



TEMPLE & WEBSTER GROUP LTD
ABN 69 608 595 660
Unit 1, 1-7 Unwins Bridge Road
St Peters NSW 2044

17 September 2020

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 (Sydney time) on 21 October 2020 (“**Meeting**”).

The Board has decided to hold the Annual General Meeting as a virtual meeting. This step has been taken to protect the safety of shareholders and staff attending the Meeting.

Shareholders can attend the meeting through the online platform, <https://agmlive.link/TPW20>.

The Notice of Meeting containing a full listing of the items of business can be located in our ASX Announcements at <http://www.templeandwebstergroup.com.au/Investor-Centre/>.

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

AGM considerations and Shareholder questions

A discussion will be held on all items to be considered at the AGM.

All shareholders will have a reasonable opportunity to ask questions during the AGM via the virtual AGM platform, including an opportunity to ask questions of the Company’s external auditor.

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following:

- all Shareholder questions should be stated clearly and should be relevant to the business of the Meeting, including matters arising from the Financial Report, Directors’ Report (including the Remuneration Report) and Auditor’s Report, and general questions about the performance, business or management of the Company;
- if a Shareholder has more than one question on an item, all questions should be asked at the one time; and
- Shareholders should not ask questions at the Meeting regarding personal matters or those that are commercial in confidence.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. A Shareholder Question Form has been included with the Notice and is also available on the Company’s website: www.templeandwebstergroup.com.au.

We will attempt to address the more frequently asked questions in the Chairman and CEO’s presentations to the Meeting. Written questions must be received by the Company or Link Market

Services Limited by 5.00 pm on 14 October 2020, and can be submitted online, by mail, by fax or in person (as set out on the top of the Shareholder Question Form).

All resolutions by poll

In accordance with the Company's Constitution, the Chair intends to call a poll on each of the resolutions proposed at the AGM. Each resolution considered at the AGM will therefore be conducted by poll. The Chair considers voting by poll to be in the interests of the shareholders as a whole, and to ensure the representation of as many shareholders as possible at the meeting.

Voting

Shareholders may vote by either:

- using the online platform
- appointing a Proxy

Using the online platform.

We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- enter <https://agmlive.link/TPW20> into a web browser on your computer or online device;
- Securityholders will need their SRN or HIN (printed at the top of the Proxy Form); and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting.

Online voting will be open between the commencement of the Meeting at 10.30 am Sydney time on 21 October 2020 and the time at which the Chair announces voting closure. More information about online participation in the Meetings is available in the Online Platform Guide at www.templeandwebstergroup.com.au/Investor-Centre/.

Appointing a proxy to attend and vote on their behalf, using the enclosed proxy form.

A member who is entitled to vote at the meeting may appoint:

- one proxy if the member is only entitled to one vote; or
- two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded. A proxy need not be a member of the Company.

If you require an additional proxy form, please contact the Company Share Registry on 1300 554 474, which will supply it on request. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Share Registry, Link Market Services Limited, no later than 10.30 am on 19 October 2020 (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted.

Instructions for completing the proxy form are outlined on the form, which may be returned by:

- posting it in the reply-paid envelope provided;
- posting it Temple & Webster Group Ltd c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000;
- faxing it to Link Market Services Limited on +61 2 9287 0309;
- lodging it online at linkmarketservices.com.au in accordance with the instructions provided on the website. You will need your HIN or SRN to lodge your proxy form online.

Proxies from corporate shareholders must be executed in accordance with their Constitution or signed by a duly authorised attorney.

A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy directs how to vote on an item of business, the proxy may only vote on that item, in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he/she thinks fit.

The Constitution provides that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to in favour of the Chair of the meeting to which it relates, or to another person as the Board determines.

If a shareholder appoints the Chair of the meeting as the shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Chair will vote, as a proxy for that shareholder, in favour of the item on a poll

The Company's 2020 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



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 via the online platform <https://agmlive.link/TPW20>
at 10.30 am Sydney time on 21 October 2020

Notice is hereby given that the Annual General Meeting of the members of Temple & Webster Group Ltd (the “**Company**”) will be held via the online platform <https://agmlive.link/TPW20> at 10.30 am Sydney time on 21 October 2020 (the “**Meeting**”).

BUSINESS

Item 1: Financial Statements and Reports

To receive and consider, in respect of the Company for the year ended 30 June 2020:

1. the annual Financial Report;
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 2020, 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

Votes may not be cast, and the Company will disregard any votes cast on Resolution 1:

- by or on behalf of 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; or
- as a proxy by members of KMP as at the date of the Meeting and their closely related parties.

However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form 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 Director

Resolution 2: Re-election of Mr Conrad Yiu as a Director

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

That Mr Conrad Yiu, being a Director seeking re-election in accordance with article 68 of the Constitution of the Company and being eligible, offers himself for re-election, be hereby re-elected as a Director of the Company.

Item 4: Ratification of issue of shares

Resolution 3: Ratification of issue of shares

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

That, for the purposes of ASX Listing Rule 7.4 and all other purposes, the issue of a total of 7,017,544 ordinary shares in the Company on 8 July 2020 and 10 July 2020 is approved and ratified.

VOTING EXCLUSION STATEMENT FOR RESOLUTION 3

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

- a person who participated in the issue or is a counterparty to the agreement being approved; or
- an associate of a person who participated in the issue or is a counterparty to the agreement being approved.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair 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:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Item 5: Renewal of proportional takeover bid provisions in the Constitution

Resolution 4: Renewal of proportional takeover bid provisions in the Constitution

To consider and, if thought fit, to pass the following resolution as a special resolution:

'That, for the purposes of sections 648G and 136(2) of the Corporations Act and for all other purposes, the Company's Constitution be modified such that the proportional takeover bid provisions contained in Rule 36 of the Company's Constitution be renewed for a further period of three years commencing from the date of this Meeting.'

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 19 October 2020 will be entitled to vote at the Meeting on 21 October 2020. Any share transfers registered after that time will be disregarded in determining entitlements to attend and 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.
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

Resolution 1 on the Agenda relates to the Remuneration of KMP (which includes the Directors).

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 19 October 2020 (“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 Hand:
Link Market Services Limited
1A Homebush Bay Drive,
Rhodes NSW 2138

By Fax: +61 2 9287 0309
All Enquiries to: Telephone: +61 1300 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
17 September 2020

EXPLANATORY STATEMENT

Purpose of information

The purpose of this Explanatory Statement (which is included in and forms part of the Notice of Annual General Meeting dated 17 September 2020) is to provide shareholders with an explanation of the business of the Annual General Meeting to be held on 21 October 2020 (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 2020, 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 14 October 2020.

Item 2: Adoption of Remuneration Report (Resolution 1)

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

As provided by section 250R(3) of the Corporations Act, Resolution 1 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.

Under the Corporations Act, if 25% or more of votes are cast against the adoption of the remuneration report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution that another meeting of the Company’s shareholders be held within 90 days at which all of the Company’s directors (other than the managing director) will cease to hold office immediately before the end of that meeting but may stand for re-election at that meeting.

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 director (Resolution 2)

ASX Listing Rule 14.4 and article 68 of the Company's Constitution, provides that at each Annual General Meeting one third of the Directors (or, if their number is not a multiple of 3, then the number nearest to but not exceeding one third) retire from office but no director may retain office for more than 3 years without submitting himself or herself for re-election even though the submission results in more than one third of the directors retiring from office.

The Company's Constitution requires that 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. Any Managing Director is exempted by his or her office as Managing Director from the requirement to retire by rotation.

Current Director, Mr Conrad Yiu, retires from office by rotation, and being eligible for re-election, offers himself for re-election as a Director.

Details of Mr Yiu may be found at page 10 of the Annual Report of the Company.

Prior to submitting himself for re-election, Mr Yiu 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 Yiu to determine whether to recommend his re-election to shareholders. The review considered Mr Yiu'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 Yiu provided a valuable contribution to the Board and is therefore recommended to shareholders for re-election.

The Board considers Mr Yiu not to be an independent director.

Board recommendation:

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

Item 4: Ratification of issue of shares (Resolution 3)

In accordance with Listing Rules 7.1 and 7.4, shareholder ratification is sought to refresh the ability of the Company to issue up to 15% of its capital in the next 12 month period.

On 8 July 2020 and 10 July 2020 (each, an "Issue Date")¹, the Company issued a total of 7,017,544 ordinary shares on settlement of the institutional placement announced by the Company on 1 July 2020 (the "Issue").

¹ Shares were issued on two separate Issue Dates for administrative reasons only.

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period unless the issue is approved by shareholders or an exception applies to the issue.

The Issue is not subject to any exceptions under the Listing Rules and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the relevant Issue Date.

Under Listing Rule 7.4, issues of equity securities made without shareholder approval may be treated as having been made with shareholder approval if the issue did not breach Listing Rule 7.1 and is subsequently approved by shareholders. An issue so approved is then not counted towards the calculation of the use of the 15% placement capacity under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, resolution 3 seeks shareholder approval to the Issue under and for the purposes of Listing Rule 7.4.

If resolution 3 is passed, the Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the relevant Issue Date.

If resolution 3 is not passed, the Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the relevant Issue Date.

Listing Rule 7.5 requires the notice of meeting at which shareholders are required to consider a resolution under Listing Rule 7.4 to include specific information. This information is set out below:

- the names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected: The shares were issued to:
 - persons in Australia to whom a disclosure document was not required to be provided under Part 6D.2 of the Corporations Act (which includes persons in Australia who are 'sophisticated investors' within the meaning of section 708(8) of the Corporations Act or 'professional investors' within the meaning of section 708(11) of the Corporations Act and 'wholesale clients' within the meaning of section 761G of the Corporations Act); and
 - institutional and professional investors in the offering jurisdictions outside Australia, being Hong Kong, New Zealand, Singapore, the United Kingdom and the United States, to whom, consistent with advice received from counsel to the Company, the shares subject to the Issue could lawfully be offered and sold without the need for any prospectus or other disclosure document, registration, lodgement or other formality.

The placement giving rise to the Issue was significantly oversubscribed with strong investor demand from domestic and international institutions, including support from both existing shareholders and new investors. In determining allocations for the placement, the company considered a number of factors and focused (to the extent practicable and appropriate) on providing pro rata participation to existing shareholders.

- the number and class of securities issued: 7,017,544 ordinary shares;
- if the securities are not fully paid ordinary securities, a summary of the material terms of the securities: the securities are fully paid ordinary shares;
- the date or dates on which the securities were issued: 7,005,144 shares issued on 8 July 2020 and 12,400 shares issued on 10 July 2020;
- the price at which securities were issued: \$5.70 per share;
- the purpose of the issue, including the use or intended use of any funds raised by the issue: proceeds will provide the flexibility to act on strategic initiatives including the enhancement of the Company's digital platform and further strengthening the product and service offering; and
- a voting exclusion statement: see Notice of Meeting page 2.

Board recommendation:

Each of the Directors recommends that shareholders vote in favour of the ratification of the Issue of the shares.

Item 5: Renewal of proportional takeover bid provisions in the Constitution

Background

A proportional takeover bid is an off-market takeover offer sent to Shareholders, but only in respect of a specified portion of each Shareholder's Shares in the Company (i.e. less than 100%). Accordingly, if a Shareholder accepts in full the offer under a proportional takeover bid, the Shareholder will dispose of the specified portion of the Shareholder's Shares and retain their balance of the Shares.

Under section 648D of the Corporations Act, a company may include provisions in its constitution to the effect that the registration of a transfer giving effect to a takeover contract for a proportional takeover bid is prohibited unless a resolution to approve the bid is passed by shareholders in accordance with the provisions of the company's constitution. These provisions cease to apply at the end of three years after they were inserted into the constitution or last renewed by shareholders. The provisions are renewed in the same manner in which the constitution is altered to insert the provisions (i.e. by a special resolution of shareholders).

Rule 36 of the Company's Constitution sets out the mechanism permitted by section 648D of the Corporations Act and which is governed by its related provisions (sections 648D to 648H of the Corporations Act). Rule 36 states:

"36 Proportional takeovers

36.1 In this rule 36:

- (1) proportional takeover offer means a proportional takeover bid as defined in section 9 of the Act and regulated by section 648D of the Act;
- (2) relevant day in relation to a proportional takeover offer means the day that is the 14th day before the end of the period during which the offers under the proportional takeover offer remain open; and

(3) a reference to an associate of another person has the meaning given to that expression by Division 2 of Part 1.2 of the Act.

36.2 Where offers have been made under a proportional takeover offer in respect of shares included in a class of shares in the Company:

- (1) other than where a transfer is effected in accordance with the takeover provisions (if any) under the ASX Settlement Rules, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional takeover offer is prohibited unless and until a resolution (in this rule 36.2 referred to as an approving resolution) to approve the proportional takeover offer is passed in accordance with this rule 36;
- (2) a person (other than the offeror or an associate of the offeror) who, as at the end of the day on which the first offer under the proportional takeover offer was made, held shares in that class is entitled to vote on an approving resolution and, for the purpose of so voting, is entitled to 1 vote for each of the shares;
- (3) an approving resolution must be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the resolution; and
- (4) an approving resolution that has been voted on, is taken to have been passed if it is passed by more than 50% of the votes cast by members entitled to vote on the resolution, and otherwise is taken to have been rejected.

36.3 The provisions of this Constitution that apply in relation to a general meeting of the Company apply with any modifications the circumstances require, in relation to a meeting that is convened under this rule 36 as if the last mentioned meeting were a general meeting of the Company.

36.4 Where takeover offers have been made under a proportional takeover offer then the directors must ensure that a resolution to approve the proportional takeover offer is voted on in accordance with this rule 36 before the relevant day in relation to the proportional takeover offer.

36.5 Where a resolution to approve a takeover scheme is voted on in accordance with this rule 36, the Company must, on or before the relevant day in relation to the proportional takeover offer:

- (1) give to the offeror; and
- (2) serve on each notifiable securities exchange in relation to the Company; a notice in writing stating that a resolution to approve the proportional takeover offer has been voted on and that the resolution has been passed, or has been rejected, as the case requires.

36.6 Where, at the end of the day before the relevant day in relation to a proportional takeover offer under which offers have been made, no resolution to approve the proportional takeover offer has been voted on in accordance with this rule 36, a resolution to approve the proportional takeover offer must, for the purposes of this rule 36, be treated as having been passed in accordance with this rule 36.

36.7 Where a resolution to approve a proportional takeover offer is voted on in accordance with this rule 36 before the relevant day in relation to the proportional takeover offer and is rejected, then:

- (1) despite section 652A of the Act, all offers under the proportional takeover offer that have not, as at the end of the relevant day, been accepted, and all offers under the takeover scheme that have been accepted and from whose acceptance binding contracts have not,

at the end of the relevant day, resulted, must be treated as withdrawn at the end of the relevant day; and

- (2) a person who has accepted an offer made under the proportional takeover offer is entitled to rescind the contract (if any) resulting from that acceptance.

36.8 Nothing in this rule 36 authorises the Company to interfere with any takeover transfer procedures contained in the ASX Settlement Rules.

36.9 This rule 36 ceases to have effect on the 3rd anniversary of the date of its adoption or of its most recent renewal.”

Under section 648G(4) of the Corporations Act, the Company may renew the proportional takeover bid provisions for a further three years.

This Resolution 4 provides for the renewal of Rule 36 of the Company’s Constitution for a period of three years from the date of the Meeting, subject to further renewal.

Information provided in accordance with section 648G(5) of the Corporations Act

For the purpose of Resolution 4, the following information is provided in relation to the proposed renewal of Rule 36 of the Constitution in accordance with section 648G(5) of the Corporations Act.

Effect of Rule 36 of the Constitution

The effect of Rule 36 of the Constitution is that, if a proportional takeover bid is made to Shareholders, the Directors are obliged to convene a general meeting of Shareholders to be held at least 14 days before the last day of the bid period. The purpose of that meeting would be to vote on a resolution to approve the proportional takeover bid.

For the resolution on the proposed proportional takeover bid to be approved, it must be passed by a simple majority of votes at the meeting, excluding votes of the bidder and its associates. If no such resolution is voted on within the required timeframe, the resolution is deemed to have been approved. This, in effect, means that Shareholders as a body may only prohibit any proportional takeover bid by rejecting such a resolution. If the resolution on any proposed proportional takeover bid is approved or deemed to have been approved, transfers of Shares under that proportional takeover bid (provided they are in all other respects in order for registration) must be registered, subject to the Corporations Act and the Constitution of the Company.

If the resolution on any proposed proportional takeover bid is rejected, registration of any transfer of Shares resulting from that proportional takeover bid is prohibited and the offer is deemed by the Corporations Act to have been withdrawn.

Rule 36, if renewed, will expire three years after the date of the Meeting unless renewed by a further special resolution of Shareholders.

Rule 36, as renewed, does not apply to full takeover bids.

Reasons for proposing the renewal of Rule 36 of the Constitution

The reason for proposing the renewal of Rule 36 is that the Directors consider that Shareholders should have the opportunity to vote on a proposed proportional takeover bid. If Rule 36 is

renewed, the benefit is that Shareholders will be able to collectively decide on whether a proportional takeover bid is permitted to succeed having weighed up whether the advantages outweigh the disadvantages in the particular circumstances of the bid, or vice versa.

In the absence of Rule 36, as renewed, a proportional takeover bid for the Company may enable effective control of the Company to be acquired by a person who has not offered to acquire 100% of the Company's shares (and, therefore, has not offered to pay a 'control premium' that reflects 100% ownership). As a result, if a proportional takeover bid for the Company is made:

- Shareholders may not have the opportunity to dispose of all their Shares; and
- Shareholders risk becoming part of a minority interest in the Company or suffering loss following such a change of control if the market price of the Company's shares decreases or the Company's shares become less attractive and, accordingly, more difficult to sell.

If Rule 36 is renewed, the Board considers that this risk will be minimised by enabling Shareholders to decide whether or not a proportional takeover bid should be permitted to proceed.

Awareness of Directors of proposal to acquire or increase a substantial interest in the Company

At the date this Notice of Meeting was approved by Directors before despatch to Shareholders, no Director is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Review of the advantages and disadvantages

As there have been no proportional takeover bids made for the Company in the period since the adoption of Rule 36, there are no known circumstances against which the Directors have had the opportunity to review the advantages or disadvantages of Rule 36. The Directors are not aware of any proposed bid which did not proceed during that period because of Rule 36. However, the potential advantages and disadvantages which are discussed in the following section have been relevant during the last 3 years in which the proportional takeover provisions have applied.

Potential advantages and disadvantages of renewal of Rule 36 of the Constitution to the Directors and to Shareholders

The Directors consider that the renewal of Rule 36 would have no advantage or disadvantage for them in their capacity as Directors other than the advantage of enabling them to formally ascertain the views of Shareholders in relation to any proportional takeover bid. Without such provisions, the Directors would be dependent upon their perception of the interests and views of Shareholders in assessing any proportional takeover bid. The Directors remain free to make a recommendation in relation to whether a proportional takeover bid for the Company should be recommended or rejected.

The potential advantages for Shareholders of the proportional takeover bid provisions are that:

- (a) Shareholders will have the right to decide by majority vote whether a proportional takeover bid should proceed;
- (b) the provisions may help prevent Shareholders being locked in as minority shareholders; and

- (c) the provisions may improve the bargaining power of Shareholders and therefore may result in any proportional takeover bid being adequately priced.

The potential disadvantages for Shareholders of the proportional takeover bid provisions include that:

- (a) the provisions may discourage a proportional takeover bid being made, which may be the only takeover offer to be made for the Company;
- (b) Shareholders may lose an opportunity to sell a portion of their Shares in the Company at a premium; and
- (c) the chance that a proportional takeover bid is successful may be reduced.

Recommendations

The Board considers that the potential advantages to Shareholders of having the proportional takeover provisions in place outweigh the potential disadvantages.

Each of the Directors recommends that shareholders vote in favour of the special Resolution to renew the proportional takeover bid provisions in the Constitution. A special Resolution requires at least 75% of the votes cast by Shareholders who are entitled to vote on the matter.


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
Level 12, 680 George Street, Sydney NSW 2000

 **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 and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

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 Wednesday, 21 October 2020** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/TPW20> (refer to details in the Virtual Annual General Meeting Online Guide).

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 if they are signed and received no later than 48 hours before the Meeting.

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

Resolutions

For Against Abstain*

1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Conrad Yiu as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Renewal of proportional takeover bid provisions in the Constitution	<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 and email address 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 Virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General 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 Monday, 19 October 2020**, 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 Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
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)

