

ASX Announcement

28 October 2022

CEO Remuneration and Board Changes

Temple & Webster Group Ltd (**Company or Temple & Webster**) (ASX: TPW) today announces the following changes in relation to the CEO and Board of Directors.

Summary

- Chief Executive Officer, Mark Coulter, agrees to a multi-year remuneration package weighted to long term shareholder value
- Susan Thomas to retire at AGM
- Conrad Yiu appointed Deputy Chair

Managing Director & CEO, Mark Coulter enters into multi-year remuneration package

In accordance with Listing Rule 3.16.4, Temple & Webster advises that a new remuneration package has been agreed with co-founder, Managing Director & Chief Executive Officer, Mark Coulter.

Temple & Webster Chairman, Stephen Heath said: “we are pleased to announce that Mark Coulter has agreed to a new four-year remuneration package, evidencing his commitment as CEO as the business enters its next phase of growth. Under Mark’s leadership, the business has grown revenue from \$51m in FY16 to a record \$426m last financial year, solidifying Temple & Webster as the leading pureplay online retailer in the category. During the same period, the business has transformed from loss making to profitability, with a firm control over our margins and cost base while making sound investments to drive sustainable growth. Mark has agreed to a package heavily weighted towards long term shareholder value, which shows his commitment and belief in the bright future of Temple & Webster.”

Mark Coulter added: “I am delighted to lead the Temple and Webster team as we enter the next stage of our growth strategy. We have a great team, a strong balance sheet, and a large and happy customer base. We have multiple growth opportunities including our core B2C furniture & homewares market, but also B2B furniture and DIY/home improvement. I’m excited about the next phase for Temple & Webster, to cement our status as the go to brand for all things home. Our first goal is to hit \$1 billion in sales, however, our eye is firmly on the longer term goal of becoming one of the largest and most profitable retailers in the country.”

For personal use only

Key Terms of Mark Coulter's Employment Contract

Name:	Mark Coulter
Position:	Chief Executive Officer & Managing Director
Fixed Remuneration:	\$500,000 per annum comprising of a salary of \$474,707 plus \$25,293 superannuation effective for the period 1 August 2022 to 31 July 2026 (increased from previous total fixed remuneration of \$395,000 set in FY20).
Short Term Incentive (Cash):	None (unchanged)
Long Term Incentive:	<p>Subject to shareholder approval to be sought at the AGM on 30 November 2022, Mr Coulter will be granted three tranches of options vesting in 2026 at the time of the approval of the FY26 accounts in August 2026, subject to continued service, as follows:</p> <ol style="list-style-type: none"> 1. 1,200,000 options with an exercise price of \$7.06 2. 1,200,000 options with an exercise price of \$9.53 3. 1,200,000 options with an exercise price of \$12.86 <p>The options will be granted under the Company's Employee Share Option Plan (ESOP) and each option entitles Mr Coulter to be allocated one ordinary share.</p>
Expiry Date	The earlier of 15 years or the occurrence of any early lapsing event under the ESOP rules.
Early Vesting, cancellation and other terms.	Under the ESOP rules early vesting or payment upon cancellation may occur in certain prescribed circumstances such as change of control or termination due to redundancy, death or permanent disability. Full details of the terms of the grant of the options are contained in the Notice of Meeting to be lodged with ASX later today.
Term & Termination:	Mr Coulter's employment contract has no fixed term and may be terminated upon the giving of 3 months' notice by the Company or 3 months' notice by Mr Coulter (unchanged).

For personal use only

Retirement of Non-Executive Director, Sue Thomas

Non-Executive Director & Chair of the Audit and Risk Committee, Ms. Susan Thomas, has advised the Board of her intention to retire as a Director of the Company. As a result, Sue will not stand for re-election at the forthcoming AGM and will retire at the conclusion of the AGM on November 30, 2022.

Since joining the Board in early 2016, Sue has been an outstanding contributor to the Company and her leadership qualities and contribution in the fields of Finance, Audit and Risk have been highly valued.

Chairman, Stephen Heath said, "Sue has fulfilled her duties as Chair of the Audit, Risk and Technology Committees with diligence and integrity and has added great value to the Company and assisted me greatly as Chairman. On behalf of the Board, I extend my thanks and sincere gratitude to Sue, and we wish her well for the future."

CEO, Mark Coulter added, "Sue joined the Board at a challenging time in our Company's history. Sue remained on our Board throughout this period, showing incredible grit, determination, and loyalty to help create Temple & Webster into the company it is today. Over the last 6 ½ years, my team and I have worked closely with her as Chair of the Audit and Risk Committee and Chair of the Technology Committee, and throughout this time Sue has acted with the upmost integrity - constantly challenging us to be a better business. Our strategic planning, financial processes, risk management, and technology roadmap would not be in the great state they are in today without Sue's hard work and commitment. On behalf of the co-founders and broader shareholder group, I thank Sue for her hard work and wish her the very best of luck for the future."

Appointment of Conrad Yiu as Deputy Chairman

Co-founder and Non-Executive Director Conrad Yiu has been appointed to the newly created role of Deputy Chair of the Board. As an original co-founder of the business, Conrad brings a wealth of knowledge, expertise and commitment to the Company. As Deputy Chair, Conrad will assist the Chairman with investor relations, work with management to assess inorganic growth opportunities, and chair board committees on an interim basis as needed.

Chairman Stephen Heath said: "Conrad has proved himself as a highly valued director and contributor to the Company's success. His experience with venture capital and M&A makes Conrad an excellent choice to help pursue inorganic growth more seriously. Elevating Conrad to Deputy Chair is a natural step to give Conrad the mandate to assist me and the management team in these areas."

Conrad will be acting as interim Chair of the Audit and Risk Committee following Ms Thomas' resignation until a new director is appointed.

New Directors

The Board is actively recruiting two directors to join the Board, including a replacement for Ms Thomas as the Chair of the Audit & Risk Committee.

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

For further information:

Lisa Jones

Company Secretary

investor.relations@templeandwebster.com.au

About the Temple & Webster Group

Temple & Webster is Australia's largest pure play online retailer of furniture and homewares.

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

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

The Build by Temple & Webster (www.thebuild.com.au) is a pure play online retailer for home improvement. Sharing the same mission as its leading furniture and homewares sister site Temple & Webster, The Build helps Australians make their homes more beautiful and turn home renovators' visions into reality by providing the biggest and best range, a beautiful and easy shopping experience, and inspirational content.

Temple & Webster Group's registered office and principal place of business is 2/1-7 Unwins Bridge Road, St Peters, Sydney, Australia and is listed on the Australian Securities Exchange under the code TPW.

For personal use only