



TEMPLE & WEBSTER GROUP LTD
ABN 69 608 595 660
8DD Hiles Street
Alexandria NSW 2015

16 September 2016

Dear Shareholder

I enclose a Notice of Meeting for the Annual General Meeting of Temple & Webster Group Ltd (the "Company") which is to be held at 10.30 am on 25 October 2016 at Edwin Flack Room, Level 5, Sofitel Sydney Wentworth, 61-101 Phillip Street Sydney New South Wales 2000 ("Meeting").

Please refer to the attached Notice of Meeting for a full listing of the items of business.

Further details of the resolutions to be proposed at the Meeting are set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting. Shareholders should consider this material before determining how they will vote at the Meeting.

For your convenience, a Proxy Form is attached for use if you are unable to attend the Meeting.

The Company's 2016 Annual Report can be accessed on our website: www.templeandwebstergroup.com.au, or by following the link: <http://www.templeandwebstergroup.com.au/Investor-Centre/?page=reports>. Shareholders who have previously specifically requested a hard copy of the Annual Report will find it enclosed with this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Egan', written over a circular stamp or seal.

Michael Egan
Company Secretary



TEMPLE & WEBSTER GROUP LTD

ABN 69 608 595 660

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

for a meeting to be held at 10.30 am on 25 October 2016
at Edwin Flack Room, Level 5, Sofitel Sydney Wentworth,
61-101 Phillip Street Sydney New South Wales 2000.

Notice is hereby given that the Annual General Meeting of the members of Temple & Webster Group Ltd (the “**Company**”) will be held at 10.30 am on 25 October 2016 at Edwin Flack Room, Level 5, Sofitel Sydney Wentworth, 61-101 Phillip Street Sydney New South Wales 2000 (the “**Meeting**”).

BUSINESS

Item 1: Financial Statements and Reports

To receive and consider:

1. the annual Financial Report of the Company for the year ended 30 June 2016;
2. the Directors’ Report; and
3. the Auditor’s Report.

Item 2: Adoption of Remuneration Report

Resolution 1: Remuneration Report

To consider and, if thought fit, to pass the following non-binding resolution as an ordinary resolution:

That the Remuneration Report, included in the Directors’ Report provided to shareholders as part of the Annual Report of the Company for the year ended 30 June 2016, be adopted.

Note: In accordance with section 250R of the *Corporations Act 2001* (Cth) (“**Corporations Act**”) this resolution is advisory only and does not bind the Directors or the Company.

VOTING EXCLUSION STATEMENT FOR RESOLUTION 1

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- a. by a member of the Company's key management personnel (“**KMP**”) named in the Remuneration Report or their closely related parties (such as close family members or any controlled entities), regardless of the capacity in which the votes are cast; and
- b. by a proxy on behalf of any person in paragraph a above.

However, the Company will not disregard any votes if they are cast as proxy for a person who is entitled to vote on Resolution 1:

- a. in accordance with a written direction on the Proxy Form; or
- b. by the Chairman of the Meeting pursuant to an express authorisation to vote as the proxy decides, even though Resolution 1 is connected with the remuneration of the Company's KMP.

Item 3: Re-election of Directors

Resolution 2: Re-election of Ms Sue Thomas

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

That Ms Sue Thomas, being a Director who was appointed by the Board on 23 February 2016 and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company in accordance with clause 67.2 of the Company's Constitution and being eligible, offers herself for re-election, be hereby re-elected a Director of the Company.

Resolution 3: Re-election of Mr Stephen Heath

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

That Mr Stephen Heath, being a Director who was appointed by the Board on 15 March 2016 and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company in accordance with clause 67.2 of the Company's Constitution and being eligible, offers himself for re-election, be hereby re-elected a Director of the Company.

Item 4: Cancellation of forfeited shares

Resolution 4: Cancellation of forfeited shares

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

That, for the purposes of section 258D of the Corporations Act 2001 (Cth) and for all other purposes, 106,955 fully paid ordinary shares in the capital of the Company that have been forfeited under the terms of the issue of those shares, be cancelled.

Item 5: Appointment of Auditor

Resolution 5: Appointment of Auditor

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

That for the purposes of section 327B(1) of the Corporations Act 2001 (Cth) Ernst & Young of 200 George Street, Sydney NSW, having been duly nominated by a shareholder of the Company and having consented in writing to act, be appointed as auditor of the Company.

EXPLANATORY STATEMENT

Further information about each item of business is set out in the Explanatory Statement accompanying and forming part of this Notice of Meeting.

ENTITLEMENT TO VOTE

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that those persons who are registered as holding shares in the Company at 7.00 pm (Sydney time) on 23 October 2016 will be entitled to vote at the Meeting on 25 October 2016. Any share transfers registered after that time will be disregarded in determining entitlements to vote at the Meeting.

PROXIES

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf. A shareholder may appoint not more than two proxies.
2. A proxy need not be a shareholder of the Company, and can be either an individual or body corporate.
3. The Proxy Form that accompanies this Notice of Meeting should be used to appoint a proxy. If any shareholder is unable to attend the Meeting they are encouraged to appoint a proxy. Shareholders can direct their proxy how to vote by following the instructions on the Proxy Form, and are encouraged to do so.
4. A shareholder that is entitled to cast 2 or more votes may appoint up to 2 proxies. Where two proxies are appointed, the shareholder may specify the number or proportion of the votes that each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half the votes. Where both appointed proxies attend the meeting and the proxy specifies each appointed proxy to vote in a different way on a resolution then neither proxy may vote on a show of hands.
5. If a shareholder appoints a body corporate as proxy, that body corporate will need to ensure that:
 - it appoints an individual as its corporate representative to exercise its powers at the meeting in accordance with section 250D of the Corporations Act; and
 - provides satisfactory evidence of the appointment of its corporate representative prior to the commencement of the meeting. Such evidence may include a letter or certificate authorising the individual as the body corporate's representative, executed in accordance with the body corporate's constitution, or a copy of the resolution appointing the representative, certified by the secretary or a director of the body corporate.
6. Where a body corporate appoints a proxy, the Proxy Form must be signed by a duly appointed attorney or by a director jointly with either another director or a company secretary or, for a proprietary company that has a sole director who is also the sole company secretary, that director.

PROXY VOTING BY KMP

If a shareholder who is not a member of the Company's KMP appoints a member of the Company's KMP (which includes the Directors) or one of the KMP's closely related parties (such as close family members or any controlled entities) as their proxy, the proxy will not be able to cast the shareholder's votes on Resolution 1 (Remuneration Report), unless the proxy is directed how to vote or the Chairman of the Meeting is appointed as proxy.

If the Chairman of the Meeting is appointed as a shareholder's proxy or becomes their proxy by default and the shareholder does not mark a voting box on the Proxy Form for Resolution 1, then by

completing and submitting the Proxy Form the shareholder will be expressly authorising the Chairman of the Meeting to exercise the proxy in respect of Resolution 1 as the Chairman decides, even though the item is connected with the remuneration of the Company's KMP.

The Chairman of the Meeting intends to vote all undirected proxies in favour of each resolution to be proposed at the Meeting.

LODGEMENT OF PROXY FORMS

To appoint a proxy shareholders should complete the Proxy Form and return it (together with the original or a certified copy of the power of attorney or other authority if any, under which a proxy is signed).

In order to be effective, the Proxy Form (and accompanying documents) must be received **no later than** 10.30 am on 23 October 2016 ("Proxy Deadline") by one of the following methods:

- By lodging the Proxy Form online at www.linkmarketservices.com.au;
- By posting it in the reply paid envelope included with the Proxy Form; or
- Returning it by hand or posting it or faxing it to the following:

By Mail
Temple & Webster Group Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

By Fax
+61 2 9287 0309

By Hand
Link Market Services Limited
1A Homebush Bay Drive,
Rhodes NSW 2138

All Enquiries to: Telephone: +611300 554 474

Proxy Forms (together with any power of attorney, where relevant) must be received by the Proxy Deadline.

By order of the Board of Directors



Michael Egan
Company Secretary
16 September 2016

EXPLANATORY STATEMENT

Purpose of information

The purpose of this Explanatory Statement (which is included in and forms part of the Notice of Meeting dated 16 September 2016) is to provide shareholders with an explanation of the business of the Annual General Meeting to be held on 25 October 2016 (the “**Meeting**”), particularly in regard to the resolutions to be proposed and considered at the Meeting, and to allow shareholders to determine how they wish to vote on those resolutions.

Item 1: Reports

As required by section 317 of the *Corporations Act 2001 (Cth)* (“**Corporations Act**”) the financial report, directors’ report and auditor’s report of the Company for the most recent financial year will be presented to the Meeting. The financial report contains the financial statements of the Company.

There is no requirement for a formal resolution on this item.

The Chairman of the Meeting will allow a reasonable opportunity at the Meeting for shareholders to ask questions about, or make comments on, the management of the Company.

Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company’s auditor, Ernst & Young, questions about its audit report, the conduct of its audit of the Company’s financial report for the year ended 30 June 2016, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Ernst & Young in relation to the conduct of the audit.

In accordance with section 250PA of the Corporations Act, shareholders who are eligible to cast a vote at the Meeting may also submit to the auditor a written question in relation to either the content of the auditor’s report or the conduct of the audit of the annual financial report. Questions will be answered by the auditor at the Meeting and must be given to the Company no later than 18 October 2016.

Item 2: Adoption of Remuneration Report

In accordance with section 300A of the Corporations Act the Company has proposed a Remuneration Report in its Directors’ Report for the consideration of shareholders.

As provided by section 250R(3) of the Corporations Act, the resolution on the Remuneration Report is advisory only and is not binding on the directors or the Company.

In summary, the Remuneration Report provides the principles used to determine the nature and amount of remuneration; details of remuneration and share-based compensation; and additional disclosures relating to key management personnel.

Board recommendation:

Each of the Directors recommends that shareholders vote in favour of the resolution to adopt the Remuneration Report.

Item 3: Re-election of directors

ASX Listing Rule 14.4 and clause 67.2 of the Company's Constitution both provide that a director who is appointed by the directors as an additional director only holds office until the termination of the next annual general meeting of the Company, and is eligible for re-election at that meeting.

Since the incorporation of the Company in October 2015 both Ms Sue Thomas and Mr Stephen Heath were appointed as a director of the Company by the existing directors (the dates of appointment being 23 February 2016 and 15 March 2016 respectively). In accordance with the ASX Listing Rules and the Company's Constitution both directors are seeking re-election at the Meeting.

In addition, clause 68.2 of the Company's Constitution requires that at each annual general meeting of the Company one-third of all directors (excluding the Managing Director and any directors already subject to re-election under clause 67.2 of the Company's Constitution) must retire from office and may offer themselves for re-election. The director or directors to retire are those who have been longest in office since their appointment or last election, but as between two or more directors who became directors on the same day, the directors may determine who is to retire by agreement among themselves. Ms Carol Schwartz will retire by rotation and will not seek re-election.

Each of the above re-elections of directors must be considered and voted on as a separate resolution. Further information on each director and information relating to their re-election is set out below.

Item 3.1: Re-election of Ms Sue Thomas

Biographical details for Ms Thomas and a list of her other material directorships held are set out on page 14 of the Annual Report and on the investor section of Company's website.

Prior to submitting herself for re-election, Ms Thomas acknowledged to the Company that she would continue to have sufficient time to properly fulfil her responsibilities to the Company.

The Board conducted a formal performance appraisal of Ms Thomas to determine whether to recommend her re-election to shareholders. The review considered Ms Thomas' expertise, skills and experience, understanding of the Company's business, preparation for meetings, relationship with other Directors and management, awareness of ethical and governance matters and overall contribution as a Director. The Board determined that Ms Thomas provided a valuable contribution to the Board and is therefore recommended to shareholders for re-election.

The Board considers Ms Thomas to be an independent director.

Board recommendation:

Each of the Directors (Ms Thomas abstaining) recommends that shareholders vote in favour of the re-election of Ms Sue Thomas as a Director.

Item 3.2: Re-election of Mr Stephen Heath

Biographical details for Mr Heath and a list of his other material directorships held are set out on page 15 of the Annual Report and on the investor section of Company's website.

Prior to submitting himself for re-election, Mr Heath acknowledged to the Company that he would continue to have sufficient time to properly fulfil his responsibilities to the Company.

The Board conducted a formal performance appraisal of Mr Heath to determine whether to recommend his re-election to shareholders. The review considered Mr Heath's expertise, skills and experience, understanding of the Company's business, preparation for meetings, relationship with other Directors and management, awareness of ethical and governance matters and overall contribution as a Director. The Board determined that Mr Heath provided a valuable contribution to the Board and is therefore recommended to shareholders for re-election.

The Board considers Mr Heath to be an independent director.

Board recommendation:

Each of the Directors (Mr Heath abstaining) recommends that shareholders vote in favour of the re-election of Mr Stephen Heath as a Director.

Item 4: Cancellation of forfeited shares

Section 258D of the Corporations Act states that a company may, by resolution passed at a general meeting, cancel shares that have been forfeited under the terms on which the shares are on issue.

At the initial public offer of shares in the Company in accordance with a resolution of the Directors, 106,955 fully paid ordinary shares of the Company ("**Shares**") were issued to Ms Deborah Kelly, the then Chief Financial Officer of the Company.

These Shares were issued subject to service vesting conditions. As a consequence of Ms Kelly's resignation from the Company on 31 March 2016 the service vesting conditions were not satisfied meaning that, in accordance with their terms of issue, the Shares were forfeited. Ms Kelly received no consideration in relation to the forfeiture of the Shares. Accordingly, in accordance with the requirements of the Corporations Act, the Company is seeking shareholder approval to cancel the Shares forfeited by Ms Kelly.

Board recommendation:

Each of the Directors recommends that shareholders vote in favour of the cancellation of the Shares that have been forfeited under the terms of the issue of those Shares.

Item 5: Appointment of Auditor

Ernst & Young was appointed as the auditor of the Company by the Board following the Company's incorporation (having received the required written consent from Ernst & Young) in accordance with section 327A(1) of the Corporations Act.

In accordance with section 327A(2) of the Corporations Act, that appointment will lapse at the Company's first annual general meeting. Section 327B(1)(a) of the Corporations Act requires shareholders to approve the appointment of the auditor at the first annual general meeting.

Accordingly, the Company is seeking shareholder approval of the appointment of Ernst & Young as the Company's auditor.

Ernst & Young has been duly nominated for appointment as the Company's auditor by a shareholder of the Company as required by section 328B of the Corporations Act. A copy of the shareholder's written notice of nomination accompanies this Notice of Meeting.

Board recommendation:

Each of the Directors recommends that shareholders vote in favour of the appointment of Ernst & Young as auditor of the Company.

Bariloche Investments Pty Limited
GPO Box 385
Brisbane QLD 4001

23 August 2016

Mr Christopher George
Ernst & Young
200 George Street
Sydney NSW 2000

Dear Chris

Notice of nomination of proposed auditor

Pursuant to Section 328B(1) of the Corporations Act, I Conrad Yiu, Director of Bariloche Investments Pty Limited, being a member Temple & Webster Group Ltd, hereby give you notice of the nomination of Ernst & Young of 200 George Street Sydney NSW 2000 as auditor of Temple & Webster Group Ltd.

Yours faithfully



Conrad Yiu
Bariloche Investments Pty Limited


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Temple & Webster Group Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

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



X99999999999

PROXY FORM

I/We being a member(s) of Temple & Webster Group Ltd and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am on Tuesday, 25 October 2016 at Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

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


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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Ms Sue Thomas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Re-election of Mr Stephen Heath	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Cancellation of forfeited shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Sunday, 23 October 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



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



BY MAIL

Temple & Webster Group Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

or

Level 12
680 George Street
Sydney NSW 2000

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

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