Committee in relation to the design, level and composition of executive remuneration.

- 9.5 The Expert Advice included the following elements:
- (a) benchmarking the remuneration received by the executives of the Company against the remuneration received by peers involved in comparable entities; and
  - (b) assessment of pros and cons of possible alternative incentive plan elements.
- 9.6 The proposed ETI Plan has been informed by the Expert Advice, and in particular:
- (a) is designed to increase the weight of pay contingent on long term performance; and
  - (b) align the interests of executives with Shareholders over an extended economic cycle and investment horizon.
- 9.7 Key features of the proposed ETI plan are:
- (a) performance period extended from 3 years to 5 years to better reflect long term economic cycles and investment horizon;
  - (b) service vesting period extended to six months after performance testing to permit a look back and adjustment if necessary;
  - (c) performance conditions consisting of 50% Return on Equity, 25% Total Shareholder Return and 25% Relative Total Shareholder Return to provide a more complete picture of the Company's performance on multiple factors;
  - (d) dividend equivalent performance rights provided on vested ETI Plan performance rights recognises the importance of dividend yield, equalising the importance of both share price and dividends over a performance period and providing greater alignment with Shareholders. No dividend equivalent performance rights are received by executives on unvested ETI performance rights. Dividend equivalent performance rights are only received by an executive Director on vested ETI performance rights, on the condition that all relevant performance conditions have been satisfied by that executive Director; and
  - (e) if the ETI Plan is approved, the last LTI Plan grant of performance rights (approved by Shareholders in the 2018 AGM) i.e. FY21 Tranche, shall be foregone by the executive Directors and cancelled, and be replaced by this ETI Plan.
- 9.8 The Remuneration Committee comprises three NEDs, two of whom are independent NEDs (which includes the chairman of the committee). Further information on the role, responsibilities and membership of the Remuneration Committee can be seen in the 2020 Annual Report, which is also accessible at [www.harveynormanholdings.com.au](http://www.harveynormanholdings.com.au).

### **Executive Remuneration Framework – Fixed Remuneration, STI, LTI and ETI Plan**

- 10.1 The Company aims to reward executives with a level and mix of remuneration appropriate to their position and responsibilities, while being market competitive.
- 10.2 The executive remuneration framework currently comprises of fixed remuneration, Short Term Incentive plan (**STI**) and Long Term Incentive plan (**LTI**):

- (a) *Fixed Remuneration:*
- (i) The purpose of this component is to provide competitive fixed remuneration set with reference to role, market and experience.
  - (ii) Executive contracts of employment do not include any guaranteed base pay increases. The fixed remuneration of executive Directors is reviewed annually by the Remuneration Committee. The process consists of a review of Company, business unit and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.
  - (iii) The fixed component of the remuneration of executive directors is set out in Table 1 on page 56 of the Annual Report.
- (b) *STI:*
- (i) The purpose of this component is to reward executive Directors for their contribution to achievement of Consolidated Entity outcomes in the current year.
  - (ii) The Consolidated Entity operates an annual STI program available to executive Directors and awards a performance cash incentive, or equity, subject to the achievement of clearly defined measures, targets, initiatives and conditions.
  - (iii) Executive Directors are to hold shares in the Company to the value equating to the Benchmark Shareholding Level, with any STI paid in equity or cash subject to the following:
    - A. if the executive Director is under the Benchmark Shareholding Level, the STI reward will be paid in equity, subject to shareholder approval and compliance with ASX Listing Rules, to the value that increases the holding of that executive Director to the Benchmark Shareholding Level, with any remaining balance of the STI reward paid in cash; and
    - B. if the executive Director is over the Benchmark Shareholding Level, the STI reward will be paid in cash.
- (c) *LTI:*
- (i) The purpose of this component is to reward executive Directors for their contribution to the financial performance of the Consolidated Entity and the effective utilisation of net assets to generate wealth for Shareholders in respect of the financial years 2016 to 2023.
  - (ii) Shareholders at the AGM held on 24 November 2015 approved the terms and conditions of the 2016 LTI Plan that permitted the grant of performance rights to executive Directors being a right to acquire one ordinary share in the Company at nil exercise price, in three separate tranches in the 2016, 2017 and 2018 financial years.
  - (iii) Shareholders at the AGM held on 27 November 2018, permitted the grant of a further three separate tranches of performance rights to executive Directors in the 2019, 2020 and 2021 financial years, subject to the terms and conditions of the 2016 LTI Plan.



- (iv) The LTI component of the remuneration of executive Directors is set out on page 53 of the Annual Report.

- 10.3 To assist the Consolidated Entity in its executive remuneration strategy, the Remuneration Committee has recommended the ETI Plan (as outlined below), for Shareholder approval at the 2020 AGM.
- 10.4 Set out below is a summary of how the proposed ETI Plan will interact with the current components of the executive remuneration framework.

<b>Objective of the Consolidated Entity set out in the 2020 Remuneration Report</b>	To be recognised as a leader in the sectors in which the Consolidated Entity operates and build long-term sustainable value for Shareholders.
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<b>Remuneration strategy links to objectives of the Consolidated Entity set out in the 2020 Remuneration Report</b>	Align the interests of executives with Shareholders.	The remuneration framework incorporates “at risk” components, through STI and LTI plans.	Short-term performance is assessed against a suite of financial and non-financial measures relevant to the success of the Consolidated Entity in 2020 and generating returns for Shareholders.
	Long-term performance is assessed against financial performance conditions calculated exclusively in respect of RONA <sup>1</sup>	Attract, motivate and retain high performing individuals  Longer-term remuneration encourages retention and multi-year performance focus.	The remuneration offering is competitive for companies of a similar sector, size and complexity.

<b>Remuneration Components set out in the 2020 Remuneration</b>	<b>Vehicle</b>	<b>Purpose</b>	<b>Link to Performance</b>
Fixed Remuneration	Comprises base salary, superannuation contributions and other benefits.	To provide competitive fixed remuneration set with reference to role, market and experience.	Consolidated Entity and individual performance are considered during the annual remuneration review.
Short-Term Incentive (STI)	Executive Directors are to hold shares in the	Rewards executives for	(a) There is no STI award for an executive Director

<sup>1</sup> Return on Net Assets (RONA) means the fraction:

APBT (annual net profit before income tax excluding property revaluation increments or decrements) /  
Net Assets (excluding non-controlling interests) at the close of the preceding financial year

Remuneration Components set out in the 2020 Remuneration	Vehicle	Purpose	Link to Performance
	<p>Company to the value equating to Benchmark Shareholding Level, with any STI paid in equity or cash subject to the following:</p> <p>(a) if the executive Director is under the Benchmark Shareholding Level, the STI reward will be paid in equity, subject to shareholder approval and compliance with ASX Listing Rules, to the value that increases the holding of that executive Director to the Benchmark Shareholding Level, with any remaining balance of the STI reward paid in cash; and</p> <p>(b) if the executive Director is over the Benchmark Shareholding Level, the STI reward will be paid in cash.</p>	<p>their contribution to achievement of Consolidated Entity outcomes in respect of the current year.</p>	<p>unless the executive Director satisfies the Participant Performance Review in terms of the Individual Executive Director Assessment Report.</p> <p>(b) There is no STI award unless the Entry Level financial condition is achieved.</p> <p>(c) The STI pool in respect of 100% achievement level is subject to performance criteria as to:</p> <p>(1) 50% subject to financial conditions, with the financial conditions based on Annual Profit After Tax (<b>APAT</b>)<sup>2</sup>.</p> <p>(2) 50% subject to non-financial conditions.</p> <p>(d) Financial achievement calculated over the 100% achievement level is subject to financial conditions only.</p> <p>(e) Executive Directors are to hold shares to the value equating to the level of fixed remuneration for that executive Director at the end of the given financial year.</p> <p>(f) If shares held are less than the benchmark, benefits are to be provided in the form of shares.</p>
<p>Long-Term Incentive (<b>LTI</b>) to be replaced by the ETI Plan if</p>	<p>Awards under the LTI plan are granted in the form of performance</p>	<p>Rewards executives for their contribution</p>	<p>Vesting of LTI performance rights is conditional upon achievement, over a 3 year</p>

<sup>2</sup> **Annual Profit After Tax (APAT)** is calculated as Net Profit after Tax excluding the after-tax effect of property revaluation increments or decrements.

Remuneration Components set out in the 2020 Remuneration	Vehicle	Purpose	Link to Performance
approved by Shareholders (see below)	rights, being a right to acquire one ordinary share in the Company at nil exercise price.	to the financial performance of the Consolidated Entity and the effective utilisation of net assets to generate wealth for Shareholders in respect of the financial years 2016 to 2023 (Note: If the ETI Plan is approved by Shareholders, the last LTI Plan grant of performance rights will be foregone and cancelled.	performance period for each grant, of Minimum RONA over the 2019, 2020 and 2021 financial years of 16% (for 20% vesting) with full vesting (i.e. 100%) achieved at 20% RONA. The 2021 grant will be cancelled if Shareholders approve ETI Plan (see below).

Proposed New Component for replacement of LTI Plan (if approved by Shareholders)	Vehicle	Purpose	Link to Performance
Extended-Term Incentive (ETI)	Subject to satisfaction of all relevant conditions for exercise of a performance right. To ensure the performance right is equal in value to a share, and is fully aligned with Shareholder interests, for both share price growth and dividends, upon exercise of a performance right by an executive Director, that executive Director will be entitled to receive one ordinary share in the Company, plus additional shares based on an amount equivalent to any dividends that would have been paid on the share underlying that performance right since the date of grant of the performance right	Rewards executives for their contribution to longer term performance of the Consolidated Entity and Shareholder value in respect of the financial years 2021 to 2027.	Vesting of ETI performance rights is conditional upon achievement of the following performance measures over a 5 year performance period: <ol style="list-style-type: none"> <li><b>Return on Equity condition</b> will account for 50% of the grant of performance rights under the ETI plan. Return on equity at 1.0 times the Weighted Average Cost of Capital (for 50% vesting) with full vesting ( i.e. 100%) achieved at 1.1 times the Weighted Average of Capital and with linear vesting in between;</li> <li><b>Absolute Total Shareholder Return condition</b> will account</li> </ol>

	<p><b>(Dividend Equivalent Right).</b></p> <p>Each Dividend Equivalent Right will immediately convert into shares in the Company upon exercise of the relevant performance right (<b>Dividend Equivalent Shares</b>).</p> <p>The number of Dividend Equivalent Shares in respect of a parcel of performance rights exercised by an executive Director will be calculated in accordance with the following formula:</p> <p><b><math>N = (AD / MVE) \times PR</math></b></p> <p>Where:</p> <p><b>N</b> = Number of Dividend Equivalent Shares which an executive Director is entitled to receive upon exercise of a parcel of performance rights on a given date of exercise.</p> <p><b>AD</b> = Aggregate amount of dividends paid on each share underlying the parcel of performance rights from date of grant of the performance rights down to and including the date of exercise of the performance rights.</p> <p><b>MVE</b> = Market value of a share in the Company at the date of exercise of the performance rights, where market value of the share means 10-day volume weighted average price (<b>VWAP</b>)</p>		<p>for 25% of the grant of performance rights under the ETI plan. Total Shareholder Return is to be at least at a 11% average (for 50% vesting) with full vesting (i.e.100%) achieved at a 15% average, with linear vesting in between;</p> <p>3. <b>Relative Total Shareholder condition</b> will account for 25% of the grant of performance rights under the ETI plan, with nil vesting at or below the 50<sup>th</sup> percentile of the Selected Peer Group<sup>3</sup>, straight line vesting of 50% to 100% above the median to the 75th percentile, and 100% vesting at or above the 75th percentile.</p>
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<sup>3</sup> **Selected Peer Group** means the ASX 200 Consumer Discretionary Index constituents i.e. the ASX 200 Consumer Discretionary Index as at the start of the performance period, excluding the Company

	<p>prior to the date of exercise.</p> <p><b>PR</b> = The number of performance rights exercised by an executive Director on that date of exercise.</p> <p>If an executive Director exercises a number of performance rights at the same time, for the purpose of calculating the number of Dividend Equivalent Shares that executive Director shall be entitled to receive at that time, the number of Dividend Equivalent Shares (including fractional interests) shall be aggregated and the aggregated number of Dividend Equivalent Shares rounded up to the nearest whole number of shares in the Company.</p> <p>Dividend Equivalent Shares are expected to be purchased on market, however the Board may, in its discretion, decide to issue the Dividend Equivalent Shares or make a cash payment instead of the Dividend Equivalent Shares.</p> <p>An executive Director will not be entitled to, or receive, dividends or Dividend Equivalent Rights in respect of any performance rights that fail to vest in that executive Director.</p>		
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- 10.5 If the proposed ETI Plan is approved by Shareholders at the 2020 AGM, the first ETI tranche of performance rights will be granted after the 2020 AGM, which will coincide with the last LTI Plan grant of performance rights (approved by Shareholders at the 2018 AGM).
- 10.6 The Board has resolved that, if the proposed ETI Plan is approved by Shareholders at the 2020 AGM, then the last LTI Plan grant of performance rights shall be foregone by the executive Directors and cancelled.

- 10.7 The number of performance rights proposed to be granted to each of the executive Directors is calculated as a proportion of the fixed remuneration of each respective executive Director based on the 10-day VWAP following the announcement of the results of the Company for the year ending 30 June 2020.

### Summary of the ETI Plan Rules

- 11.1 The ETI Plan is part of the Company's executive remuneration framework, aimed at aligning executive remuneration with the creation of sustainable Shareholder value over the longer-term.
- 11.2 The ETI Plan will operate independently of, and in addition to, the Harvey Norman 2016 Long Term Incentive Plan.
- 11.3 The ETI Plan is governed by the **ETI Plan Rules**.
- 11.4 Under the ETI Plan Rules, the Board in its absolute discretion, may invite executive Directors of the Company, including the Executive Chairman, and such other persons as the Board selects, to participate (**Participant**) in the ETI Plan.
- 11.5 On acceptance of an invitation to the ETI Plan, a Participant is granted performance rights (**Performance Rights**), each being a right to acquire, upon payment of the exercise price and satisfaction of all relevant conditions, one ordinary share in the Company plus additional shares based on an amount equivalent to any dividends that would have been paid on the share underlying that performance right since the date of grant of the Performance Right (**Dividend Equivalent Right**).
- 11.6 Each Dividend Equivalent Right will immediately convert into shares in the Company upon exercise of the relevant Performance Right (**Dividend Equivalent Shares**).
- 11.7 The number of Dividend Equivalent Shares in respect of a parcel of Performance Rights exercised by a Participant will be calculated in accordance with the following formula:

$$N = (AD / MVE) \times PR$$

Where:

**N** = Number of Dividend Equivalent Shares which a Participant is entitled to receive upon exercise of a parcel Performance Rights on a given date of exercise.

**AD** = Aggregate amount of dividends paid on each share underlying the parcel of Performance Rights from date of grant of the Performance Rights down to and including the date of exercise of the Performance Rights.

**MVE** = Market value of a share in the Company at the date of exercise of the Performance Rights, where market value of the share means 10-day volume weighted average price prior to the date of exercise.

**PR** = The number of Performance Rights exercised by a Participant on that date of exercise.

- 11.8 If a Participant exercises a number of performance rights at the same time, for the purpose of calculating the number of Dividend Equivalent Shares that Participant shall be entitled to receive at that time, the number of Dividend Equivalent Shares (including fractional interests) shall be aggregated and the aggregated number of Dividend Equivalent Shares rounded up to the nearest whole number of shares in the Company.
- 11.9 Dividend Equivalent Shares are expected to be purchased on market, however the Board may, in its discretion, decide to issue the Dividend Equivalent Shares or make a cash payment instead of the Dividend Equivalent Shares.

- 11.10 The invitation to Participants will set out the terms of issue of any grant of Performance Rights, including such service conditions and financial and non-financial terms and conditions (**Conditions**) as the Board (after consideration of recommendations of the Remuneration Committee) determines from time to time.
- 11.11 Performance Rights:
- (a) will not carry any voting or dividend rights;
  - (b) are non-transferable except in limited circumstances or with the consent of the Board; and
  - (c) will not be quoted on the ASX.
- 11.12 In general, where a Participant resigns or is terminated for cause before a Performance Right vests, all unvested Performance Rights will lapse. Subject to the law, the Board (after consideration of the recommendations of the Remuneration Committee) has discretion to determine the treatment of any unvested Performance Rights where a Participant ceases employment in "good leaver" circumstances (such as by reason of death, disability or otherwise in circumstances approved by the Board).
- 11.13 The Company has established an employee share trust for the purpose of acquiring and holding shares to be used to satisfy the entitlements of Participants in respect of their vested Performance Rights. For this purpose, the Company may issue new shares to the trust or procure (including by making contributions to the trust) that shares are acquired on market to be held by the trust. Under the ETI Plan Rules, the Board also has the discretion to make it a term of the grant of Performance Rights that shares awarded on the vesting of Performance Rights must be held in the trust for a restricted period before the Participant is entitled to deal with those shares.
- 11.14 In the event of fraud, dishonesty or breach of obligations, the Board (after consideration of the recommendations of the Remuneration Committee) may make a determination, including lapsing Performance Rights, to ensure that no unfair benefit is obtained by a Participant.
- 11.15 In the event of a takeover, scheme of arrangement or other transaction which may result in a person becoming entitled to exercise control over the Company, the Board has a discretion to determine whether any unvested Performance Rights should vest and be exercised, lapse or become subject to different Conditions or whether any restricted period applying to resulting shares should be lifted.
- 11.16 The ETI Plan and the ETI Plan Rules are administered by the Board, at its discretion. Subject to the Listing Rules and applicable legal requirements, the Board has the right (after consideration of the recommendations of the Remuneration Committee), to:
- (a) make all determinations required under the ETI Plan Rules; and
  - (b) waive or modify the application of all or any of the ETI Plan Rules or any grant made under the ETI Plan Rules, including any Conditions; as the Board considers appropriate.
- 11.17 A copy of the ETI Plan Rules will be available for inspection at the Company's registered office during normal business hours, prior to the 2020 Annual General Meeting of the Company.

#### **ETI Plan - Summary of Terms of Issue**

- 11.18 Each executive Director named in Resolutions 9 to 13, inclusive will be granted Performance Rights to acquire shares in the Company, subject to the satisfaction of

performance conditions and service conditions as determined by the Board (after consideration of the recommendations of the Remuneration Committee).

- 11.19 The Performance Rights will be granted in three tranches as described below (**Tranches** and each a **Tranche**) with each subject to the relevant performance conditions and service conditions, and are exercisable as follows:

<b>Executive Director</b>	<b>Tranche 1 FY21 Exercisable between 1 January 2026 to 31 December 2035</b>	<b>Tranche 2 FY22 Exercisable between 1 January 2027 to 31 December 2036</b>	<b>Tranche 3 FY23 Exercisable between 1 January 2028 to 31 December 2037</b>
Gerald Harvey	259,495	259,495	259,495
Kay Lesley Page	726,586	726,586	726,586
David Ackery	216,246	216,246	216,246
John Slack-Smith	216,246	216,246	216,246
Chris Mentis	164,347	164,347	164,347

- (a) Tranche 1 will be granted immediately after the AGM;
  - (b) Tranche 2 will be granted immediately following the first anniversary of the 2020 AGM;
  - (c) Tranche 3 will be granted immediately following the second anniversary of the 2020 AGM.
- 11.20 If the proposed ETI Plan is approved by Shareholders at the 2020 AGM, the first ETI tranche of performance rights will be granted after the 2020 AGM, which will coincide with the last LTI Plan grant of performance rights (approved by Shareholders at the 2018 AGM).
- 11.21 The Board has resolved that, if the proposed ETI Plan is approved by Shareholders at the 2020 AGM, then the last LTI Plan grant of performance rights shall be foregone by the executive Directors and cancelled. That is, the ETI Plan will replace overlapping elements of the LTI Plan.
- 11.22 The number of Performance Rights proposed to be granted to each of the executive Directors is calculated as a proportion of the fixed remuneration of each respective executive Director based on the 10-day VWAP following the announcement of the results of the Company for the year ending 30 June 2020.
- 11.23 No amount is payable in respect of the grant of a Performance Right.
- 11.24 The exercise price for each Performance Right will be nil.
- 11.25 Performance Rights will not be listed on the ASX.
- 11.26 Application will be made to list the shares issued on the exercise of the Performance Rights on the ASX and such shares will rank equally with other ordinary shares of the Company and will not carry restrictions on trading.



- 11.27 Unexercised Performance Rights will lapse, irrespective of whether they have become exercisable, when one of the following events occur:
- (a) as to:
    - (i) Tranche 1, on 1 January 2036 or such earlier date specified by the Board;
    - (ii) Tranche 2, on 1 January 2037 or such earlier date specified by the Board;
    - (iii) Tranche 3, on 1 January 2038 or such earlier date specified by the Board;
  - (b) the Board determines the Performance Rights granted to an executive Director should lapse, as a result of any fraud, gross misconduct or conduct by that executive Director which brings the Company into disrepute;
  - (c) the Board determines the relevant requirements in relation to Performance Rights granted to an executive Director, including performance conditions and service conditions, have not and are incapable of being met.
- 11.28 Separate performance conditions will apply to each Tranche of Performance Rights. There will be a 5 year period from date of grant of Performance Rights, to satisfy all performance conditions. Each Tranche remains subject to service conditions.
- 11.29 The Board (after consideration of the recommendations of the Remuneration Committee) may at any time reduce the number of exercisable Performance Rights if there is only partial achievement of the performance conditions.
- 11.30 The Board reserves the right to adjust the number of Performance Rights, in accordance with the Listing Rules, if there is a bonus or rights issue or other reconstruction of capital before the Performance Rights are exercised.
- 11.31 Performance Rights are transferable only after satisfaction of all performance conditions.
- 11.32 Performance Rights will carry no right to receive dividends or to vote.
- 11.33 Subject to the Listing Rules, Performance Rights may be exercised before their specified exercise date, in limited circumstances including:
- (a) a change of control of the Company happens; or
  - (b) special circumstances, including retirement, redundancy, death or permanent disability of the Participant.
- 11.34 A Performance Right will not entitle a Participant to participate in new issues without exercising the Performance Right. If there is a reorganisation of the capital of the Company, the rights attaching to a Performance Right may be changed by the Board (after consideration of the recommendations of the Remuneration Committee), subject to compliance with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 11.35 If there is a pro rata issue (except a bonus issue) to the holders of underlying securities in the Company, the number of Performance Rights will be adjusted in accordance with the Listing Rules.

### **Performance Conditions**

- 12.1 Performance conditions are deemed to be an essential component of all variable reward entitlements. The proposed allocation of Performance Rights will be subject to

service conditions and financial performance conditions. The Board (after consideration of the recommendations of the Remuneration Committee) may, in its discretion, impose additional non-financial performance conditions which must be satisfied as a condition of exercise of any Performance Rights by an executive Director.

## Financial Performance Conditions

### Financial Performance Conditions – Tranche FY21

#### Performance Measure No. 1 – Return on Equity (ROE)

12.2 The Return on Equity condition will account for 50% of the grant of Performance Rights under the ETI Plan.

12.3 For this condition, the following terms have the following meanings:

- (a) **Tranche FY21 Aggregate APAT** means the aggregate of the amounts of the annual net profit after income tax of the Consolidated Entity for each of the Tranche FY21 Financial Years;
- (b) **Tranche FY21 Aggregate Net Assets** means the amount equivalent to the aggregate of the amounts of the net assets of the Consolidated Entity, excluding non-controlling equity interests, as described in the annual report of the Consolidated Entity in respect of each of the Tranche FY21 Financial Years;
- (c) **Tranche FY21 Financial Years** means the financial years ending 30 June 2021, 2022, 2023, 2024 and 2025;
- (d) **Tranche FY21 ROE** means the following fraction expressed as a percentage:  

$$\frac{\text{Tranche FY21 Aggregate APAT}}{\text{Tranche FY21 Aggregate Net Assets}}$$
- (e) **Tranche FY21 Average Annual ROE** means the following fraction expressed as a percentage:  

$$\frac{\text{Tranche FY21 ROE}}{5}$$
- (f) **Tranche FY21 Weighted Average Cost of Capital** means the aggregate of the after tax weighted average cost of capital of the Company calculated at the beginning of each of the Tranche FY21 Financial Years;
- (g) **Tranche FY21 Average Annual Weighted Average Cost of Capital** means the following fraction expressed as a percentage:  

$$\frac{\text{Tranche FY21 Weighted Average Cost of Capital}}{5}$$

12.4 Tranche FY21 Average Annual ROE is a key financial metric link to performance.

12.5 Entry level vesting of Performance Rights connected to Tranche FY21 Average Annual ROE is conditional upon Tranche FY21 Average Annual ROE being at least 1.0x the amount of Tranche 21 Average Annual Weighted Average Cost of Capital.

12.6 Full level vesting of Performance Rights connected to Tranche FY21 is conditional upon Tranche FY21 Average Annual ROE being at least 1.1x the amount of Tranche 21 Average Annual Weighted Average Cost of Capital.

12.7 There will be a straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting.

- 12.8 The weighted Average Cost of Capital will be calculated in line with general financial principles.

<b>Tranche FY21 Average Annual ROE</b>	<b>% of Performance Rights connected to Tranche FY21 Average Annual ROE that will become exercisable</b>
Tranche FY21 Average Annual ROE < 1.0x the amount of Tranche FY21 Average Annual Weighted Average Cost of Capital	0%
<u>Entry Level:</u> Tranche FY21 Average Annual ROE ≥ 1.0x the amount of Tranche FY21 Average Annual Weighted Average Cost of Capital	50%
<u>Full Level:</u> Tranche FY21 Average Annual ROE ≥ 1.1x the amount of Tranche FY21 Average Annual Weighted Average Cost of Capital	100%
<i>Straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting</i>	

*Performance Measure No. 2 – Total Shareholder Return*

- 12.9 The Total Shareholder Return condition will account for 25% of the grant of Performance Rights under the ETI Plan.
- 12.10 Total Shareholder Return will be calculated in accordance with the following formula:
- $$\frac{\text{(Movement in Share Price + Dividends Paid)}}{\text{Opening Share Price}}$$
- 12.11 For this requirement, the following terms have the following meanings:
- Tranche FY21 Opening VWAP** means the 10 day volume weighted average price of the Company following the announcement of the financial results of the Company for the financial year ending 30 June 2020;
  - Tranche FY21 Closing VWAP** means 10 day volume weighted average price of the Company following the announcement of the financial results of the Company for the financial year ending 30 June 2025;
  - Tranche FY21 Movement in Share Price** means the difference calculated as follows:  
Tranche FY21 Closing VWAP less Tranche FY21 Opening VWAP;
  - Tranche FY21 Accumulated Dividends** means the aggregate of the dividends paid per share over the period from 1 July 2020 to 31 December 2025;
  - Tranche FY21 Total Shareholder Appreciation** means the addition of the following:  
Tranche FY21 Movement in Share Price + Tranche FY21 Accumulated Dividends;
  - Tranche FY21 TSR** means the following fraction expressed as a percentage:

$$\frac{\text{Tranche FY21 Total Shareholder Appreciation}}{\text{Tranche FY21 Opening VWAP}}$$

- (g) **Tranche FY21 Average Annual TSR** means the following fraction expressed as a percentage:

$$\frac{\text{Tranche FY21 TSR}}{5}$$

- 12.12 Tranche FY21 Average Annual TSR is a key financial metric link to performance.
- 12.13 Entry level vesting of Performance Rights connected to Tranche FY21 Average Annual TSR is conditional upon Tranche FY21 Average Annual TSR being at least 11%.
- 12.14 Full level vesting of Performance Rights connected to Tranche FY21 Average Annual TSR is conditional upon Tranche FY21 Average Annual TSR of at least 15%.
- 12.15 There will be a straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting.

<b>Tranche FY21 Average Annual TSR</b>	<b>% of Performance Rights connected to Tranche FY21 Average Annual TSR that will become exercisable</b>
Tranche FY21 Average Annual TSR < 11%	0%
<u>Entry Level:</u> Tranche FY21 Average Annual TSR ≥ 11%	50%
<u>Full Level:</u> Tranche FY21 Average Annual TSR ≥ 15%	100%
<i>Straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting</i>	

*Performance Measure No. 3 – Relative Total Shareholder Return (Relative TSR)*

- 12.16 The Relative Total Shareholder Return Requirement will account for 25% of the grant of Performance Rights under the ETI Plan.
- 12.17 For this requirement, the following terms have the following meanings:
- (a) **Selected Peer Group** means the ASX 200 Consumer Discretionary Index constituents i.e. the ASX 200 Consumer Discretionary Index as at the start of the performance period, excluding the Company.
- (b) **Tranche FY21 Average Annual TSR** means the fraction calculated in terms of Performance Measure No. 2.
- 12.18 Tranche FY21 Relative Average Annual TSR is a key financial metric link to performance.
- 12.19 Entry level vesting of Performance Rights connected to Tranche FY21 Relative Average Annual TSR is conditional upon Tranche FY21 Average Annual TSR being above the TSR measured at the 50th percentile of the Selected Peer Group.
- 12.20 Full level vesting of Performance Rights connected to Tranche FY21 Relative Average Annual TSR is conditional upon Tranche FY21 Average Annual TSR being at or above the TSR measured at the 75th percentile of the Selected Peer Group.

- 12.21 There will be a straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting.

<b>Tranche FY21 Relative Average Annual TSR</b>	<b>% of Performance Rights connected to Tranche FY21 Relative Average Annual TSR that will become exercisable</b>
Tranche FY21 Average Annual TSR $\leq$ 50 <sup>th</sup> percentile of the Selected Peer Group	0%
<u>Entry Level:</u> Tranche FY21 Average Annual TSR $>$ 50 <sup>th</sup> percentile of the Selected Peer Group	50%
<u>Full Level:</u> Tranche FY21 Average Annual TSR $\geq$ 75 <sup>th</sup> percentile of the Selected Peer Group	100%
<i>Straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting</i>	

Financial Performance Conditions – Tranche FY22

*Performance Measure No. 1 – Return on Equity*

- 12.22 The Return on Equity condition will account for 50% of the grant of Performance Rights under the ETI Plan.

- 12.23 For this condition, the following terms have the following meanings:

- (a) **Tranche FY22 Aggregate APAT** means the aggregate of the amounts of the annual net profit after income tax of the Consolidated Entity for each of the Tranche FY22 Financial Years;
- (b) **Tranche FY22 Aggregate Net Assets** means the amount equivalent to the aggregate of the amounts of the net assets of the Consolidated Entity, excluding non-controlling equity interests, as described in the annual report of the Consolidated Entity in respect of each of the Tranche FY22 Financial Years;
- (c) **Tranche FY22 Financial Years** means the financial years ending 30 June 2022, 2023, 2024, 2025 and 2026;
- (d) **Tranche FY22 ROE** means the following fraction expressed as a percentage:  

$$\frac{\text{Tranche FY22 Aggregate APAT}}{\text{Tranche FY22 Aggregate Net Assets}}$$
- (e) **Tranche FY22 Average Annual ROE** means the following fraction expressed as a percentage:  

$$\frac{\text{Tranche FY22 ROE}}{5}$$
- (f) **Tranche FY22 Weighted Average Cost of Capital** means the aggregate of the after tax weighted average cost of capital of the Company calculated at the beginning of each of the Tranche FY22 Financial Years;

- (g) **Tranche FY22 Average Annual Weighted Average Cost of Capital** means the following fraction expressed as a percentage:

$$\frac{\text{Tranche FY22 Weighted Average Cost of Capital}}{5}$$

- 12.24 Tranche FY22 Average Annual ROE is a key financial metric link to performance.
- 12.25 Entry level vesting of Performance Rights connected to Tranche FY22 Average Annual ROE is conditional upon Tranche FY22 Average Annual ROE being at least 1.0x the amount of Tranche FY22 Average Annual Weighted Average Cost of Capital.
- 12.26 Full level vesting of Performance Rights connected to Tranche FY22 Average Annual ROE is conditional upon Tranche FY22 Average Annual ROE being at least 1.1x the amount of Tranche FY22 Average Annual Weighted Average Cost of Capital.
- 12.27 There will be a straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting.
- 12.28 The weighted Average Cost of Capital will be calculated in line with general financial principles.

<b>Tranche FY22 Average Annual ROE</b>	<b>% of Performance Rights connected to Tranche FY22 Average Annual ROE that will become exercisable</b>
Tranche FY22 Average Annual ROE < 1.0x the amount of Tranche FY22 Average Annual Weighted Average Cost of Capital	0%
<u>Entry Level:</u> Tranche FY22 Average Annual ROE ≥ 1.0x the amount of Tranche FY22 Average Annual Weighted Average Cost of Capital	50%
<u>Full Level:</u> Tranche FY22 Average Annual ROE ≥ 1.1x the amount of Tranche FY22 Average Annual Weighted Average Cost of Capital	100%
<i>Straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting</i>	

*Performance Measure No. 2 – Total Shareholder Return*

- 12.29 The Total Shareholder Return condition will account for 25% of the grant of Performance Rights under the ETI Plan.
- 12.30 Total Shareholder Return will be calculated in accordance with the following formula:  

$$\frac{\text{(Movement in Share Price + Dividends Paid)}}{\text{Opening Share Price}}$$
- 12.31 For this requirement, the following terms have the following meanings:
- (a) **Tranche FY22 Opening VWAP** means the 10 day volume weighted average price of the Company following the announcement of the financial results of the Company for the financial year ending 30 June 2021;

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- (b) **Tranche FY22 Closing VWAP** means 10 day volume weighted average price of the Company following the announcement of the financial results of the Company for the financial year ending 30 June 2026;
- (c) **Tranche FY22 Movement in Share Price** means the difference calculated as follows:  
Tranche FY22 Closing VWAP less Tranche FY22 Opening VWAP;
- (d) **Tranche FY22 Accumulated Dividends** means the aggregate of the dividends paid per share over the period from 1 July 2021 to 31 December 2026;
- (e) **Tranche FY22 Total Shareholder Appreciation** means the addition of the following:  
Tranche FY22 Movement in Share Price + Tranche FY22 Accumulated Dividends;
- (f) **Tranche FY22 TSR** means the following fraction expressed as a percentage:  
$$\frac{\text{Tranche FY22 Total Shareholder Appreciation}}{\text{Tranche FY22 Opening VWAP}}$$
- (g) **Tranche FY22 Average Annual TSR** means the following fraction expressed as a percentage:  
$$\frac{\text{Tranche FY22 TSR}}{5}$$

- 12.32 Tranche FY22 Average Annual TSR is a key financial metric link to performance.
- 12.33 Entry level vesting of Performance Rights connected to Tranche FY22 Average Annual TSR is conditional upon Tranche FY22 Average Annual TSR being at least 11%.
- 12.34 Full level vesting of Performance Rights connected to Tranche FY22 Average Annual TSR is conditional upon Tranche FY22 Average Annual TSR of at least 15%.
- 12.35 There will be a straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting.

<b>Tranche FY22 Average Annual TSR</b>	<b>% of Performance Rights connected to Tranche FY22 Average Annual TSR that will become exercisable</b>
Tranche FY22 Average Annual TSR < 11%	0%
<u>Entry Level:</u> Tranche FY22 Average Annual TSR ≥ 11%	50%
<u>Full Level:</u> Tranche FY22 Average Annual TSR ≥ 15%	100%
<i>Straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting</i>	

*Performance Measure No. 3 – Relative Total Shareholder Return (Relative TSR)*

- 12.36 The Relative Total Shareholder Return Requirement will account for 25% of the grant of Performance Rights under the ETI Plan.
- 12.37 For this requirement, the following terms have the following meanings:

- (a) **Selected Peer Group** means the ASX 200 Consumer Discretionary Index constituents i.e. the ASX 200 Consumer Discretionary Index as at the start of the performance period, excluding the Company.
- (b) **Tranche FY22 Average Annual TSR** means the fraction calculated in terms of Performance Measure No. 2.

- 12.38 Tranche FY22 Relative Average Annual TSR is a key financial metric link to performance.
- 12.39 Entry level vesting of Performance Rights connected to Tranche FY22 Relative Average Annual TSR is conditional upon Tranche FY22 Average Annual TSR being above the TSR measured at the 50th percentile of the Selected Peer Group.
- 12.40 Full level vesting of Performance Rights connected to Tranche FY22 Relative Average Annual TSR is conditional upon Tranche FY22 Average Annual TSR being at the TSR measured at or above the 75th percentile of the Selected Peer Group.
- 12.41 There will be a straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting.

<b>Tranche FY22 Relative Average Annual TSR</b>	<b>% of Performance Rights connected to Tranche FY22 Relative Average Annual TSR that will become exercisable</b>
Tranche FY22 Average Annual TSR ≤50 <sup>th</sup> percentile of the Selected Peer Group	0%
<u>Entry Level:</u> Tranche FY22 Average Annual TSR > 50 <sup>th</sup> percentile of the Selected Peer Group	50%
<u>Full Level:</u> Tranche FY22 Average Annual TSR ≥ 75 <sup>th</sup> percentile of the Selected Peer Group	100%
<i>Straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting</i>	

Financial Performance Conditions – Tranche FY23

*Performance Measure No. 1 – Return on Equity*

- 12.42 The Return on Equity condition will account for 50% of the grant of Performance Rights under the ETI Plan.
- 12.43 For this condition, the following terms have the following meanings:
- (a) **Tranche FY23 Aggregate APAT** means the aggregate of the amounts of the annual net profit after income tax of the Consolidated Entity for each of the Tranche FY23 Financial Years;
- (b) **Tranche FY23 Aggregate Net Assets** means the amount equivalent to the aggregate of the amounts of the net assets of the Consolidated Entity, excluding non-controlling equity interests, as described in the annual report of the Consolidated Entity in respect of each of the Tranche FY23 Financial Years;



- (c) **Tranche FY23 Financial Years** means the financial years ending 30 June 2023, 2024, 2025 2026 and 2027;
- (d) **Tranche FY23 ROE** means the following fraction expressed as a percentage:  

$$\frac{\text{Tranche FY23 Aggregate APAT}}{\text{Tranche FY23 Aggregate Net Assets}}$$
- (e) **Tranche FY23 Average Annual ROE** means the following fraction expressed as a percentage:  

$$\frac{\text{Tranche FY23 ROE}}{5}$$
- (f) **Tranche FY23 Weighted Average Cost of Capital** means the aggregate of the after tax weighted average cost of capital of the Company calculated at the beginning of each of the Tranche FY23 Financial Years;
- (g) **Tranche FY23 Average Annual Weighted Average Cost of Capital** means the following fraction expressed as a percentage:  

$$\frac{\text{Tranche FY23 Weighted Average Cost of Capital}}{5}$$

- 12.44 Tranche FY23 Average Annual ROE is a key financial metric link to performance.
- 12.45 Entry level vesting of Performance Rights connected to Tranche FY23 Average Annual ROE is conditional upon Tranche FY23 Average Annual ROE being at least 1.0x the amount of Tranche FY23 Average Annual Weighted Average Cost of Capital.
- 12.46 Full level vesting of Performance Rights connected to Tranche FY23 Average Annual ROE is conditional upon Tranche FY23 Average Annual ROE being at least 1.1x the amount of Tranche FY23 Average Annual Weighted Average Cost of Capital.
- 12.47 There will be a straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting.
- 12.48 The weighted Average Cost of Capital will be calculated in line with general financial principles.

<b>Tranche FY23 Average Annual ROE</b>	<b>% of Performance Rights connected to Tranche FY23 Average Annual ROE that will become exercisable</b>
Tranche FY23 Average Annual ROE < 1.0x the amount of Tranche FY23 Average Annual Weighted Average Cost of Capital	0%
<u>Entry Level:</u> Tranche FY23 Average Annual ROE ≥ 1.0x the amount of Tranche FY23 Average Annual Weighted Average Cost of Capital	50%
<u>Full Level:</u> Tranche FY23 Average Annual ROE ≥ 1.1x the amount of Tranche FY23 Average Annual Weighted Average Cost of Capital	100%
<i>Straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting</i>	

*Performance Measure No. 2 – Total Shareholder Return*

12.49 The Total Shareholder Return condition will account for 25% of the grant of Performance Rights under the ETI Plan.

12.50 Total Shareholder Return will be calculated in accordance with the following formula:

$$\frac{\text{(Movement in Share Price + Dividends Paid)}}{\text{Opening Share Price}}$$

12.51 For this requirement, the following terms have the following meanings:

(a) **Tranche FY23 Opening VWAP** means the 10 day volume weighted average price of the Company following the announcement of the financial results of the Company for the financial year ending 30 June 2022;

(b) **Tranche FY23 Closing VWAP** means 10 day volume weighted average price of the Company following the announcement of the financial results of the Company for the financial year ending 30 June 2027;

(c) **Tranche FY23 Movement in Share Price** means the difference calculated as follows:

Tranche FY23 Closing VWAP less Tranche FY23 Opening VWAP;

(d) **Tranche FY23 Accumulated Dividends** means the aggregate of the dividends paid per share over the period from 1 July 2022 to 31 December 2027;

(e) **Tranche FY23 Total Shareholder Appreciation** means the addition of the following:

Tranche FY23 Movement in Share Price + Tranche FY23 Accumulated Dividends;

(f) **Tranche FY23 TSR** means the following fraction expressed as a percentage:

$$\frac{\text{Tranche FY23 Total Shareholder Appreciation}}{\text{Tranche FY23 Opening VWAP}}$$

(g) **Tranche FY23 Average Annual TSR** means the following fraction expressed as a percentage:

$$\frac{\text{Tranche FY23 TSR}}{5}$$

12.52 Tranche FY23 Average Annual TSR is a key financial metric link to performance.

12.53 Entry level vesting of Performance Rights connected to Tranche FY23 Average Annual TSR is conditional upon Tranche FY23 Average Annual TSR being at least 11%.

12.54 Full level vesting of Performance Rights connected to Tranche FY23 Average Annual TSR is conditional upon Tranche FY23 Average Annual TSR of at least 15%.

12.55 There will be a straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting.

Tranche FY23 Average Annual TSR	% of Performance Rights connected to Tranche FY23 Average Annual TSR that will become exercisable
Tranche FY23 Average Annual TSR < 11%	0%

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<b>Tranche FY23 Average Annual TSR</b>	<b>% of Performance Rights connected to Tranche FY23 Average Annual TSR that will become exercisable</b>
<u>Entry Level:</u> Tranche FY23 Average Annual TSR $\geq$ 11%	50%
<u>Full Level:</u> Tranche FY23 Average Annual TSR $\geq$ 15%	100%
<i>Straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting</i>	

*Performance Measure No. 3 – Relative Total Shareholder Return (Relative TSR)*

- 12.56 The Relative Total Shareholder Return Requirement will account for 25% of the grant of Performance Rights under the ETI Plan.
- 12.57 For this requirement, the following terms have the following meanings:
- Selected Peer Group** means the ASX 200 Consumer Discretionary Index constituents i.e. the ASX 200 Consumer Discretionary Index as at the start of the performance period, excluding the Company.
  - Tranche FY23 Average Annual TSR** means the fraction calculated in terms of Performance Measure No. 2.
- 12.58 Tranche FY23 Relative Average Annual TSR is a key financial metric link to performance.
- 12.59 Entry level vesting of Performance Rights connected to Tranche FY23 Relative Average Annual TSR is conditional upon Tranche FY23 Average Annual TSR being above the TSR measured at the 50th percentile of the Selected Peer Group.
- 12.60 Full level vesting of Performance Rights connected to Tranche FY23 Relative Average Annual TSR is conditional upon Tranche FY23 Average Annual TSR being at the TSR measured at or above the 75th percentile of the Selected Peer Group.
- 12.61 There will be a straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting.

<b>Tranche FY23 Relative Average Annual TSR</b>	<b>% of Performance Rights connected to Tranche FY23 Relative Average Annual TSR that will become exercisable</b>
Tranche FY23 Average Annual TSR $\leq$ 50 <sup>th</sup> percentile of the Selected Peer Group	0%
<u>Entry Level:</u> Tranche FY23 Average Annual TSR $>$ 50 <sup>th</sup> percentile of the Selected Peer Group	50%
<u>Full Level:</u> Tranche FY23 Average Annual TSR $\geq$ 75 <sup>th</sup> percentile of the Selected Peer Group	100%
<i>Straight line pro-rata vesting of Performance Rights for an achievement between the entry level vesting and the full level vesting</i>	

### Non-Financial Conditions

- 13.1 The Board (after consideration of the recommendations of the Remuneration Committee), may impose non-financial performance conditions consistent with the execution of the strategy of the Company and mitigation of risk. The question as to whether any non-financial performance conditions have been satisfied will be determined by the Board (after consideration of the recommendations of the Remuneration Committee).

### Service Conditions

- 13.2 The service conditions in respect of an executive Director will be deemed to be satisfied if at the time of exercise of the Performance Rights:
- (a) the executive Director has not resigned or provided notice of resignation of employment from the Company, except in order to retire from the workforce;
  - (b) the Company has not terminated the employment of the executive Director for cause; or
  - (c) the Board has not determined that the Performance Rights should lapse as a result of any fraud, gross misconduct or conduct of the executive Director which brings the Company into disrepute.
- 13.3 If the executive Director has died before the Performance Rights are exercised, but the Performance Conditions have been satisfied and the conditions in paragraph 13.2 do not apply, the estate of the executive Director may exercise the Performance Rights.
- 13.4 No Director may participate in deliberations by the Board about, or decisions of the Board in respect of the remuneration of that Director.

### Resolution 14 - Increase the total aggregate amount of directors' fees payable to all of the Company's non-executive directors

- 14.1 ASX Listing Rule 10.17 and Article 61A of the Constitution require shareholder approval for any increase in the total aggregate amount of Directors' fees that may be paid to all NEDs each financial year (**NED Remuneration Cap**).
- 14.2 The current NED Remuneration Cap of \$1,000,000 was established in 2006. The Board is entitled to pay remuneration to NEDs as they see fit provided such remuneration does not exceed the NED Remuneration Cap.
- 14.3 Resolution 14 proposes to increase the NED Remuneration Cap to \$1,500,000 per financial year, an increase of \$500,000.
- 14.4 The proposed increase to the NED Remuneration Cap would allow flexibility for market increases in the future for existing NEDs and provide the Board with the capacity to appoint additional NEDs as required, including to allow for better succession planning by facilitating the appointment of new NEDs before the retirement of existing NEDs.

### Information required under Listing Rules

#### Listing Rules 10.14 and 10.15 – Acquisition of shares in the Company

- 15.1 Shareholder approval is required under Listing Rule 10.14 for all grants of Performance Rights to Directors and acquisition of securities in the Company by Directors.
- 15.2 The Company is proposing to grant Performance Rights and permit executive Directors to acquire shares in the Company under the ETI Plan, as set out in Resolutions 9 to 13 (inclusive) and in the corresponding Explanatory Notes in this Attachment B.

- 15.3 Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

*Listing Rule 10.14.1* - a director of the company;

*Listing Rule 10.14.2* - an associate of a director of the company; or

*Listing Rule 10.14.3* - a person whose relationship with the company or a person referred to in the Listing Rule 10.14.1 or 10.14.2 is such that, in the ASX's opinion, the acquisition should be approved by its shareholders,

unless that company obtains the approval of its shareholders.

- 15.4 The proposed ETI Plan falls within Listing Rule 10.14.1 above and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

- 15.5 Resolutions 9 to 13 (inclusive) seek the required shareholder approval for the purposes of Listing Rule 10.14.

- 15.6 If Resolutions 9 to 13 (inclusive) are passed, the Company will be able to proceed with the ETI Plan and:

- (a) grant the Performance Rights to each executive Director; and
- (b) permit each executive Director to acquire shares in the Company, under the ETI Plan, and on the terms set out in the Explanatory Notes.

- 15.7 If Resolutions 9 to 13 (inclusive) are not passed, the Company will not be able to proceed with the ETI Plan and:

- (a) the Company will not grant any Performance Rights to any Director; and
- (b) no Director will be permitted to acquire shares in the Company, under the ETI Plan.

- 15.8 ASX Listing Rule 10.15 requires that a notice of meeting to approve the issue of securities under Listing Rule 10.14 include the following information:

*Listing Rule 10.15.1 – Name of the person*

- (a) the names of all persons entitled to participate in the scheme are Gerald Harvey, Kay Lesley Page, David Matthew Ackery, John Eryn Slack-Smith, and Chris Mentis;

*Listing Rule 10.15.2 – Which category in rules 10.14.1 – 10.14.3 the person falls within and why*

- (b) each person identified in Resolutions 9 to 13 (inclusive) (**Grantee**) is a director of the Company and falls within Listing Rule 10.14.1;

*Listing Rule 10.15.3 – The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought*

- (c) subjection to satisfaction of all relevant conditions:
  - (i) the maximum number of securities that may be acquired by each Grantee in respect of each Performance Right exercised by that Grantee is one ordinary share in the Company plus additional shares based on an amount equivalent to any dividends that would have been paid on the share underlying that Performance Right since the date of grant of the Performance Right (**Dividend Equivalent Right**);

- (ii) each Dividend Equivalent Right will immediately convert into shares in the Company upon exercise of the relevant Performance Right (**Dividend Equivalent Shares**);
- (iii) the number of Dividend Equivalent Shares in respect of a parcel of Performance Rights exercised by a Grantee will be calculated in accordance with the following formula:

$$N = (AD / MVE) \times PR$$

Where:

**N** = Number of Dividend Equivalent Shares which a Grantee is entitled to receive upon exercise of a parcel of Performance Rights on a given date of exercise.

**AD** = Aggregate amount of dividends paid on each share underlying the parcel of Performance Rights from date of grant of the Performance Rights down to and including the date of exercise of the Performance Rights.

**MVE** = Market value of a share in the Company at the date of exercise of the Performance Rights, where market value of the share means 10-day volume weighted average price prior to the date of exercise.

**PR** = The number of Performance Rights exercised by a Grantee on that date of exercise.

- (iv) the total number of Performance Rights which will be granted to each Grantee under the ETI Plan, in the financial years ending 30 June 2021, 30 June 2022 and 30 June 2023, in aggregate, is set out below:

Grantee	Total number of Performance Rights to be granted in FY 2021, FY 2022 and FY 2023 (in aggregate)
Gerald Harvey	778,485
Kay Lesley Page	2,179,758
David Matthew Ackery	648,738
John Eryn Slack-Smith	648,738
Chris Mentis	493,041

- (v) if a Grantee exercises a number of Performance Rights at the same time, for the purpose of calculating the number of Dividend Equivalent Shares that the Grantee shall be entitled to receive at that time, the number of Dividend Equivalent Shares (including fractional interests) shall be aggregated and the aggregated number of Dividend Equivalent Shares rounded up to the nearest whole number of shares in the Company.
- (vi) Dividend Equivalent Shares are expected to be purchased on market, however the Board may, in its discretion, decide to issue the Dividend Equivalent Shares or make a cash payment instead of the Dividend Equivalent Shares.

*Listing Rule 10.15.4 – Details (including the amount) of the director's current total remuneration package*

- (d) set out below are the details (including the amount) of the current total remuneration package of each Grantee:

		Short Term Benefits				Post-Employment	Long Term Incentives	Other	Total Remuneration
		Salary & Fees	Performance Cash Incentive	Other Short Term	Non-Monetary Benefits	Superannuation	Performance Rights	Long Service Leave (a)	
Gerald Harvey Executive Chairman	2020	682,668	-	10,400	-	21,003	144,882	-	858,953
Kay Lesley Page Executive Director/CEO	2020	1,958,198	998,073	-	17,812	21,003	325,505	-	3,320,591
John Evyn Slack-Smith Executive Director/COO	2020	1,167,547	870,413	-	-	21,003	204,081	19,459	2,282,503
David Matthew Ackery Executive Director	2020	1,150,447	870,413	18,000	-	21,003	204,081	19,474	2,283,418
Chris Mentis Executive Director/CFO	2020	841,426	742,752	-	43,664	21,003	178,233	14,024	1,841,101

For the avoidance of doubt, the current total remuneration package summarised above does not include the proposed ETI Plan;

*Listing Rule 10.15.5 – the Number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid by the person for those securities*

- (e) the proposed grant of Performance Rights under the ETI Plan is a new scheme, and as such, no person has received securities under the ETI Plan;

*Listing Rule 10.15.6 – Further information if securities are not fully paid ordinary securities*

- (f) Any securities acquired by a Grantee under the ETI Plan will be fully paid ordinary securities in the Company.

*Listing Rule 10.15.7 – The date or dates on or by which the entity will issue the securities to the person under the scheme. This must be no later than 3 years after the date of the meeting*

- (g) The Performance Rights will be granted in three tranches as described below with each subject to the relevant performance conditions and service conditions, and are exercisable as follows:

Grantee	Tranche 1 FY21 Exercisable between 1 January 2026 to 31 December 2035	Tranche 2 FY22 Exercisable between 1 January 2027 to 31 December 2036	Tranche 3 FY23 Exercisable between 1 January 2028 to 31 December 2037

Gerald Harvey	259,495	259,495	259,495
Kay Lesley Page	726,586	726,586	726,586
David Ackery	216,246	216,246	216,246
John Slack-Smith	216,246	216,246	216,246
Chris Mentis	164,347	164,347	164,347

- (i) Tranche 1 will be granted immediately after the 2020 AGM;
- (ii) Tranche 2 will be granted immediately following the first anniversary of the 2020 AGM;
- (iii) Tranche 3 will be granted immediately following the second anniversary of the 2020 AGM;
- (h) it is intended the Performance Rights will be granted on or before 1 December 2020, but in any event must be issued before that date which is no later than 3 years after the meeting;

*Listing Rule 10.15.8 – The price at which the entity will issue the securities to the person under the scheme*

- (i) the price for each Performance Right and the exercise price of any performance price will be nil;

*Listing Rule 10.15.9 – A summary of the material terms of the scheme*

- (j) a summary of the material terms of the ETI Plan is set out in the Explanatory Notes in Attachment B to this Notice of Meeting;

*Listing Rule 10.15.10 – A summary of the material terms of any loan that will be made to the person in relation to the acquisition*

- (k) no loan is proposed in relation to the grant of Performance Rights or the acquisition of shares in the Company under the ETI Plan;

*Listing Rule 10.15.11 – Details of securities issued to be published in annual report and participation in scheme*

- (l) details of any securities issued under this scheme will be published in each annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14;
- (m) any additional persons who become entitled to participate in the scheme after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under ASX Listing Rule 10.14;

*Listing Rule 10.15.12 – A voting exclusion statement*

- (n) a voting exclusion statement is set out in Attachment A to this Notice of Meeting.

15.9 If shareholder approval is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1.



15.10 The NEDs are not entitled to participate in the proposed grant of Performance Rights. The non-executive directors are Christopher Herbert Brown, Kenneth William Gunderson-Briggs, Graham Charles Paton, Michael John Harvey and Maurice John Craven.

**Listing Rule 10.17 - Increase the total aggregate amount of directors' fees payable to all of the Company's non-executive directors**

15.11 ASX Listing Rule 10.17 requires that a notice of meeting to approve the increase of the total aggregate amount of directors' fees payable to all of the Company's NEDs under Listing Rule 10.17 include the following information:

- (a) *the amount of the increase:*  
\$500,000
- (b) *the maximum aggregate amount of directors' fees that may be paid to all of the Company's non-executive directors:*  
\$1,500,000
- (c) *details of any securities issued to a non-executive director under rule 10.11 or 10.14 with the approval of the holders of the Company's ordinary securities at any time within the preceding 3 years:*  
Not applicable
- (d) *a voting exclusion statement:*  
a voting exclusion statement is set out in Attachment A to this Notice of Meeting.

**Part 2E of the Corporations Act**

16.1 The following information is provided in accordance with section 219 of the Corporations Act:

*The related parties to whom Resolutions 9 to 13 would permit the financial benefit to be given*

- 16.2 The related parties to whom the proposed resolutions would permit financial benefits to be given are:
- (a) Gerald Harvey;
  - (b) Kay Lesley Page;
  - (c) David Matthew Ackery;
  - (d) John Eryn Slack-Smith; and
  - (e) Chris Mentis.

*The nature of the financial benefit*

16.3 The nature of the proposed financial benefits is described above in paragraphs 9.1 to 13.4.

*The recommendations of the directors of the company*

16.4 Each of the Directors of the Company recommends that Shareholders approve the Resolutions 9 to 13 for the reasons set out below:

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- (a) the Directors wish to implement a remuneration plan for senior executives which involves pay for performance, consistent with good corporate governance;
- (b) the Directors believe that the implementation of the plan, if the proposed resolutions are approved, will assist the Company to attract and retain key employees who, in the opinion of the Board are able by virtue of their experience and skills, to influence operational performance necessary to achieve sustained growth in shareholder wealth;
- (c) the Board believes that the proposed grant of the Performance Rights to the Grantees under the ETI Plan will align the remuneration of the senior executive team with the long term strategic objectives of the Company by tying performance conditions to measures, targets and initiatives designed to execute and achieve the strategic objectives determined by the Board.

*The interest of each director in the outcome of Resolutions 9 to 13*

Gerald Harvey

- 16.5 Gerald Harvey is a director of the Company and has a relevant interest in shares in the Company. Gerald Harvey is an employee of the Company and an associate of Kay Lesley Page and may benefit directly from the outcome of Resolutions 9 and 10, and as such Gerald Harvey has an interest in the outcome of Resolutions 9 and 10.
- 16.6 If Resolution 9 is approved, Gerald Harvey will obtain a benefit by way of the grant to him of the Performance Rights and (subject to satisfaction of all relevant conditions) acquisition of shares in the Company, as described above in paragraphs 9.1 to 13.4.
- 16.7 If Resolution 10 is approved, Gerald Harvey and Kay Lesley Page will obtain a benefit by way of the grant to Kay Lesley Page of the Performance Rights and (subject to satisfaction of all relevant conditions) acquisition of shares in the Company, as described above in paragraphs 9.1 to 13.4.

Kay Lesley Page

- 16.8 Kay Lesley Page is a director of the Company and has a relevant interest in shares in the Company. Kay Lesley Page is an employee of the Company and an associate of Gerald Harvey and may benefit directly from the outcome of Resolutions 9 and 10, and as such Kay Lesley Page has an interest in the outcome of Resolutions 9 and 10.
- 16.9 If Resolution 10 is approved, Kay Lesley Page will obtain a benefit by way of the grant to her of the Performance Rights and (subject to satisfaction of all relevant conditions) acquisition of shares in the Company, as described above in paragraphs 9.1 to 13.4.
- 16.10 If Resolution 9 is approved, Kay Lesley Page and Gerald Harvey will obtain a benefit by way of the grant to Gerald Harvey of the Performance Rights and (subject to satisfaction of all relevant conditions) acquisition of shares in the Company, as described above in paragraphs 9.1 to 13.4.

David Matthew Ackery

- 16.11 David Matthew Ackery is a director of the Company and has a relevant interest in shares in the Company. David Matthew Ackery is an employee of the Company and may benefit directly from the outcome of Resolution 11, and as such David Matthew Ackery has an interest in the outcome of Resolution 11.
- 16.12 If Resolution 11 is approved, David Matthew Ackery will obtain a benefit by way of the grant to him of the Performance Rights and (subject to satisfaction of all relevant

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conditions) the acquisition of shares in the Company, as described above in paragraphs 9.1 to 13.4.

John Eryn Slack-Smith

- 16.13 John Eryn Slack-Smith is a director of the Company and has a relevant interest in shares in the Company. John Eryn Slack-Smith is an employee of the Company and may benefit directly from the outcome of Resolution 12, and as such John Eryn Slack-Smith has an interest in the outcome of Resolution 12.
- 16.14 If Resolution 12 is approved, John Eryn Slack-Smith will obtain a benefit by way of the grant to him of the Performance Rights and (subject to satisfaction of all relevant conditions) acquisition of shares in the Company, as described above in paragraphs 9.1 to 13.4.

Chris Mentis

- 16.15 Chris Mentis is a director of the Company and has a relevant interest in shares in the Company. Chris Mentis is an employee of the Company and may benefit directly from the outcome of Resolution 13, and as such Chris Mentis has an interest in the outcome of Resolution 13.
- 16.16 If Resolution 13 is approved, Chris Mentis will obtain a benefit by way of the grant to him of the Performance Rights and (subject to satisfaction of all relevant conditions) acquisition of shares in the Company, as described above in paragraphs 9.1 to 13.4.

Christopher Herbert Brown

- 16.17 Christopher Herbert Brown is a director of the Company and has a relevant interest in shares in the Company but otherwise Christopher Herbert Brown has no interest in the outcome of the Proposed Resolution.

Michael John Harvey

- 16.18 Michael John Harvey is a director of the Company and has a relevant interest in shares in the Company. Michael John Harvey is an associate of Gerald Harvey and may benefit from the outcome of Resolution 9, and as such Michael John Harvey has an interest in the outcome of Resolution 9.
- 16.19 If Resolution 9 is approved, Michael John Harvey and Gerald Harvey will obtain a benefit by way of the grant to Gerald Harvey of the Performance Rights and (subject to satisfaction of all relevant conditions) acquisition of shares in the Company, as described above in paragraphs 9.1 to 13.4.

Kenneth William Gunderson-Briggs

- 16.20 Kenneth William Gunderson-Briggs is a director of the Company and has a relevant interest in shares in the Company but otherwise Kenneth William Gunderson-Briggs has no interest in the outcome of the Proposed Resolution.

Graham Charles Paton

- 16.21 Graham Charles Paton is a director of the Company and has a relevant interest in shares in the Company but otherwise Graham Charles Paton has no interest in the outcome of the Proposed Resolution.

Maurice John Craven

- 16.22 Maurice John Craven is a director of the Company and has a relevant interest in shares in the Company but otherwise Maurice John Craven has no interest in the outcome of the Proposed Resolution.

*Other information that is reasonably required by shareholders to make a decision and that is known to the Company or any of its directors*

Taxation consequences

16.23 The grant of the Performance Rights to a Grantee constitutes the acquisition by that Grantee of a right under an employee share scheme. So far as each of the directors in the Company are aware, there are no adverse taxation consequences for the Company, arising out of the grant of the Performance Rights. In particular, the grant of the Performance Rights should constitute a benefit constituted by the acquisition by the Grantee of a right under an employee share scheme, and accordingly will not constitute a "fringe benefit" for the purposes of the *Fringe Benefits Tax Assessment Act 1986* (Cth).

Benefits foregone by whoever would give the benefits

16.24 The Performance Rights will have a gross estimated aggregate value of between \$19.4 million (calculated to the time of grant of the Performance Rights under the ETI Plan using a 10-day VWAP from 31 August 2020 following the release of the FY2020 results of \$4.355 per share) and \$40.7 million (calculated to the time of final exercise date of the Performance Rights using a 10-day VWAP to 1 October 2020). Both calculations assume 100% achievement of the performance conditions, an annual 6% dividend yield for the period from FY2021 to 21 December 2037, reinvestment of dividends, and no allowance for the time value of money. The assumed dividend yield is not an indicator, forecast or a determination of dividends that will be paid by the Company.

16.25 So far as each of the Directors and the Company are aware, there are no other benefits foregone by any party.

Dilution impact

16.26 As at 30 September 2020, a total of 1,246,006,654 shares in the Company were on issue.

16.27 The maximum number of shares that may be acquired by each executive Director in respect of each Performance Right exercised by that executive Director is one ordinary share in the Company plus Dividend Equivalent Shares. That is:

<b>Executive Director</b>	<b>Total number of Performance Rights to be granted in FY 2021, FY 2022 and FY 2023 (in aggregate)</b>	<b>Maximum number of shares an executive Director can acquire in the Company under the ETI Plan</b>
Gerald Harvey	778,485	778,485 plus Dividend Equivalent Shares
Kay Lesley Page	2,179,758	2,179,758 plus Dividend Equivalent Shares
David Matthew Ackery	648,738	648,738 plus Dividend Equivalent Shares

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<b>Executive Director</b>	<b>Total number of Performance Rights to be granted in FY 2021, FY 2022 and FY 2023 (in aggregate)</b>	<b>Maximum number of shares an executive Director can acquire in the Company under the ETI Plan</b>
John Eryn Slack-Smith	648,738	648,738 plus Dividend Equivalent Shares
Chris Mentis	493,041	493,041 plus Dividend Equivalent Shares

- 16.28 Assuming that all Performance Rights are exercised (upon satisfaction of all relevant conditions) by each executive Director, then at least 4,748,758 shares may be issued to the executive Directors (excluding Dividend Equivalent Shares) under the ETI Plan.
- 16.29 Dividend Equivalent Shares are expected to be purchased on market, however the Board may, in its discretion, decide to issue the Dividend Equivalent Shares or make a cash payment instead of the Dividend Equivalent Shares.
- 16.30 If the Dividend Equivalent Shares are issued to each executive Director, the total number of Dividend Equivalent Shares to be issued is unlikely to exceed 4,273,882 assuming that all Performance Rights are exercised on the final exercise date of the Performance Rights. Assuming that all Performance Rights are exercised (upon satisfaction of all relevant conditions) by each executive Director, and an annual 6% dividend yield for period from FY2021 to 31 December 2037, the total number of shares to be issued would unlikely exceed 9,022,640. The assumed dividend yield is not an indicator, forecast or a determination of dividends that will be paid by the Company.
- 16.31 That is, the dilution impact of the grant of Performance Rights (including Dividend Equivalent Shares) under the ETI Plan is 0.72%.

Other relevant information

- 16.32 All other information which the Board considers is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors is as set out above in paragraphs 9.1 to 13.4.

**Glossary**

<b>Term</b>	<b>Meaning</b>
AEDST	Australian Eastern Daylight Savings Time
AGM, Annual General Meeting or Meeting	the Annual General Meeting of the Company
Annual Report	the annual report of the Company for the financial year ending 30 June 2020
APAT	as defined in paragraph 10.4 of the Explanatory Notes
Article	an Article of the Constitution
ASX	the Australian Securities Exchange
Benchmark Shareholding Level	as referred to in the 2020 Remuneration Report
Board	the board of directors of the Company
Company	Harvey Norman Holdings Limited ACN 003 237 545
Conditions	as defined in paragraph 11.10 of the Explanatory Notes
Consolidated Entity	the Company and all controlled entities of the Company
Constitution	the Articles of Association of the Company
Consultant	as defined in paragraph 9.4 of the Explanatory Notes
Corporations Act	the <i>Corporations Act 2001</i> (Cth)
Designated Proxy Holder	has the meaning given to it in the Proxy Form
Determination	as defined in paragraph 6.8 of the Explanatory Notes
Director	a director of the Company
Dividend Equivalent Right	as defined in paragraph 11.5 of the Explanatory Notes
Dividend Equivalent Shares	as defined in paragraph 11.6 of the Explanatory Notes
ETI Plan or ETI	as defined in paragraph 9.1 of the Explanatory Notes
ETI Plan Rules	as defined in paragraph 11.3 of the Explanatory Notes
Expert Advice	as defined in paragraph 9.4 of the Explanatory Notes

<b>Term</b>	<b>Meaning</b>
Explanatory Notes	the explanatory notes set out in Attachment B to the Notice of Meeting
Grantee	as defined in paragraph 15.8(b) of the Explanatory Notes
Listing Rules	the ASX Listing Rules
LTI	as defined in paragraph 10.2 of the Explanatory Notes
LTI Plan or Harvey Norman 2016 Long Term Incentive Plan	the 2016 Long Term Incentive Plan implemented by the Company, on the terms and conditions approved by the shareholders of the Company at the AGM held on 24 November 2015
Key Management Personnel or KMP	key management personnel of the Company, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company, details of whose remuneration are included in the Remuneration Report
Notice of Meeting	this notice of meeting in respect of the 2020 AGM
NEDs	as defined in paragraph 9.3 of the Explanatory Notes
NED Remuneration Cap	as defined in paragraph 14.1 of the Explanatory Notes.
Participant	as defined in paragraph 11.4 of the Explanatory Notes
Performance Rights	as defined in paragraph 11.5 of the Explanatory Notes
Proxy Form	the proxy form in respect of the 2020 AGM, set out in Attachment D to the Notice of Meeting
Tranches and Tranche	as defined in paragraph 11.19 of the Explanatory Notes
Remuneration Report	the 2020 Remuneration Report as set out in the 2020 Annual Report of the Company
Remuneration Committee	the remuneration committee of the Company, a sub-committee of the Board
RONA	as defined in paragraph 10.4 of the Explanatory Notes

<b>Term</b>	<b>Meaning</b>
Selected Peer Group	as defined in paragraph 10.4 of the Explanatory Notes
Shareholder or member	a member of the Company
Small Holding	as defined in paragraph 7.2 of the Explanatory Notes
STI	as defined in paragraph 10.2 of the Explanatory Notes



## ATTACHMENT C

### Details on how to participate at the virtual meeting

Shareholders and Proxy Holders are encouraged to participate in the AGM online, allowing them to view a live webcast, ask questions in writing and vote.

Shareholders and Proxy Holders will be able to participate in the Meeting online by:

1. Visiting <https://web.lumiagm.com/370855253> on a smartphone, tablet or computer (using the latest version of CHROME, Safari, Internet Explorer 11, Edge or Firefox); or
2. By downloading the Lumi AGM App from the Apple App or Google Play Stores by searching for Lumi AGM.

Online registration will open at 10am AEDST on Wednesday 25 November 2020 (one hour before the meeting). Information on how to log on, ask questions and vote online are set out below. For further details, please see the User Guide on our website at: [www.harveynormanholdings.com.au/2020agm](http://www.harveynormanholdings.com.au/2020agm).

Shareholders and Proxy Holders can log in to the meeting by entering:

1. The meeting ID, which is - 370855253.
2. You will then need to enter your AGM Login ID, which is located on your proxy form or on your notification email.
3. Your password is your postcode, which is the postcode registered to your holding if you are an Australian shareholder. If you are an overseas Shareholder, your password will be your country code which can be found in the Online User Guide available at [www.harveynormanholdings.com.au/2020agm](http://www.harveynormanholdings.com.au/2020agm).

If you have been nominated as a third party proxy, please contact Boardroom on 1300 737 760 or [proxy@boardroomlimited.com.au](mailto:proxy@boardroomlimited.com.au) for AGM login details. Non-shareholders may login using the guest portal on the Lumi AGM platform.

Attending the meeting online enables shareholders to view the AGM live and to also ask questions and cast direct votes at the appropriate times whilst the meeting is in progress.

### Voting Online

Once the polls are open, the resolutions and voting choices will appear. Shareholders and Proxy Holders can vote by clicking on one of the applicable voting options that will be displayed on the screen. Shareholders and Proxy holders can change their vote at any time before the Chair closes the polls.

### Ask a question online



Click this icon for the submission of written questions. Questions may be moderated or amalgamated if there are multiple questions on the same topic. To submit a question prior to the AGM, please email Boardroom [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au). The last day to submit questions before the virtual AGM will be Monday 23 November 2020.

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**ATTACHMENT D**

**[Proxy Form]**

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## All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11.00am (AEDST) on Monday 23 November 2020.**

### TO VOTE ONLINE

### BY SMARTPHONE

**STEP 1: VISIT** <https://www.votingonline.com.au/hvnagm2020>

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC)/AGM Login ID:**



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Designated Proxy Holder as your proxy, mark the box. If you wish to appoint someone other than the Designated Proxy Holder as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Designated Proxy Holder will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11.00am (AEDST) on Monday, 23 November 2020.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** <https://www.votingonline.com.au/hvnagm2020>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited Level  
12, 225 George Street,  
Sydney NSW 2000 Australia

# Harvey Norman Holdings Limited

ACN 003 237 545

## Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **Harvey Norman Holdings Limited** (Company) and entitled to attend and vote hereby appoint:

The Designated Proxy Holder (mark box)

**\*\* Designated Proxy Holder means Geoffrey David Stein, or in his absence, Peter Joseph Wright**

**OR** if you are **NOT** appointing the Designated Proxy Holder as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Designated Proxy Holder as my/our proxy at the Annual General Meeting of the Company to be held as a virtual meeting via <https://web.lumiagm.com/370855253> on **Wednesday, 25 November 2020 at 11.00am (AEDST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Designated Proxy Holder authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Designated Proxy Holder as my/our proxy or the Designated Proxy Holder of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 2, 9, 10, 11, 12, 13 & 14, I/we expressly authorise the Designated Proxy Holder to exercise my/our proxy in respect of Resolutions 2, 9, 10, 11, 12, 13 & 14, even though each of these Resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

The Designated Proxy Holder intends to vote undirected proxies **in favour of all Resolutions.**

### STEP 2 VOTING DIRECTIONS

\* 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 vote will not be counted in calculating the required majority if a poll is called.

		FOR	AGAINST	ABSTAIN*			FOR	AGAINST	ABSTAIN*
<b>Res 2</b>	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 9</b>	Grant of Performance Rights to Gerald Harvey and permit Gerald Harvey to acquire shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 3</b>	Re-election of Director – Gerald Harvey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 10</b>	Grant of Performance Rights to Kay Lesley Page and permit Kay Lesley Page to acquire shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 4</b>	Re-election of Director – Chris Mentis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 11</b>	Grant of Performance Rights to David Matthew Ackery and permit David Matthew Ackery to acquire shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 5</b>	Election of Director – Luisa Catanzaro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 12</b>	Grant of Performance Rights to John Eryn Slack-Smith and permit John Eryn Slack-Smith to acquire shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 6</b>	Changes to the Constitution – Virtual general meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 13</b>	Grant of Performance Rights to Chris Mentis and permit Chris Mentis to acquire shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 7</b>	Changes to the Constitution – Small Holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 14</b>	Increase the total aggregate amount of directors' fees payable to all of the Company's non-executive directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 8</b>	Changes to the Constitution – Uncontactable Members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

Resolutions 6, 7, & 8 are Special Resolutions and require a majority of 75% to pass.

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020

**HARVEY NORMAN  
HOLDINGS LIMITED**

A.C.N 003 237 545

A1 RICHMOND ROAD  
HOMEBUSH WEST, N.S.W 2140  
LOCKED BAG 2  
SILVERWATER DC, NSW 1811  
AUSTRALIA

Telephone: (02) 9201 6111  
Facsimile: (02) 9201 6250

19 October 2020

**Notice of Annual General Meeting**

Dear Shareholder

**Virtual Annual General Meeting**

Due to the restrictions on public gatherings, and in accordance with the temporary amendments to the Corporations Act in response to the coronavirus pandemic, the 2020 Annual General Meeting of Harvey Norman Holdings Limited ACN 003 237 545 (**2020 HVN AGM**) will be a virtual meeting on **Wednesday 25 November 2020 at 11am (AEDST)**.

You can attend the virtual 2020 HVN AGM online at the following website: <https://web.lumiagm.com> and by entering the meeting ID: 370855253. You will be able to view the presentations, ask questions and vote online at the virtual 2020 HVN AGM.

Further information about how you can join, ask questions and vote at the virtual 2020 HVN AGM is set out in the Notice of Meeting and on our AGM website at <https://www.harveynormanholdings.com.au/2020agm>

**Notice of Meeting**

The Notice of Meeting is now available online at the link set out below. It was also emailed to shareholders (who have provided an email address) today.

In line with the temporary Corporations Act amendments in response to the coronavirus pandemic, we will not be mailing hard copies of the Notice of Meeting by post to shareholders. Instead, the Notice of Meeting and accompanying Proxy Form, Explanatory Notes and Attachments (**Meeting Materials**) has been made available to shareholders electronically.

This means that:

- You can access the Meeting Materials online at the HVN website <https://www.harveynormanholdings.com.au/2020agm> or at our Share Registry's website [www.investorserve.com.au](http://www.investorserve.com.au) by logging in and selecting Company Announcements from the main menu.
- A complete copy of the Meeting Materials has been lodged on HVN ASX Market Announcements page.
- If you have provided an email address to our Share Registry you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials.

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## Shareholder emails

By choosing to receive communications from HVN by email, we will be able to send you an email containing the Meeting Materials. This email will also include your personalised shareholder link to the latest details on the virtual 2020 HVN AGM, including instructions on how to participate, ask questions and vote at the virtual 2020 HVN AGM.

If you would like to receive electronic communications from HVN in the future, please update your communication preferences online at [www.investorserve.com.au](http://www.investorserve.com.au). If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our Share Registry, Boardroom Pty Limited at [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au) or 1300 737 760 (within Australia) or +61 2 9290 9600 (Outside Australia) between 8:30am and 5:30pm (AEDST) Monday to Friday.

## Important dates

Below are important dates for shareholders regarding the virtual 2020 HVN AGM:

Notice of Meeting and information about the virtual Annual General Meeting available at <a href="https://www.harveynormanholdings.com.au/2020agm">https://www.harveynormanholdings.com.au/2020agm</a>	Monday 19 October 2020
Opening of online voting and submissions of questions before the virtual Annual General Meeting	Monday 19 October 2020
Last day to submit questions before the virtual Annual General Meeting <sup>1</sup>	Monday 23 November 2020
Last day to lodge a proxy before the virtual Annual General Meeting	11am (AEDST) on Monday 23 November 2020
Annual General Meeting (virtual) at <a href="https://web.lumiagm.com/370855253">https://web.lumiagm.com/370855253</a>	Wednesday 25 November 2020 at 11am (AEDST) Online registration will commence at 10 am (AEDST)

This document was authorised to be provided to the ASX by the Board of Directors of Harvey Norman Holdings Limited.

Yours faithfully,



**Chris Mentis**  
Company Secretary

<sup>1</sup> For the avoidance of doubt, shareholders will also be able to ask questions during the virtual Annual General Meeting.