

# Notice of Annual General Meeting 2020

Shaver Shop Group Limited ACN 150 747 649

Notice is given that Shaver Shop Group Limited (the “Company” or “Shaver Shop”) will hold its 2020 Annual General Meeting:

**Date:** Wednesday, 28 October 2020 (virtual meeting)

**Time:** 11.00 am (Melbourne time - AEDT)

**Venue:** Online at <https://agmlive.link/shaver20>

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

Enter <https://agmlive.link/shaver20> into a web browser on your computer or online device:

- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the Voting 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.

Shareholders are requested to participate in the AGM virtually via our virtual AGM platform at

<https://agmlive.link/shaver20> or via a Direct Voting Form or the appointment of a proxy.

Further information on how to participate virtually is set out in this Notice and the Online Platform Guide which is available at Shaver Shop’s investor relations website - <http://investors.shavershop.com.au/investors/> - and was lodged with the ASX together with this Notice of Meeting.

## Business

### Item 1. Financial and Other Reports

To receive and consider the Financial Report, Directors’ Report and Auditor’s Report of the Company and its controlled entities for the financial year ended 30 June 2020.

**Note:** *There is no vote on this item of business.*

### Item 2. Adoption of Remuneration Report

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

“That the Remuneration Report (which forms part of the Directors’ Report) in respect of the financial year ended 30 June 2020 be adopted.”

**Note:** *This resolution is advisory only and does not bind the Directors or the Company.*

### Item 3. Election of Director – Mrs Debra Singh

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

“That Debra Singh, in accordance with article 66.2 of the Company’s constitution and, being eligible for election, offers herself for election as a Director of the Company.”

### Item 4. Re-election of Director – Mr Trent Peterson

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

“That Trent Peterson, who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rules 14.4 and 14.5 and, being eligible for election, be elected as a Director of the Company.”

### Item 5. Approval of issue of securities under the Amended LTI Plan to Mr Cameron Fox, CEO and Managing Director

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

“That for the purposes of the ASX Listing Rule 10.14 and all other purposes, approval is given for the issue to the CEO and Managing Director of the Company, Mr Cameron Fox, of up to 700,000 LTI Shares as a long-term incentive on the terms and conditions and in the manner set out in the Explanatory Notes accompanying this Notice of Annual General Meeting.”

### Item 6. Approval of selective buy back of ordinary shares

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

“That, for the purposes of section 257D of the Corporations Act 2001 and for all other purposes, the selective buy-back by the Company of 24,603 fully paid ordinary shares from participants under the Alternative LTI Plan on the terms and conditions set out in the Buy-back Agreements (details of which are set out in the Explanatory Notes accompanying this Notice of Annual General Meeting) be approved.”

## Voting Exclusions

The Company will disregard any votes cast (in any capacity) on Item 2 (Adoption of Remuneration Report), by or on behalf of a Company's KMP (as defined below), details of whose remuneration are included in the Remuneration Report of the Company, and their Closely Related Parties (as defined below).

However, the Company will not disregard a vote on Item 2 by the Company's KMP or a Closely Related Party if:

- it is cast by a person as a proxy appointed in writing by a person entitled to vote that specifies how the proxy is to vote on that item; or
- it is cast by the person chairing the Meeting as an undirected proxy which expressly authorises the chair to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a member of the Company's KMP.

The Company will disregard any votes cast in favour of Item 5 (Approval of issue of securities under the Amended LTI Plan) by or on behalf of any Director who is eligible to participate in the Amended LTI Plan or any associate of such a Director.

However, under the ASX Listing Rules, the Company need not disregard a vote on Item 5 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 the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides; or
- it is cast by 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 Item 5; and
  - the holder votes on Item 5 in accordance with the directions given by the beneficiary to the holder to vote in that way.

In addition, a vote must not be cast on Item 5 by a member of the Company's KMP, or a Closely Related Party, acting as a proxy, if their appointment does not specify the way the proxy is to vote on Item 5. However, this voting exclusion does not apply if the vote is cast by the person chairing the Meeting as an undirected proxy for a person entitled to vote which expressly authorises

the chair to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a member of the Company's KMP.

The Company will disregard any votes cast in favour of Item 6 (Approval of selective buy back of ordinary shares) by each participant whose shares are proposed to be bought back under the selective buy back or their respective associates.

If you appoint the chair of the Meeting as your proxy and you do not direct your proxy how to vote on Item 2 or 5, you will have expressly authorised the chair of the Meeting to exercise your proxy even if that item is connected directly or indirectly with the remuneration of a member of the KMP.

## Key Management Personnel ("KMP")

The Company's KMP comprise all persons having authority and responsibility for planning, directing and controlling the activities of the Company and its controlled entities, directly or indirectly, including any Director. The Company's KMP at the time of the Directors' Report are its Directors and other executives disclosed in the Company's Remuneration Report.

## Closely Related Party

A closely related party is defined in the *Corporations Act 2001* and includes a spouse, dependant and certain other close family members, as well as companies controlled by the KMP.

## Attorney

The Company will also apply the above voting exclusions to persons appointed as attorney by a shareholder to attend virtually and vote at the Annual General Meeting under a power of attorney – on the basis that references to persons attending and voting as a proxy are read as references to persons attending and voting as an attorney and references to an instrument under which a proxy is appointed are read as references to the power of attorney under which the attorney is appointed.

## Additional information for shareholders

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

## Shareholder questions

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 when entering their question online during the virtual AGM:

- 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;
- Shareholders should not ask questions at the Meeting regarding personal matters or those that are commercial in confidence; and
- Shareholders are courteous and respectful to all shareholders and others attending the meeting. Disrespectful or rude questions and questions using bad language will not be responded to.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. A Shareholder Question Form has been included with this Notice and is also available on the Company's website: <http://investors.shavershop.com.au/investors/>. We will attempt to address the more frequently asked questions in the Chairman and Group Managing Director's presentations to the Meeting.

Written questions must be received by the Company or Link Market Services Limited by 11:00am on 20 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).

#### **Entitlement to attend and vote at the Meeting**

All shareholders may attend the Annual General Meeting. The Board has determined for the purpose of 7.11.37 of the *Corporations Regulations 2001* that shareholders will be taken to be those persons recorded on the Company's register of members as at 7.00 pm (Melbourne time) on 26 October 2020. Shareholders will be entitled to vote in respect of the number of Shaver Shop shares registered in their name at that time. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

#### **Voting online**

If you attend the virtual meeting by logging into the online platform <https://agmlive.link/shaver20>, you will be able to vote online during the meeting.

If you wish to vote at the meeting, 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/shaver20> into a web browser on your computer or online device;
- Securityholders will need their SRN or HIN (printed at the top of the Voting 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 11:00am (Melbourne time) on 28 October 2020 and the time at which the Chair announces voting closure.

More information about online participation in the Meeting is available in the Online Platform Guide at Shaver Shop's investor relations website: [\(http://investors.shavershop.com.au/investors/\)](http://investors.shavershop.com.au/investors/).

#### **Voting by Proxy**

If you are entitled to attend and vote at the Annual General Meeting, you may appoint a proxy to attend virtually and vote at the Meeting on your behalf. A proxy does not need to be a shareholder of the Company. If you are entitled to cast two or more votes at the Meeting, you may appoint two persons as your proxy or proxies to attend virtually and vote at the Meeting. If you appoint two proxies and you do not specify the proportion or number of your votes, each proxy may exercise half of your votes on a poll. Fractions of votes will be disregarded.

Unless the shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit (except as specified in the voting exclusions in this Notice of Annual General Meeting) or abstain from voting.

The Proxy Form (and any Power of Attorney under which it is signed) must be received as detailed on the Proxy Form not less than 48 hours before the time for holding the 2020 Annual General Meeting. Proxy Forms received after that time will be invalid.

Please refer to other notes appearing on the Proxy Form.

#### **Corporate Representatives**

A shareholder, or proxy, that is a corporation and entitled to vote at the Annual General Meeting may appoint an individual to act as its corporate representative.

Evidence of appointment of a corporate representative must be in accordance with section 250D of the *Corporations Act 2001* and be lodged with the Company before the Annual General Meeting or at the registration desk on the day of the Annual General Meeting.

#### **Undirected Proxies**

Subject to the *Corporations Act 2001* and the ASX Listing Rules, the chair of the Meeting intends to vote all undirected proxies in favour of each item of business. If there is a change in how the chair intends to vote

undirected proxies at the Meeting, Shaver Shop will make an appropriate announcement to ASX stating that fact and explaining the reasons for the change. However, Shaver Shop encourages all shareholders who submit proxies including proxies in favour of the chair to direct their proxy how to vote.

#### **Resolutions by Poll**

In accordance with clause 61 of the Company's constitution, the Chair intends to call a poll on items 2 to 6 proposed at the AGM, rather than a show of hands. 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.

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

**Online:** <http://www.linkmarketservices.com.au>

Login to the 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 mail:**

Shaver Shop Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
South Sydney NSW 1235  
Australia

#### **By fax:**

+61 2 9287 0309

#### **By hand:**

Delivering it to Link Market Services Limited at:  
Level 12, 680 George Street, Sydney, NSW, 2000; or  
1A Homebush Bay Drive, Rhodes, NSW, 2138

#### **Explanatory Notes**

Explanatory Notes accompany and form part of this Notice of Annual General Meeting.

Further information on how to participate in the virtual meeting is set out in the Online Platform Guide available at <http://investors.shavershop.com.au/investors/>.

#### **By order of the Board:**

Shaver Shop Group Limited



Lawrence R Hamson  
CFO & Company Secretary  
25 September 2020

## Explanatory Notes

These notes form part of the Notice of Annual General Meeting and are intended to provide shareholders with an explanation of the items of business of the Meeting and proposed resolutions. The Board recommends that shareholders read these Explanatory Notes carefully before determining how to vote on a resolution.

If shareholders have any doubt as to what to do, they should consult their legal, financial or other professional adviser.

## Items of Business

### Item 1. Financial and Other Reports

As required by section 317 of the *Corporations Act 2001* (“**Corporations Act**”), the Financial Report, Directors’ Report (which includes the Remuneration Report) and Auditor’s Report of the Company for the financial year ended 30 June 2020 will be laid before the Company’s Annual General Meeting (“**AGM**” or “**Meeting**”).

The 2020 Annual Report of the Company is available on the Company’s website:

<http://investors.shavershop.com.au/investors>

A reasonable opportunity will be given to shareholders as a whole at the AGM to ask questions about or make comments on these reports and the management or performance of the Company.

Representatives of the Company’s auditors, PricewaterhouseCoopers will be present at the Meeting and available to take shareholders’ questions relevant to the conduct of the audit, the preparation and content of the Auditor’s Report, the accounting policies adopted by the Company in relation to the preparation of its Annual Report and the Auditor’s independence in relation to the conduct of the audit.

As a shareholder, you may submit a written question to the auditor prior to the Meeting provided that the question relates to:

- the content of the Auditor’s Report; or
- the conduct of the audit.

All written questions must be received by the Company no later than 5 business days prior to the Meeting. All questions should be sent to the Company Secretary (by e-mail to [larryh@shavershop.com.au](mailto:larryh@shavershop.com.au)) and not directly to the auditor. The Company will forward all questions to the auditor.

The auditor will answer written questions submitted prior to the Meeting. A list of the written questions (if any) will be made available to shareholders attending the AGM at or before the start of the AGM.

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

### Item 2. Adoption of Remuneration Report

As required by section 250R(2) of the Corporations Act, the Remuneration Report of the Company for the financial year ended 30 June 2020 will be laid before the AGM and a resolution that it be adopted will be put to a vote. Although there is a requirement for a formal resolution on this item by operation of section 250R(3) of the Corporations Act, the outcome of the resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration policies and practices of the Company.

A reasonable opportunity will be provided at the AGM for shareholders as a whole to ask questions about and make comments on the Remuneration Report.

One of Shaver Shop’s core philosophies is that the attraction, development, engagement and retention of passionate team members provides a competitive advantage and differentiation within the market which the Board believes is fundamental to the long term success of the Company. The Company’s remuneration policies have been developed to provide market competitive remuneration in order to sustain the Company’s competitive position and protect the interests of shareholders. The Board considers that the remuneration policies adopted by the Company, as outlined in the Remuneration Report, are appropriately structured to provide rewards commensurate with the Company’s performance as well as with comparable companies within the sector.

The Remuneration Report is set out on pages 24 to 37 (and Notes 32 and 34 of the financial statements) of the Company’s 2020 Annual Report. It is also available on the Company’s website at

<http://investors.shavershop.com.au/investors>

In summary, the Remuneration Report includes:

- an explanation of the Company’s policy for determining the remuneration of Directors and other KMP of the Company;
- a discussion of the relationship between the remuneration policy and the Company’s performance;
- details of the performance conditions associated with the remuneration of Directors and other KMP of the Company; and
- the remuneration details for each Director and other KMP of the Company, including the value of any LTI Shares granted to any of those persons.

While the shareholder vote on the Remuneration Report is advisory only, the Corporations Act provides for a “two strikes rule” in relation to voting on the Remuneration Report.

In summary, the rule gives shareholders the opportunity to require a general meeting to be held to re-elect the Board (other than the Managing Director) if the Remuneration Report receives “two strikes” (at least 25% of the votes cast on the resolution are against the adoption of the Remuneration Report) at 2 consecutive annual general meetings.

The Company’s Remuneration Report for the year ended 30 June 2019 was adopted at the 2019 annual general meeting of the Company held on 30 October 2019 by more than 99% of the votes cast.

Voting exclusions apply to this resolution as specified in the Notice of Annual General Meeting.

Subject to the Corporations Act, the chair of the Meeting intends to vote all available proxies in favour of this resolution.

#### **Board Recommendation**

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that shareholders **vote in favour** of this resolution.

#### **Item 3. Election of a Director – Mrs Debra Singh**

##### **Non-Executive Director of the Company Member of the Nomination & Remuneration Committee**

Mrs Singh was appointed a Director of the Company on 2 September 2020.

Debra Singh comes to Shaver Shop with a wealth of retail experience gained while working within the Woolworth’s group across supermarkets, operations and consumer electronics. Debra was appointed COO to Fantastic Holdings Limited (ASX listed) in 2013 and then CEO for Fantastic Furniture in August 2014, at which time she set about transforming and repositioning the business, whilst building a fun and engaged people culture. In 2016 Debra was appointed as Group CEO for Fantastic Holdings Group.

In January 2017, Steinhoff Asia Pacific acquired Fantastic Holdings Limited. Debra continued in her role as Group CEO and was appointed as an Executive Director to the now Greenlit Brands Board. In 2018, Debra was appointed Group CEO Household Goods (\$1B revenue) overseeing Fantastic Furniture, Plush, OMF and Freedom.

In April 2020, Debra transitioned from the Greenlit Board and Group CEO role to focus on the next phase of her career.

#### **Board Recommendation**

The Board (with Mrs Singh abstaining) recommends that you **vote in favour** of electing Mrs Debra Singh as a Director of the Company.

#### **Item 4. Election of a Director – Mr Trent Peterson**

##### **Non-Executive Director of the Company Chair of the Nomination & Remuneration Committee Member of the Audit & Risk Committee**

Mr Peterson was appointed a Director of the Company in June 2016. He brings to the Board extensive experience in finance and accounting, retailing and investment management

Trent is a managing director and partner at Catalyst Investment Managers, and has over 15 years’ experience as a company director and private equity investor. He is currently a Director of Adairs Limited, the Australian homewares retailer. Trent is also currently Chairman of Cirrus Media and fashion retailer Universal Stores, and is also a director of Australian Pure Health, and Dusk Retail Group.

He was a former director of Just Group, Global Television, EziBuy, Max Fashions, Power Farming, Metro GlassTech, Moraitis Group, Taverner Hotel Group, SkyBus and Australian Discount Retail. Trent is also a non-executive director of the Ascham Foundation and Gathermycrew.org.

#### **Board Recommendation**

The Board (with Mr Trent Peterson abstaining) recommends that you **vote in favour** of electing Mr Trent Peterson as a Director of the Company.

#### **Item 5. Approval of issue of securities under the Amended LTI Plan to the CEO and Managing Director**

##### **Requirements for approval**

ASX Listing Rule 10.14 states that a listed company must not permit the acquisition of securities by a Director under an employee incentive scheme without the approval of its shareholders.

Accordingly, the purpose of Item 5 is to have shareholders approve the issue of up to 700,000 fully paid ordinary shares to Mr Cameron Fox, Shaver Shop’s CEO and Managing Director under the Amended LTI Plan.

Please note that, as shareholder approval for the proposed issue of shares to Mr Cameron Fox is being sought under ASX Listing Rule 10.14, exception 14 in ASX

Listing Rule 7.2 applies so that approval under ASX Listing 7.1 is not required for the issue of those securities. Unless an exception applies, in general terms, ASX Listing Rule 7.1 limits the number of equity securities (for example, shares, options and convertible notes) that a listed entity such as Shaver Shop may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued share capital at the commencement of that 12 month period. Accordingly, if shareholders approve the issue of shares to Mr Fox, they will not be included in that 15% annual limit.

### Background

At the Company's 2018 annual general meeting held on 21 November 2018, shareholders approved the Company's amended loan share plan ("**Amended LTI Plan**") for all purposes.

The Amended LTI Plan is in an employee incentive share plan designed to align the interests of executive directors and employees more closely with the interests of shareholders by providing an opportunity for eligible executive directors and employees to acquire Shaver Shop shares ("**LTI Shares**"), subject to the terms and conditions of the Amended LTI Plan.

Under the Amended LTI Plan, LTI Shares are generally issued, allocated or transferred to participants in the Amended LTI Plan at market value, determined in good faith by the Board.

Non-executive Directors are not eligible to participate in the Amended LTI Plan.

In addition to participants under the Amended LTI Plan acquiring LTI Shares, the Company, or one of its subsidiaries, may provide a limited recourse loan to those participants to assist them to acquire LTI Shares ("**Loan**"). Each Loan is limited recourse such that a participant's obligation to repay the Loan will be the lesser of the Loan balance or the relevant LTI Share's market value. Under the Amended LTI Plan, the Company retains a discretion to waive repayment of all, or part of, any Loan.

Each LTI Share is issued as a fully paid ordinary share in the Company, subject to certain vesting conditions. A holder of LTI Shares must not dispose of them until the LTI Shares vest and any Loan relating to them has been repaid.

The number of LTI Shares which will vest under the Amended LTI Plan will be dependent on time-based service (years of service) and performance-based criteria.

The Company's Nomination and Remuneration Committee together with the Board have reviewed the total reward structure for Mr Cameron Fox, the CEO and Managing Director, to ensure there is an appropriate component that is "at risk" based on the Company's performance and the value created for shareholders.

Following this review, the Board considers that the proposed issue of up to 700,000 LTI Shares for FY2021 represents reasonable remuneration for Mr Fox in relation to his "at risk" component of his total remuneration. Accordingly, it is the Board's view that the exception contained in section 211(1) of the Corporation Act applies and therefore the Company is not seeking shareholder approval for the giving of a financial benefit to Mr Fox for the purposes of section 208 of the Corporations Act. Nevertheless, by virtue of the ASX Listing Rules, shareholders are given the opportunity to approve the proposed issue of LTI Shares to Mr Fox.

A summary of the key terms and conditions of the LTI Shares to be issued to Mr Cameron Fox is set out in Schedule 1 to these Explanatory Notes. The LTI Shares are otherwise issued subject to the terms and conditions of the Amended LTI Plan, a summary of which is set out in Schedule 2 to these Explanatory Notes.

### Information required by ASX Listing Rules

ASX Listing Rule 10.15 requires the following information to be disclosed to shareholders in relation to the LTI Shares to be issued to Mr Fox under the Amended LTI Plan:

- Mr Cameron Fox is a director of the Company and falls with ASX Listing Rule 10.14.1;
- the maximum number of LTI Shares that may be acquired by Mr Fox is 700,000;
- Mr Fox's current total remuneration package for FY21 comprises:
  - a fixed base salary of \$580,000;
  - STI/Bonus of \$220,000; and
  - LTI of up to 700,000 LTI Shares, the subject of this resolution.
- the issue price of each LTI Share will be the volume weighted average market price of the Company's shares sold in the 5 days immediately prior to the grant date;
- Mr Fox is currently the only Director entitled to participate in the Amended LTI Plan;
- following shareholder approval at the Company's 2019 annual general meeting, Mr Fox was granted 650,000 LTI Shares under the Amended LTI Plan at an issue price of \$0.6344 per share in November 2019 – no other persons referred to in ASX Listing Rule 10.14 have received securities under the Amended LTI Plan since that last approval;
- the Company will offer Mr Fox a limited recourse Loan to assist with the acquisition of LTI Shares under the Amended LTI Plan. The Loan will be non-interest bearing. Unless otherwise determined by the Board, that part of the Loan balance relating to an LTI Share will become due and payable immediately on the earlier to occur of:

- the date on which that LTI Share has been compulsorily divested in accordance with the terms and conditions of the Amended LTI Plan;
- the date that Mr Fox has otherwise disposed of that LTI Share; and
- the date which is 7 years after the grant date in relation to that LTI Share;
- details of the limited recourse Loan to Mr Fox under the Amended LTI Plan are set out above and in Schedule 1 to these Explanatory Notes; and
- the Company intends to issue, transfer or allocate the LTI Shares within 1 month of the date of the AGM but, in any event, no later than 12 months after the AGM.
- Details of any LTI Shares issued under the Amended LTI Plan will be published in the Company's annual report relating to the period in which the LTI Shares are issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in the Amended LTI Plan after this resolution is approved and who are not named in this notice will not participate until approval is obtained under ASX Listing Rule 10.14 at a future meeting.

#### **Board Recommendation**

The Board (with Mr Cameron Fox abstaining) recommends that you **vote in favour** of approving the proposed issue of LTI Shares to Mr Cameron Fox under the terms and conditions of the Amended LTI Plan.

Voting exclusions apply to this resolution as specified in the Notice of Annual General Meeting.

Subject to the Corporations Act, the chair of the Meeting intends to vote all available proxies in favour of this item of business.

#### **Item 6. Approval of selective buy back of ordinary shares**

##### **Background**

The participants whose Shaver Shop shares are proposed to be bought back under the selective buy back ("**Buy Back Participants**") are or were contractors to the Company or its subsidiaries and were granted Shaver Shop shares under the Company's loan share plan, subject to certain service and performance related vesting conditions. The Buy Back Participants are not a Director or other KMP of the Company.

The terms and conditions of the Company's loan share plan ("**LTI Plan**") were outlined in its prospectus dated 7 June 2016.

A limited recourse loan was also provided to each Buy Back Participant to assist them to acquire the shares granted to them under the LTI Plan ("**Loan**").

The Buy Back Participants were subsequently transitioned to a new loan share plan ("**Alternative LTI Plan**") during the financial year ended 30 June 2019 which had substantially the same terms and conditions as the LTI Plan, except that the eligibility of participants in that plan was restricted to contractors and consultants.

Certain shares issued to the Buy Back Participants under the LTI Plan and transitioned to the Alternative LTI Plan are subject to compulsory divestiture in accordance with the terms and conditions of the Alternative LTI Plan ("**Forfeited Shares**").

Subject to the approval of Item 6, the Company intends to enforce the compulsory divestiture of the Forfeited Shares by way of a selective buy back pursuant to Division 2 of Part 2J.1 of the Corporations Act.

##### **What happens if the buy back is approved?**

If the selective buy backs are approved as contemplated by Item 6, the Company will enter into agreements ("**Buy Back Agreements**") with each Buy Back Participant to buy back a total of 24,603 fully paid ordinary shares in the Company, each for the amount equal to the portion of their Loan that relates to their Forfeited Shares, which will be applied directly against the balance of their Loan. As a result of the proposed selective buy-backs, there will be no net cash outflow from the Company and no cash proceeds will be paid to either Buy Back Participant.

##### **What happens if the buy back is not approved?**

If the selective buy backs are not approved, the Buy Back Participants will continue to hold their shares in accordance with the terms of the Alternative LTI Plan.

The Company will consider alternative methods of giving effect to the compulsory divestiture of the relevant Shaver Shop shares held by the Buy Back Participants.

##### **Effect of buy back on control and issued capital of the Company**

The Company has approximately 126,462,494 fully paid ordinary shares on issue. The aggregate shares held by the Buy Back Participants (being an aggregate of 24,603) to be bought back represents approximately 0.02% of the Company's issued capital. If the buy backs are completed, they will not have a material effect on either the control of the Company or the issued capital of the Company.

##### **Advantages and disadvantages of the buy back**



The advantage of the buy backs is that the resulting cancellation of shares will cause all shareholders of the Company (excluding the Buy Back Participants) to own proportionately more of the Company's issued capital.

This outcome will be achieved notwithstanding that there is no net cash outflow from the Company.

There are no known disadvantages for the Company or its shareholders (other than the Buy Back Participants) of the proposed selective buy backs.

#### **Division 2, Part 2J.1 of the Corporations Act**

A company may buy back its own shares if:

- the buy back does not materially prejudice the company's ability to pay its creditors; and
- the company follows the procedures in Division 2 of Part 2J.1 of the Corporations Act.

Since there is no net cash outflow from the Company as a result of the proposed selective buy backs and the Loans themselves are limited recourse, the Board is of the view that the proposed selective buy-backs will not prejudice the Company's ability to pay its creditors.

In accordance with section 257D of the Corporations Act, the terms of the buy back agreements must be approved by special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by any person who shares are proposed to be bought back or by their associates, or a resolution agreed to, at a general meeting, by all ordinary shareholders.

Item 6 is a special resolution and therefore requires at least 75% of votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney, or in the case of a corporate shareholder, by a corporate representative) to approve the resolution.

#### **Board Recommendation**

The Board recommends that you **vote in favour** of approving the selective buy backs of fully paid ordinary shares from the Buy Back Participants on the terms and conditions set out in the Buy-back Agreements and summarised above in the Explanatory Notes.

The chair of the Meeting intends to vote all available proxies in favour of this item of business.

## Schedule 1

### Summary key terms and conditions of LTI Shares

<b>Maximum number of securities</b>	The maximum number of LTI Shares that may be issued to Mr Cameron Fox is 700,000 (excluding LTI Shares previously issued to him)								
<b>Issue Price</b>	The issue price for the LTI Shares will be the volume weighted average market price of the Company's shares sold in the 5 days immediately prior to the grant date.								
<b>Performance Period</b>	<p>The LTI Shares will be divided into 3 equal tranches and will have vesting conditions based on performance conditions and a service condition (outlined below). The 3 tranches apply to the following performance periods:</p> <ol style="list-style-type: none"> <li>1 July 2020 to 30 June 2021</li> <li>1 July 2020 to 30 June 2022</li> <li>1 July 2020 to 30 June 2023</li> </ol>								
<b>Performance Conditions</b>	<p>The performance conditions will be measured 70% by an absolute total shareholder return ("TSR") performance hurdle and 30% by an earnings per share ("EPS") performance hurdle. The hurdles will be mutually exclusive such that performance is measured independently of the other hurdle. Where both targets are met, 100% of the LTI Shares which Mr Fox holds for the relevant performance period will vest, subject to the service condition being met. Where only a portion of the EPS and TSR hurdles are achieved, the total number of LTI Shares which will vest under the Amended LTI Plan will be apportioned.</p> <p>Both of the performance hurdles are expressed as a compound annual growth rate ("CAGR") percentage.</p> <p>The TSR performance hurdle is structured as an absolute TSR growth target (as determined by the Board). TSR is a measure of the performance of the Company's shares over a period of time. It combines share appreciation and dividends paid to show the total return to shareholders expressed as an annualised percentage. It is the rate of return of all cash flows to an investor during the holding period of an investment.</p> <p>The starting value for the TSR performance hurdle is the 5 day volume weighted average market price ("VWAP") per share in the 5 days immediately preceding the grant date. Each TSR performance period concludes based on the 5 day VWAP of the Company's shares following the relevant performance period's full year results announcement.</p> <p>The following table outlines the TSR performance hurdles as determined by the Board which must be met in order for LTI Shares to vest:</p> <table> <tr> <th>TSR for relevant Performance Period</th><th>Proportion of LTI Shares that satisfy the TSR vesting condition</th></tr> <tr> <td>CAGR is less than 10%</td><td>0%</td></tr> <tr> <td>CAGR is <math>\geq 10\%</math> and <math>\leq 25\%</math></td><td>Progressive pro-rata vesting from 20% to 100% (i.e. on a straight line basis)</td></tr> <tr> <td>CAGR is <math>&gt; 25\%</math></td><td>100%</td></tr> </table> <p>The EPS performance hurdle is a measure of the compound annual growth rate in the Company's EPS measure over the relevant performance period. The EPS CAGR is determined by the Board and is the compound annual growth rate (expressed as a percentage) of the Company's EPS, which is measured by reference to the Company's consolidated underlying net profit for the performance period divided by the weighted average number of shares on issue across the relevant performance period. The Board may from time to time adjust the EPS CAGR to exclude the effects of material business acquisitions or divestments and for certain one-off costs.</p> <p>The baseline EPS upon which the performance period CAGRs will be calculated is the normalised EPS of the Company for the financial year ended 30 June 2020.</p>	TSR for relevant Performance Period	Proportion of LTI Shares that satisfy the TSR vesting condition	CAGR is less than 10%	0%	CAGR is $\geq 10\%$ and $\leq 25\%$	Progressive pro-rata vesting from 20% to 100% (i.e. on a straight line basis)	CAGR is $> 25\%$	100%
TSR for relevant Performance Period	Proportion of LTI Shares that satisfy the TSR vesting condition								
CAGR is less than 10%	0%								
CAGR is $\geq 10\%$ and $\leq 25\%$	Progressive pro-rata vesting from 20% to 100% (i.e. on a straight line basis)								
CAGR is $> 25\%$	100%								

The following table outlines the EPS performance hurdles (as determined by the Board) which must be met in order for LTI Shares to vest:

EPS for relevant Performance Period	Proportion of LTI Shares that satisfy the EPS vesting condition
CAGR is less than 5%	0%
CAGR is $\geq 5\%$ and $\leq 20\%$	Progressive pro-rata vesting from 25% to 100% (i.e. on a straight line basis)
CAGR is $> 20\%$	100%

#### Service Conditions

In addition to the performance conditions, each tranche of LTI Shares is subject to service conditions meaning if Mr Fox ends his employment with Shaver Shop before the specified service periods, the LTI Shares issued to him will not vest regardless of whether the performance conditions have been met.

The service conditions attaching to the 3 tranches of LTI Shares are as follows:

- >> *Tranche 1* – Mr Fox must remain a Shaver Shop employee at all times up to (and including) 30 June 2023 before the number of performance qualified LTI Shares will vest.
- >> *Tranche 2* – Mr Fox must remain a Shaver Shop employee at all times up to (and including) 30 June 2023 before the number of performance qualified LTI Shares will vest.
- >> *Tranche 3* – Mr Fox must remain a Shaver Shop employee at all times up to (and including) 30 June 2024 before the number of performance qualified LTI Shares will vest.

#### Loan Terms

The Company will offer Mr Fox a Loan to assist with the purchase of the LTI Shares. The material terms of the Loan are as follows:

- The initial Loan value is equal to the number of shares being granted (subject to vesting conditions) multiplied by the issue price per LTI Share.
- The Loan is non-interest bearing.
- The LTI Shares must not be disposed and no security interest may be granted over the LTI Shares while the Loan balance remains outstanding or arrangements to the satisfaction of the Board are made in respect of the proceeds.
- Unless otherwise determined by the Board, that part of the Loan balance relating to an LTI Share will become due and payable immediately on the earlier to occur of:
  - the date on which that LTI Share has been compulsorily divested in accordance with the terms and conditions of the Amended LTI Plan;
  - the date that Mr Fox has otherwise disposed of that LTI Share; and
  - the date which is 7 years after the grant date in relation to that LTI Share.
- The Loan balance may be repaid early.
- The Loan is limited recourse such that a participant's obligation to repay the Loan will be the lesser of the Loan balance or the relevant LTI Share's market value.
- The Company will agree to waive repayment of any amount owing under the Loan on LTI Shares which become vested, which exceeds an amount equal to the number of vested LTI Shares acquired under the relevant Loan multiplied by their issue price.
- The after-tax value of any dividends paid on the LTI Shares acquired under a Loan will be applied to repay the relevant Loan for as long as there is an outstanding Loan balance.
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## Schedule 2

### Summary key terms and conditions of Amended LTI Plan

<b>Administration</b>	The Amended LTI Plan is administered by the Board or the Board's delegate(s).
<b>Eligibility</b>	Participation in the Amended LTI Plan is by invitation to executive directors and employees of the Company or its subsidiaries. The Board will determine which executive directors and employees receive an invitation to participate in the Amended LTI Plan.
<b>Vesting</b>	The LTI Shares will vest on the satisfaction of the applicable performance, service or other vesting conditions specified at the time of the grant.
<b>Restrictions on Disposal</b>	<p>A participant must not dispose of an LTI Share until the LTI Share has vested, the loan balance relating to that LTI Share has been repaid or discharged or any disposal restrictions set out under the Amended LTI Plan rules or letter of invitation have expired.</p> <p>The Board may implement any procedure it deems appropriate to ensure the compliance by the participant with the disposal restrictions, including using an ASX Holding Lock on the LTI Share, using an employee share trust to hold the LTI Share or refusing to register a transfer of the LTI Share.</p>
<b>Change in control</b>	In the event of a change in control of the Company, the Board may in its absolute discretion determine the manner in which any or all of the participant's LTI Shares (whether vested or unvested) will be dealt with including, without limitation, in a manner that allows the participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
<b>Plan Shares</b>	Each LTI Share is a fully paid ordinary share in Shaver Shop.
<b>Performance period</b>	The performance periods will be specified in the relevant offer of LTI Shares.
<b>Shares</b>	Unless otherwise specified in an offer made under the Amended LTI Plan, LTI Shares issued, allocated or transferred under the Amended LTI Plan will rank equally with all existing shares from the date of issue or transfer.
<b>Loan</b>	The Company, or one of its subsidiaries, may provide a Loan to a participant to assist them to fund the full consideration for the LTI Shares. The terms of the Loan will be set out in a separate loan agreement.
<b>Treatment on cessation of engagement</b>	<p>If a participant is no longer an employee or executive director of the Company, unless otherwise determined by the Board, all of their unvested LTI Shares will be compulsorily divested on a date determined by the Board. They will retain any vested LTI Shares pursuant to the terms of the Amended LTI Plan.</p> <p>Where a participant acts fraudulently or dishonestly or wilfully breaches their duties to the Shaver Shop Group, the Board may deal with their LTI Shares in accordance with the rules of the Amended LTI Plan and may require the participant to compulsorily divest all of their LTI Shares.</p>
<b>New issues</b>	<p>Subject to the ASX Listing Rules (where relevant):</p> <ul style="list-style-type: none"> <li>if shares are issued by the Company pro rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) in respect of the LTI Shares, those shares are deemed to be LTI Shares for the purposes of the rules of the Amended LTI Plan, and subject to the same vesting conditions as the relevant LTI Shares; and</li> <li>if the Company announces a rights issue, each participant will be offered an opportunity to exercise those rights in respect of LTI Shares. Unless the participant agrees otherwise, the shares allotted to the participant as a result of the participant</li> </ul>

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exercising such rights, are not subject to vesting conditions and will not be subject to the rules of the Amended LTI Plan.

**Quotation**

If LTI Shares granted under the Amended LTI Plan are the same class as those shares of the Company which are listed on the ASX, the Company will apply for quotation of the LTI Shares issued (or any unquoted LTI Shares transferred or allocated) promptly following the date of grant.

**Amendments**

The Board may, at any time, amend the terms and conditions of the Amended LTI Plan, so long as the amendment does not materially reduce the rights of any participant as they existed before the date of the amendment.

**Other terms**

The Amended LTI Plan contains other terms relating to the administration, transfer, termination and variation of the Amended LTI Plan.

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