

# NOTICE OF ANNUAL GENERAL MEETING 2021



# MESSAGE FROM THE CHAIRMAN

MYER'S CUSTOMER FIRST PLAN IS GAINING MOMENTUM AND DELIVERING RESULTS, DESPITE THE CURRENT CHALLENGES ASSOCIATED WITH THE COVID-19 PANDEMIC.

Dear fellow shareholder,

On behalf of the Board, I am pleased to invite you to the 2021 Annual General Meeting (**AGM**) of Myer Holdings Limited, to be held virtually at 11.00am (Melbourne time) on Thursday, 4 November 2021.

Despite FY21 being another year impacted by widespread challenges associated with the COVID-19 pandemic, Myer remained focused on executing the Customer First Plan.

Myer's much improved FY21 results reflect the momentum gained from the successful transformation of the business under the Customer First Plan, which was launched in September 2018.

We are confident that we have the right Board and management team in place to continue this positive momentum.

## FY21 RESULTS

During the past three years our focus has been on profitable sales, growing the online business, disciplined management of costs, cash, and inventory, space optimisation and the deleveraging of our balance sheet. The successful execution of these, and many more strategic initiatives, has delivered solid growth across all of our key metrics in FY21.

Key highlights of the FY21 results include:

- Total sales<sup>(1)</sup> up 5.5% to \$2,658.3 million; representing solid growth despite government mandated store closures and travel restrictions, particularly in 1Q21 and 4Q21

- Continued strong growth in Group online sales<sup>(2)</sup> up 27.7% to \$539.5 million, now 20.3% of total sales
- Operating Gross Profit (OGP) margin increased by 168 basis points to 39.7%
- EBIT<sup>(3)</sup> increased by 117.0% to \$170.5 million, EBIT margin increased by 330 basis points to 6.4%
- Net profit after tax (NPAT)<sup>(3)</sup> \$51.7 million, up from a loss of \$13.4 million in prior year
- Net cash improved by \$103.9 million to \$111.8 million.
- Solid 2H21 performance with EBIT<sup>(3)</sup> of \$61.5 million and NPAT<sup>(3)</sup> of \$8.8 million, representing the first profit achieved in the second half since FY17.

## THE BOARD

On 16 September 2021, Myer announced that I had been appointed as Chairman of the Board.

We also announced that Ari Mervis will join the Myer Board with his appointment effective from 20 September 2021. Mr Mervis' executive career included over 25 years with SABMiller plc including nearly 10 years as Managing Director. Mr Mervis is also a non-executive Director and Chairman of McPherson's Ltd. He brings broad global experience and a deep understanding of consumer markets and will contribute valuable insights to the Myer Board and business.



**JoAnne Stephenson**  
Chairman

I'm confident that we have a cohesive and aligned Board with an appropriate mix of skills, experience, diversity and independence for the future as we focus on delivering value for shareholders.

My focus as Chairman, and the focus of this Board, will continue to be to represent and serve the interests of shareholders by overseeing the Company's strategies, policies, and performance, and to continue to play our role in optimising Company performance and building sustainable shareholder value.

At this year's AGM, we will be seeking shareholder approval for:

- Mr Mervis' election as a Director; and
- the re-election as Directors of Dave Whittle and Jacquie Naylor, both of whom have been outstanding contributors to the Board and Company.

(1) Revenue from sale of goods excluding concession sales and sales revenue deferred under the customer loyalty program was \$2,116.5 million (FY20: \$2,047.9 million)

(2) Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

(3) Excluding implementation costs and individually significant items

## REMUNERATION REPORT

As outlined in the FY21 Remuneration Report (which is included in the Annual Report), we made a number of changes to our remuneration framework to further align the remuneration of our Executive Management Team with the interests of our shareholders.

This included:

- the introduction of the Transformation Incentive (TI) Plan to replace the Short Term Incentive Plan for FY21 and FY22, to focus Executive effort on transforming the business; and
- the Long Term Incentive (LTI) Plan being delivered in performance rights as opposed to performance options under the previous LTI plan, to address the dilutive effect of performance options, while still aligning the interests of Executives with the interests of shareholders without providing ownership in shares unless performance conditions are met.

The Board continues to work to ensure that Executive pay is appropriate and aligned with business outcomes. The key FY21 remuneration outcomes, which are set out below, were carefully considered by the Board, taking into account all relevant factors, including the Executive Management Team's performance in delivering the FY21 results, the impacts of the COVID-19 pandemic on those results and ensuring the best interest of our shareholders and other stakeholders.

- The freeze on Executive pay continued in FY21 with no salary increases awarded for the Executive Management Team.
- When assessing performance and associated remuneration outcomes for the FY21 TI Plan and the FY19 LTI, the Board made the decision to remove the impact of net JobKeeper subsidies and rent waivers.
- Following the exercise of Board discretion to remove the impact of net JobKeeper subsidies and rent waivers, no performance options vested under the FY19 LTI Plan.

- In undertaking a review of TI scorecard outcomes, the Board also exercised its discretion to adjust TI outcomes for all Executive KMP and the broader management team downwards by 20%, with a final TI outcome reduced to 64.8% of maximum.

During FY21, the Board maintained the reduced base fees for its Directors effective 1 July 2020 (where the Chairman's and Non-Executive Directors' annual base fees were reduced to \$250,000 (from \$300,000) and \$100,000 (from \$120,000) respectively). This represented the third reduction to Chairman and Non-Executive Director fees since FY18.

## CONDITIONAL SPILL RESOLUTION

It is important for shareholders to note that, if Myer receives a "second strike" on its 2021 Remuneration Report – meaning that at least 25% of votes are cast against adopting it – then, as required by the *Corporations Act 2001* (Cth), a Board "spill resolution" will be put to this AGM.

If the spill resolution is put to the AGM, for the reasons set out in the Explanatory Notes to the Notice of Meeting, the Board recommends that shareholders vote **against** this resolution.

## SUMMARY OF BOARD RECOMMENDATIONS

Resolution	Myer Board Recommends
<b>3(a)</b> – Election of Mr Ari Mervis	<i>For</i>
<b>3(b)</b> – Re-Election of Ms Jacquie Naylor	<i>For</i>
<b>3(c)</b> – Re-Election of Mr Dave Whittle	<i>For</i>
<b>4</b> – Adoption of the Remuneration Report	<i>For</i>
<b>5</b> – Grant of Performance Rights to CEO and Managing Director	<i>For</i>
<b>6</b> – Conditional Spill Resolution	<i>Against</i>

## AGM 2021

In light of the ongoing risks of the COVID-19 pandemic, continuing government restrictions, and in the interests of the health and safety of shareholders, team members and other participants, the Board has decided to again hold this year's Myer Annual General Meeting (**AGM**) virtually.

The 2021 AGM is scheduled at 11.00am on Thursday, 4 November 2021 (Melbourne time).

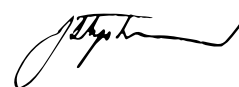
Unfortunately, shareholders will not be able to physically attend the AGM but we have ensured that you can still participate in various ways, including by watching a live webcast of the AGM or logging into an online platform at <https://agmlive.link/MYR21>, which will allow shareholders to vote and to ask questions online. A telephone facility will also be available for shareholders to ask questions verbally. Information on how to participate is provided in this Notice of Meeting.

## THANK YOU

In closing, my thanks to the Executive Team and broader Myer team for their energy and focus on putting our customers first in everything we do across the business. Thank you also to our customers for their ongoing support and feedback, and to you, our shareholders, for your ongoing support of the Board, the Executive Team, and the delivery of our Customer First Plan.

The continued delivery of the Customer First Plan, and the upcoming peak trade period for our customers are our priorities. We also remain focused, as an independent Board, on protecting your interests and driving shareholder value.

We look forward to updating you further at the virtual AGM, but if you have any questions on this year's AGM, please either email: [myer.corporateaffairs@myer.com.au](mailto:myer.corporateaffairs@myer.com.au) or call: 03 8667 8104.



**JoAnne Stephenson**  
Chairman

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twelfth Annual General Meeting (**Meeting**) of Myer Holdings Limited (ABN 14 119 085 602) (**Company**) will be held virtually on Thursday 4 November 2021 at 11.00am (Melbourne time). Registration will commence at 10.30am (Melbourne time). The online platform can be accessed at <https://agmlive.link/MYR21>.

## ITEMS OF BUSINESS

### 1. Chairman and Chief Executive Officer Presentations

### 2. Financial Statements and Reports

To receive and consider the Financial Report for the period ended 31 July 2021, together with the Directors' Report and Auditor's Report as set out in the Annual Report.

*The Company's Auditor will be available at the Meeting to answer questions regarding the audit and the Auditor's Report.*

### 3. Election and Re-Election of Directors

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

- a) "THAT Mr Ari Mervis (appointed as a Director of the Company on 20 September 2021) who retires in accordance with rule 8.1(c) of the Company's Constitution and, being eligible, offers himself for election, be elected as a Director of the Company."
- b) "THAT Ms Jacquie Naylor who retires in accordance with rule 8.1(d) of the Company's Constitution and, being eligible, offers herself for re-election, be elected as a Director of the Company."

- c) "THAT Mr Dave Whittle who retires in accordance with rules 8.1(d) and 8.1(e) of the Company's Constitution and, being eligible, offers himself for re-election, be elected as a Director of the Company."

*Note that Items 3(a), (b), and (c) will be voted on as separate ordinary resolutions. Information about these three directors is set out in the attached Explanatory Notes.*

### 4. Remuneration Report

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

"THAT the Remuneration Report forming part of the Directors' Report for the period ended 31 July 2021 be adopted."

### 5. Grant of Performance Rights to the Chief Executive Officer and Managing Director

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

"THAT the grant of performance rights to the Chief Executive Officer and Managing Director, Mr John King, and the provision of ordinary shares in the Company on the vesting of those performance rights, under the FY22 Long Term Incentive Plan as part of his long-term incentive arrangements, as described in the Explanatory Notes, be approved."

### 6. Conditional Spill Resolution

To consider in accordance with section 250V of the *Corporations Act 2001* (Cth) and, if thought fit, to pass the following resolution as an ordinary resolution:

"THAT subject to and conditional on at least 25% of the votes cast on Item 4 being cast against the adoption of the Company's Remuneration Report:

- a) another meeting of the Company's shareholders (the **Spill Meeting**) be held within 90 days of the date of this Meeting;
- b) all of the Company's Directors in office, when the resolution to make the Directors' Report to be considered at this Meeting was passed (other than the CEO and Managing Director), and who continue in office, cease to hold office immediately before the end of the Spill Meeting; and
- c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to vote at the Spill Meeting."

*Note that this resolution will only be put to the Meeting if the Company receives a "second strike" on its Remuneration Report – meaning that at least 25% of votes are cast against Item 4. See the attached Explanatory Notes.*

By order of the Board



**Paul Morris**  
Company Secretary  
5 October 2021

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# INFORMATION FOR SHAREHOLDERS

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## VIRTUAL MEETING

The Meeting will be made accessible to shareholders via a live webcast and an online platform.

Shareholders who attend the Meeting by logging into the online platform will be able to vote and submit written questions in relation to the business of the Meeting. The webcast will also be available through that platform. Shareholders will also be able to submit verbal questions via a telephone facility during the Meeting.

Shareholders may also vote and submit questions prior to the Meeting, or appoint a proxy to attend the Meeting, vote and submit written questions, and to submit verbal questions via a telephone facility on their behalf.

## HOW TO WATCH THE WEBCAST

The Meeting will be webcast live on the Investor Centre section of Myer's website, [myer.com.au/investor](http://myer.com.au/investor), and will also be archived on this website. You do not need to be a shareholder to view the webcast. The webcast is "view only". Those viewing the webcast through the Myer website will not be able to vote or ask questions. Shareholders attending the Meeting via the online platform will be able to access the webcast through that platform.

## HOW TO ATTEND AND PARTICIPATE IN THE MEETING ONLINE

Shareholders, proxyholders, attorneys, and corporate representatives can participate in the virtual Meeting by logging into the online platform provided by the Company's share registry, Link Market Services (**Share Registry**) at <https://agmlive.link/MYR21>.

When you log in to the website, you will need to register your details by providing your name, email address, phone number, and company (optional), as well as agreeing to the terms and conditions.

Once registered, to ask a written question or get a voting card, you will need to click on the "ask a question" or "get a voting card" buttons and:

- if you are a shareholder, provide your shareholder number and postcode (or if you are an overseas shareholder, your country details); and
- if you are a proxyholder, provide your proxy number. Information on how proxies obtain a proxy number is set out in the "Vote online during the Meeting" section below.

Corporate representatives of corporate shareholders or proxyholders should follow the instructions above to register as the shareholder or proxyholder they represent. Corporate representatives must submit a formal notice of Appointment of Corporate Representative signed by the corporation prior to the Meeting. Information on how to submit this notice is set out in the "Corporate Representative" section below.

To ask a question verbally, a telephone facility will be available for shareholders, proxies or corporate representatives who have obtained a personalised identification number (PIN) from the Share Registry. The PIN can be obtained by contacting the Share Registry on 1800 990 363, or +61 1800 990 363 (outside Australia) by 11.00am (Melbourne time) on Thursday 4 November 2021.

Further information on voting online is set out in the "How to Vote" section below. Further information on submitting written questions online or via the telephone facility are set out in the "Shareholder Questions" section below.

If you require any additional information on how to participate in the Meeting online, please refer to the Virtual Meeting Online Guide lodged by Myer with the ASX, a copy of which is at the end of this Notice. Alternatively, you can contact the Share Registry on +61 1300 820 260 between 9.00am and 5.00pm (Melbourne time).

## ENTITLEMENT TO VOTE

The Directors have determined that for the purposes of voting at the Meeting, shareholders will be taken to be those persons who are the registered holders of shares in the Company as at 7.00pm (Melbourne time) on Tuesday 2 November 2021.

## HOW TO VOTE

If you are entitled to vote at the Meeting you can exercise your vote in the following ways:

### LODGE YOUR VOTE BEFORE THE MEETING

You can lodge your vote directly at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) before the Meeting. To lodge your vote via this website, you will need to select the "Investor Login" option on the website, and log in to your shareholding account using your holding details (you will need to provide your shareholder number and the postcode registered on your holding (or if you are an overseas shareholder, your country details)).

## INFORMATION FOR SHAREHOLDERS

*Continued*

Once logged in, you can vote by selecting the "Voting" tab, and then under the heading "Action" select the "Vote" option and follow the prompts to lodge your vote.

If you wish to vote online before the Meeting, your vote must be lodged by 11.00am (Melbourne time) on Tuesday 2 November 2021.

You can also vote directly before the Meeting by following the voting instructions on your personalised Voting and Proxy Form and submitting this to the Share Registry in one of the following ways:

- **by mail to:**  
Myer Holdings Limited  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235
- **in person by delivering it to the Share Registry at:**  
Level 12, 680 George Street  
Sydney NSW 2000
- **by facsimile to:**  
+61 2 9287 0309

Completed Voting and Proxy Forms must be received by the Share Registry no later than 11.00am (Melbourne time) on Tuesday 2 November 2021.

### **APPOINT A PROXY / ATTORNEY BEFORE THE MEETING TO VOTE ON YOUR BEHALF**

Shareholders entitled to vote at the Meeting are entitled to appoint a proxy or attorney to attend and vote on their behalf.

You can appoint a proxy online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). To appoint your proxy via this website, you will need to select the "Investor Login" option on the website, and log in to your shareholding account using your holding details (you will need to provide your shareholder number and the postcode registered on your holding (or if you are an overseas shareholder, your country details)).

Once logged in to your shareholder account, you can appoint a proxy by selecting the "Voting" tab and then under the heading "Action" select the "Vote" option and follow the prompts to complete your proxy appointment.

If you wish to appoint a proxy online, your appointment must be submitted by 11.00am (Melbourne time) on Tuesday 2 November 2021.

You can also appoint a proxy or attorney by following the instructions on your personalised Voting and Proxy Form and submitting this to the Share Registry in one of the following ways:

- **by mail to:**  
Myer Holdings Limited  
Link Market Services Limited  
Locked Bag A14  
Sydney South, NSW 1235
- **in person by delivering it to the Share Registry at:**  
Level 12, 680 George Street  
Sydney NSW 2000
- **by facsimile to:**  
+61 2 9287 0309

Proxy or attorney appointments must be received by the Share Registry no later than 11.00am (Melbourne time) on Tuesday 2 November 2021.

If you have appointed an attorney to attend and vote at the Meeting, or if your proxy is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must also be received by the Share Registry by 11.00am (Melbourne time) on Tuesday 2 November 2021, unless this document has previously been lodged with the Share Registry for notation. Powers of attorney may be delivered to the Share Registry by mail to the address above.

Further details on the appointment of, and voting by, proxies or attorneys are provided below.

### **VOTE ONLINE DURING THE MEETING**

Shareholders, proxyholders, attorneys, and corporate representatives who attend the virtual Meeting by logging into the online platform <https://agmlive.link/MYR21>, will be able to vote online during the Meeting.

Registration will open from 10.30am (Melbourne time) on Thursday 4 November 2021.

Details on how to log into the website are provided in the "How to attend and participate in the Meeting online" section above.

When you log in to the online platform at <https://agmlive.link/MYR21> you will be required to register as a shareholder, proxy holder or attorney to be able to vote your shares or the shares you represent as proxy or attorney.

A proxy or attorney who is attending the virtual Meeting will need a proxy number, issued by the Share Registry to register to vote once logged in. The Share Registry will endeavour to provide confirmation of the proxy number via email to nominated proxy holders or attorneys prior to the meeting and following lodgement of the proxy or attorney appointment. Alternatively, proxy holders or attorneys can call the Meeting help line on +61 1800 990 363 on the day of the Meeting to request confirmation of the proxy number.

Voting on items 3, 4, 5 and 6 (if applicable) will be by poll and the Chairman of the Meeting will open the poll once the Meeting commences at 11.00am (Melbourne time) on Thursday 4 November 2021, and you will be able to vote at any time during the Meeting and for a short time afterwards (you will be notified on the platform how much time is left).

If you have lodged a direct vote before the Meeting and then vote online during the Meeting, your direct vote lodged before the Meeting will be cancelled.

## INFORMATION FOR SHAREHOLDERS

*Continued*

### APPOINTING PROXIES AND ATTORNEYS

Shareholders entitled to vote at the Meeting are entitled to appoint a proxy or attorney to attend and vote on their behalf. A proxy or attorney need not be a shareholder and can be either an individual or a body corporate.

A shareholder that is entitled to cast two or more votes may appoint no more than two proxies or attorneys. Shareholders who wish to appoint two proxies or attorneys may specify the percentage of votes or number of shares to be voted by each proxy or attorney when appointing their proxy or attorney. If a shareholder appoints two proxies or attorneys and does not specify the percentage of voting rights that each proxy or attorney may exercise, the rights are deemed to be 50% each. Fractions of votes will be disregarded.

### VOTING BY PROXIES

Shareholders should consider directing their proxy as to how to vote on each resolution by marking either the "For", "Against" or "Abstain" box when completing their Voting and Proxy Form to ensure that their proxy appointment specifies the way their proxy is to vote on each resolution. In certain circumstances (see below under the heading "Voting Restrictions"), a proxy may be prohibited from voting undirected proxies.

Where the Chairman is appointed proxy, unless she is restricted from voting on a resolution, she will vote in accordance with the shareholder's directions or, in the absence of a direction:

- **in favour** of Items 3(a), 3(b), 3(c), 4 and 5; and
- **against** Item 6.

Under the *Corporations Act 2001* (Cth) (**Corporations Act**), if the appointment of a proxy specifies the way the proxy is

to vote on a particular resolution:

- if the proxy is not the Chairman of the Meeting, the proxy need not vote on a poll but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and
- if the proxy is the Chairman of the Meeting, the proxy must vote on a poll and must vote as directed.

In addition, there are some circumstances where the Chairman of the Meeting will be taken to have been appointed as a shareholder's proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chairman of the Meeting as their proxy. This will be the case where:

- the appointment of proxy specifies the way the proxy is to vote on a particular resolution; and
- the appointed proxy is not the Chairman of the Meeting; and
- a poll is called on the resolution, and either of the following applies:
  - the proxy is not recorded as attending the Meeting; or
  - the proxy attends the Meeting but does not vote on the resolution.

### CORPORATE REPRESENTATIVES

In accordance with section 250D of the Corporations Act, any corporate shareholder or proxy may appoint a person to act as its representative.

The representative must complete and submit a formal notice of Appointment of Corporate Representative signed by the corporation and this must be received at [vote@linkmarketservices.com.au](mailto:vote@linkmarketservices.com.au) prior to the Meeting. A copy of that notice can be obtained from the Share Registry by calling +61 1300 820 260 between 9.00am and 5.00pm (Melbourne time) or at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

A copy of the signed Appointment of Corporate Representative, or other evidence satisfactory to the Chairman of the Meeting, must be produced prior to the Meeting.

### VOTING RESTRICTIONS

#### RESOLUTION 4 - REMUNERATION REPORT AND

#### RESOLUTION 6 - CONDITIONAL SPILL RESOLUTION

Except to the extent otherwise permitted by law, any member of the key management personnel (**KMP**) of the Company's consolidated group whose remuneration details are included in the Remuneration Report (or a closely related party of any such member), may not vote, and the Company will disregard the votes cast by or on behalf of such persons on resolutions 4 and 6 (if applicable), unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting as proxy for a person entitled to vote on the resolution and the proxy appointment expressly authorises the Chairman to vote undirected proxies as the Chairman sees fit, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

#### RESOLUTION 5 - GRANT OF PERFORMANCE RIGHTS TO THE CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

The Company will disregard any votes cast in favour of resolution 5 by Mr King and his associates. Further, a vote must not be cast on resolution 5 by a KMP, or a closely related party of a KMP acting as proxy if their appointment does not specify the way the proxy is to vote on the resolution.

However, this does not apply to a vote cast in favour of resolution 5 by:

## INFORMATION FOR SHAREHOLDERS

*Continued*

- 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;
- the Chairman (who is a KMP) as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman sees fit, even if the resolution is connected directly or indirectly with the remuneration of a KMP; 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.

### SHAREHOLDER QUESTIONS

Shareholders may submit questions in relation to the business of the Meeting prior to the Meeting, online via the online platform or verbally via the telephone facility provided during the Meeting as set out below.

#### BEFORE THE MEETING

Shareholders can submit questions before the meeting:

- **online at:**  
www.linkmarketservices.com.au.  
To submit your question via this website, you will need to select the "Investor Login" option on the website, and log in to your shareholding account using your holding details (you will need to

provide your shareholder number and the postcode registered on your holding (or if you are an overseas shareholder, your country details)). Once logged in, you can submit your question by selecting the "Voting" tab and then under the "Actions" heading, select "Ask a Question" and follow the prompts to submit your question.

- **by mail to:**  
Myer Holdings Limited  
Link Market Services Limited  
Locked Bag A14  
Sydney South, NSW 1235
- **by hand at:**  
Level 12, 680 George Street  
Sydney NSW 2000
- **by facsimile to:**  
+61 2 9287 0309

Questions must be received online or by the Share Registry by 5.00pm (Melbourne time) on Thursday 28 October 2021.

#### AT THE MEETING

Shareholders who attend the virtual meeting by logging into the online platform <https://agmlive.link/MYR21>, will be able to submit written questions online or ask a question verbally during the Meeting.

Details on how to login to the website are provided in the "How to attend and participate in the Meeting online" section above. Once registered, you will be given details on how to submit written questions during the Meeting.

A telephone facility will also be available for shareholders (or their proxy, attorney or corporate representative) who prefer to ask questions verbally.

To ask questions during the Meeting using the telephone facility, you can phone 1800 416 511, or +61 2 7207 9414 (outside Australia), and use your unique personal identification number (PIN). Your unique PIN is required for verification purposes, and may be obtained by contacting

the Share Registry on 1800 990 363, or +61 1800 990 363 (outside Australia) by 11.00am (Melbourne time) on Thursday 4 November 2021.

If you plan to ask questions by telephone, you will still need to log into the online platform if you wish to vote during the Meeting. For further information, refer to the Virtual Meeting Online Guide lodged by Myer with the ASX, a copy of which is also at the end of this Notice.



# EXPLANATORY NOTES

## ITEM 2 - FINANCIAL STATEMENTS AND REPORTS

The *Corporations Act 2001* (Cth) requires that the financial report and the reports of the Directors and Auditor be laid before the Meeting. There is no requirement for shareholders to vote on these reports. Shareholders will be given a reasonable opportunity to raise questions and make comments on these reports and on the management of the Company at the Meeting.

## ITEM 3 - ELECTION AND RE-ELECTION OF DIRECTORS

Rule 8.1(c) of the Company's Constitution requires a Director (who is not the Managing Director) who was appointed during the year to retire at the next Annual General Meeting following their appointment. Directors so appointed are eligible for election. Mr Ari Mervis was appointed since the 2020 Annual General Meeting, and will retire and offer himself for election by shareholders at the Meeting.

Rule 8.1(d) of the Company's Constitution requires two of the current Directors to retire by rotation at the Meeting. Ms Jacquie Naylor has notified the Board that she will retire as a Director of the Board at this year's Meeting and will offer herself for re-election. Mr Dave Whittle will also be retiring under rule 8.1(d) of the Company's Constitution (and under rule 8.1(e) of the Company's Constitution).

Rule 8.1(e) of the Company's Constitution requires that no Director who is not the Managing Director may hold office without re-election beyond the third AGM following the meeting at which the Director was last elected or re-elected. Mr Dave Whittle was last re-

elected as a Director on 30 November 2018 and will therefore retire and offer himself for re-election at the Meeting.

Further details of the qualifications, experience, and responsibilities of Mr Mervis, Ms Naylor, and Mr Whittle are provided below.



### ARI MERVIS

- Independent Non-Executive Director
- Member of the Board since 20 September 2021
- Member – Audit, Finance and Risk Committee
- Member – Nomination Committee

Ari has broad global experience spanning a range of industries in branded goods, consumer staples, agriculture, food and beverages. Ari's career includes more than 25 years with global brewer SABMiller plc, including nearly 10 years as Managing Director of the Asia Pacific region. In this role, Ari was Chairman of China Resources Snow Breweries, a joint venture between China Resources Enterprises and SABMiller for 8 years, and Chairman of SAB India and SAB Vietnam. He was also responsible for the acquisition and integration of Carlton and United Breweries by SABMiller.

More recently, Ari was the Executive Chairman of Accolade Wines in 2018 to 2020, and Managing Director and CEO of Murray Goulburn in 2017 to 2018.

Ari brings a wealth of experience in formulating and executing strategies that helps drive top line growth in a

sustainable and responsible manner. Ari has a Bachelor of Commerce from the University of Witwatersrand. Ari resides in Victoria.

### OTHER CURRENT DIRECTORSHIPS

Ari is a Non-Executive Director and Chairman of McPherson's Limited.



### JACQUIE NAYLOR

- Independent Non-Executive Director
- Member of the Board since 27 May 2019
- Member – Audit, Finance and Risk Committee
- Member – Nomination Committee
- Chairman – Human Resources and Remuneration Committee

Jacquie was appointed as a Non-Executive Director on 27 May 2019. Jacquie brings to the role a wealth of experience and knowledge of both women's and men's apparel, homewares and outdoor brands. Jacquie has had extensive experience in strategic planning, logistics, marketing, and eCommerce together with corporate restructuring and global business expertise.

She has been an owner, director and executive at some of the most iconic Australian retailers, as well as advising well-known brands including Apparel Group, Blue Illusion, and Bras n Things. Jacquie was also a Non-Executive Director of The PAS Group and one of the world's most trusted outdoor brands, Macpac, which is sold in more than thirty countries.

## EXPLANATORY NOTES

*Continued*

At the Just Jeans Group, Jacquie was a Group Executive Director and responsible for driving the merchandise, marketing and brand strategies of five of their key brands including Just Jeans, Jay Jays, Portmans, Jacqui E and Dotti. And, more recently, Jacquie holds the position of Non-Executive Director at Michael Hill International, a multi-channel retail jewellery chain operating across Australia, New Zealand, and Canada.

Jacquie brings to the Myer Board considerable eCommerce experience from her retail career and as a strategic adviser at Practicology, a digital marketing and eCommerce agency.

Jacquie was a Non-Executive Director of the Virgin Australia Melbourne Fashion Festival for more than 12 years and remains committed to showcasing the fashion industry as well as new and emerging talent. Jacquie is also a member of the Australian Institute of Company Directors and of the International Women's Forum, which mentors women in business. Jacquie resides in Victoria.

### **OTHER CURRENT DIRECTORSHIPS**

Jacquie is a Non-Executive Director of Cambridge Clothing Ltd and Michael Hill International Limited.



### **DAVE WHITTLE**

- Independent Non-Executive Director
- Member of the Board since 30 November 2015
- Chairman – Audit, Finance, and Risk Committee
- Member – Nomination Committee
- Member – Human Resources and Remuneration Committee

Dave has considerable brand, data, technology, omni-channel retail and digital transformation experience. Over the last six years Dave has led Lexer, a global software company helping brands and retailers genuinely understand and engage their customers. Previously, Dave spent 10 years with global advertising group M&C Saatchi in a number of local and international leadership roles, culminating in three years as Managing Director in Australia. Prior to joining M&C Saatchi, Dave was the first employee of a marketing services group that built four digital service and software businesses. Dave has a Bachelor of Arts and a Bachelor of Commerce from Deakin University. Dave resides in New South Wales.

### **OTHER CURRENT DIRECTORSHIPS**

Dave is a director of Lexer Pty Ltd.

### **BOARD RECOMMENDATION**

The Board (other than the Director who is the subject of the relevant resolution) considers each of the Directors to be independent, and recommends shareholders vote *in favour* of Items 3(a), (b), and (c) being the election of Mr Mervis, and the re-election of Ms Naylor and Mr Whittle.

The Board makes these recommendations because:

- in the case of Mr Mervis, he will be an invaluable addition to the Board, given his deep consumer markets experience and extensive operational and corporate experience across a range of industries;
- in the case of Ms Naylor, she brings extensive retail, merchandising and brand experience and expertise to the Board; and
- in the case of Mr Whittle, he brings deep expertise and experience in brand, data, technology, omni-channel retail and digital transformation being invaluable as Myer continues on its transformation journey.

## **ITEM 4 - REMUNERATION REPORT**

The Remuneration Report includes information on:

- the remuneration policy adopted by the Board;
- the relationship between that policy and the Company's performance;
- the remuneration arrangements and outcomes for each Director and KMP in FY21; and
- the performance conditions that must be met prior to an executive deriving any value from the "at risk" components of their remuneration.

The Remuneration Report is included in the Company's 2021 Annual Report, which is available on the Investor Centre section of the Company's website, [myer.com.au/investor](http://myer.com.au/investor).

At the Meeting, the Chairman will give shareholders a reasonable opportunity to submit questions about or comment on the Remuneration Report via the online platform or verbally via telephone facility.

The shareholder vote on this resolution is advisory only and will not bind the Directors or the Company. The vote will, however, be taken into consideration in determining future remuneration policy for Directors and executives.

The Notice of Meeting includes a conditional spill resolution as a consequence of Myer receiving a "first strike" on its Remuneration Report in 2020. If Myer receives a "second strike" on its 2021 Remuneration Report – meaning that at least 25% of votes are cast against adopting it – then the spill resolution will be put to this AGM.

If the spill resolution passes as an ordinary resolution then all of Myer's Non-Executive Directors who were in office when the 2021 Directors' Report was approved, and who continue in office, would need to stand for re-election at another shareholders'

## EXPLANATORY NOTES

*Continued*

meeting to be held within 90 days of this Meeting. More information on the conditional spill resolution is set out in the Explanatory Note to Item 6.

If the Company does not receive a second strike then the Company has a “clean slate” and enters the 2022 AGM with no “strikes”.

### BOARD RECOMMENDATION

The Board recommends that shareholders vote *in favour* of Item 4 being the Remuneration Report.

### ITEM 5 - GRANT OF PERFORMANCE RIGHTS TO THE CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

#### WHY WE ARE SEEKING SHAREHOLDER APPROVAL?

ASX Listing Rule 10.14 provides that a listed company must not permit a Director of the Company to acquire equity securities under an employee incentive scheme, unless it obtains the approval of shareholders.

Mr King’s remuneration package for FY22 (as set out below) includes an award under the Company’s long term incentive plan (LTIP), subject to shareholder approval. The FY22 LTIP award will be in the form of performance rights, which on vesting (subject to the achievement of specified performance hurdles, as described below), give rise to an entitlement to the grant of shares in the Company.

As Mr King is a Director of the Company, the Company is seeking shareholder approval under and for the purposes of ASX Listing Rule 10.14.1 (and all other purposes) to grant such securities to Mr King and the provision of ordinary shares in the Company on the vesting of any performance rights.

If shareholder approval is given, the performance rights will be granted to Mr King shortly after the Meeting and in any event within 12 months of

the Meeting. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr King, which may not be consistent with Myer’s remuneration principles, such as providing an equivalent long term cash incentive subject to the same performance conditions and performance period as described below for the grant of performance rights.

#### WHY ARE PERFORMANCE RIGHTS CHOSEN FOR FY22?

Following the same approach as in FY21, the Board has determined that the FY22 LTIP grant will be in the form of “performance rights” for all participating executives, including Mr King. This decision was in response to shareholder feedback, and to avoid the dilutive impact of the issue of a large number of performance options to Mr King, while still aligning Mr King’s interests with the interests of shareholders through the grant of performance rights without providing ownership in shares unless performance conditions are met.

#### PERFORMANCE RIGHTS

Each performance right entitles Mr King to acquire one fully paid ordinary share in the Company if the applicable performance hurdles (as set out below) are met, subject to adjustments for capital actions. The performance rights will be granted in one tranche and will be broadly on the same terms as performance rights granted to other executives participating in the performance rights LTIP offer for FY22.

Subject to shareholder approval at the Meeting, Mr King will be granted performance rights to a maximum value of \$840,000 which represents 70 percent of his Total Fixed Compensation.

The key terms of the performance rights are described in more detail below.

#### NUMBER OF PERFORMANCE RIGHTS PROPOSED TO BE GRANTED

The number of performance rights granted will be determined by reference to the maximum value of the proposed grant (being \$840,000) divided by the face value attributed to the performance rights. The value attributed to each performance right will be \$0.5716, which is the volume weighted average price (VWAP) of the Company’s shares over the five trading days following the release of the Company’s FY21 results (i.e. the 5 trading days commencing on 16 September 2021).

A VWAP of \$0.5716 will result in Mr King receiving 1,469,559 performance rights, i.e. the maximum value of the proposed grant (being \$840,000) divided by the value attributed to each performance right (being \$0.5716).

#### PERFORMANCE HURDLES

Two stages of performance testing will apply to the performance rights:

Stage 1: an absolute Total Shareholder Return (TSR) test requires the achievement of a positive absolute TSR over the testing period. If the TSR is negative over the testing period, the performance rights lapse.

Stage 2: Only if Stage 1 testing delivers a positive absolute TSR result, will Stage 2 testing be undertaken. Stage 2 testing focuses Executives on sustainable performance against long-term targets. Stage 2 requires two performance hurdles to be met:

1. 50% of the performance rights will be subject to a hurdle based on the Company’s Total Shareholder Return relative to an agreed peer group across the three-year performance period (**Performance Period**), (**rTSR Hurdle**); and
2. 50% of the performance rights will be subject to a hurdle based on the Company’s Earnings Per Share (**EPS Hurdle**).

## EXPLANATORY NOTES

*Continued*

The Stage 2 performance hurdles have been chosen to align with shareholder returns and the delivery of shareholder value over the long-term.

The number of performance rights that vest will depend on how well Myer has performed during the Performance Period against the relevant performance hurdle. For outstanding performance, 100% of

the performance rights will vest. Only a percentage of performance rights will vest for performance below that level. If Myer does not achieve certain minimum thresholds then all the applicable performance rights will lapse and no performance rights can vest. Further information regarding the vesting schedule for each of the Stage 2 performance hurdles are set out below.

In determining the EPS performance targets, the Board took into account internal financial metrics, prevailing economic conditions and market consensus. The EPS targets for FY22 have been maintained at the same levels as FY21. The Board believes that these targets provide an appropriate ambition and stretch for Myer.

### Performance Hurdle Description

rTSR Hurdle

#### Why was it chosen?

The rTSR Hurdle was selected to ensure alignment between comparative shareholder return and reward for Executives. This measure also provides a direct comparison of the Company's performance over the Performance Period against a comparator group of companies that would, broadly, be expected to be similarly impacted by changes in market conditions.

#### How is it tested?

The rTSR Hurdle will be tested following the end of the Performance Period by comparing the Company's TSR performance over the Performance Period relative to a comparator group of peer companies. The comparator group includes listed companies from the retail and consumer services sector. The constituents are: Accent Group, Adairs, Adore Beauty Group, Baby Bunting, Beacon Lighting, Best & Less Holdings, Booktopia Group, Cettire, City Chic Collective, Dusk Group, Endeavour Group, Harvey Norman Holdings, JB Hi-Fi, Kogan, Lovisa Holdings, Metcash, Michael Hill International, Nick Scali, Premier Investments, Redbubble, Super Retail Group, Temple & Webster Group, The Reject Shop, Universal Store Holdings, Wesfarmers and Woolworths. This group is different to that used for the FY21 LTI grant and was selected following a Board review with a view to ensuring the list contains companies that are appropriate comparators for Myer for the purposes of assessing company performance during the LTIP period. Key changes to the peer group include the addition of recently listed consumer discretionary retailers (including several online retailers) and the removal of several travel companies and automotive retailers.

The table below sets out the percentage of performance rights subject to the rTSR Hurdle that can vest depending on the Company's relative TSR performance:

rTSR Percentile Ranking	% of performance rights subject to the rTSR Hurdle that will vest (rounded down to the nearest whole numbers)
Up to but excluding 50th percentile	Nil
Including 50th percentile and up to but excluding 75th percentile	Pro rata, with linear progression between 50% and up to 100%
75th percentile or greater	100%

## EXPLANATORY NOTES

*Continued*

Performance Hurdle	Description
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EPS Hurdle

**Why was it chosen?**

The Board considers earnings per share (EPS) as an effective measure for determining the underlying profitability of the business. When determining normalised EPS for LTI purposes, statutory earnings is adopted as the base and the Board will allow adjustments to be made for significant items on a case-by-case basis.

**How is it tested?**

The EPS Hurdle will be tested by calculating the compound annual growth rate in the Company's earnings per share (EPS), using EPS at the end of FY21 as the base year. The resulting growth rate will be used to determine the level of vesting for the performance rights subject to the EPS Hurdle.

The table below sets out the percentage of performance rights subject to the EPS Hurdle that can vest depending on the Company's growth in EPS:

Compound Annual Growth in underlying EPS	% of performance rights subject to the EPS Hurdle that will vest (rounded down to the nearest whole numbers)
Up to but excluding 5%	Nil
Including 5% and up to but excluding 12%	Pro rata, with linear progression between 50% and up to 100%
12% or greater	100%

Each of the performance hurdles under Stage 2 will be assessed separately and apply to different performance rights. This means that both hurdles do not need to be satisfied for any of the performance rights to vest.

For example, it is possible for some or all of the performance rights subject to the rTSR Hurdle to vest, while none of the performance rights subject to the EPS Hurdle vest (and vice versa).

The performance hurdles will be tested once, following the end of the Performance Period and the release of the Company's FY24 financial results. There will be no retesting.

**ALLOCATION OF SHARES FOLLOWING VESTING**

The performance rights issued to Mr King are subject to a four year vesting period i.e. performance rights will vest 12 months after the end of the Performance Period. On vesting and subject to meeting the two stages of performance testing, vested performance rights will convert to fully paid ordinary shares on a one for one basis.

**RESTRICTION PERIODS**

The vesting period for Mr King's rights is four years and there is no additional restriction period following vesting.

**OTHER TERMS – PERFORMANCE RIGHTS**

Mr King will not be eligible to receive any dividends on his performance rights during the Performance Period, which is the first three years of vesting. Upon vesting of his performance rights, additional shares will be granted to him, equivalent to any dividends paid on shares during the fourth year of the vesting period. This arrangement aligns Mr King's overall financial outcome with that of other participants who are granted restricted shares after a three year vesting period. It ensures that all participants of the LTIP are treated in a fair and equitable manner. Mr King's vesting period was set at four years instead of three years due to foreign resident tax considerations.

The performance rights do not carry any voting rights.

The terms of the LTIP also allow the Board to claw back any performance rights which were granted on the basis

of, or have become eligible to vest as a result of, a material misstatement in, or omission from, the Company's financial statements or the satisfaction of KPI's applicable to the LTI. The Board may also adjust the award in cases of fraud or dishonest or gross misconduct, unsustainable performance involving high-risk actions and bringing the Company into disrepute. Subject to applicable law, the Board has the discretion to claw back such performance rights by determining that unvested performance rights should lapse, requiring a repayment of the overpaid amount or through another form of alteration to Mr King's remuneration.

Subject to applicable law relating to the provision of benefits, and unless the Board determines otherwise:

- if Mr King's employment with the Company ceases prior to the end of the Performance Period:
- for a permitted reason as defined in the performance rights terms, a pro-rata portion of the unvested performance rights will lapse, having regard to the portion of

## EXPLANATORY NOTES

*Continued*

the Performance Period that has elapsed as at the date of cessation and the total Performance Period. Any performance rights that do not lapse will remain on foot to be tested against the applicable performance hurdles following the end of the Performance Period in accordance with their normal terms; and

- for a reason other than a permitted reason, all of his unvested performance rights will lapse; and
- if Mr King's employment with the Company ceases following the end of the Performance Period, but before the exercise date:
  - for a permitted reason as defined in performance rights terms, the performance rights will remain subject to the relevant restriction period until released in accordance with their normal terms; and
  - for a reason other than a permitted reason, all of his performance rights for which the restriction period has not expired are forfeited.

### OTHER REQUIRED INFORMATION - ASX LISTING RULES

Mr King's remuneration package was set on his appointment in 2018 with reference to the skills and international experience required to turn around the Company's performance in what is a very challenging time in the retail industry.

Mr King's fixed remuneration was set at the same level as the previous CEO and has not been adjusted since his appointment, other than when he participated in a voluntary pay reduction of 12% during FY20.

As disclosed in the FY20 Remuneration Report, the Board changed the remuneration mix for the CEO and

Managing Director for FY21 and FY22. Under the current framework, the total incentive opportunity has been reweighted towards the Transformation Incentive Plan, which has replaced the normal short term incentive plan for FY21 and FY22. As part of this change to the remuneration mix, as with FY21, the FY22 LTIP will be granted at a reduced maximum opportunity.

This was a change in remuneration mix for FY21 and FY22 only, and there is no increase in the total "maximum" pay for the CEO and Managing Director. This change further aligns incentive arrangements with transforming the business with a long term focus.

In this context, Mr King's maximum remuneration for FY22 is \$3,240,000, comprising:

- \$1,200,000 as Total Fixed Compensation (inclusive of superannuation);
- \$1,200,000 as his maximum opportunity under the Transformation Incentive Plan; and
- \$840,000 as his maximum earning opportunity under the LTIP.

Shareholders are referred to the Company's Remuneration Report for further details of Mr King's remuneration.

Mr King was issued with 9,032,258 performance options under the Myer FY19 LTIP which have lapsed. Mr King was also issued with 5,598,756 performance options under the Myer LTIP for FY20, and 3,442,622 performance rights under the Myer LTIP for FY21. No amount was paid by Mr King for the award of the performance options or rights.

No loan will be provided by the Company to Mr King in relation to the grant of performance rights under the FY22 LTIP.

Details of any performance rights issued under the LTIP will be published

in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the LTIP after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

### BOARD RECOMMENDATION

The Non-Executive Directors have concluded that Mr King's remuneration package, including the proposed award of performance rights, is reasonable and appropriate having regard to the Company's circumstances and Mr King's duties and responsibilities. The CEO's current share ownership and remuneration with a heavy equity weighting strongly aligns his interests with creation of shareholder value.

The Board (other than Mr King) recommends that shareholders vote ***in favour*** of Item 5 being the Grant of Performance Rights to the Chief Executive Officer and Managing Director.

### ITEM 6 - CONDITIONAL SPILL RESOLUTION

This Item will only be put to the Meeting if at least 25% of the votes cast on Item 4 to adopt the 2021 Remuneration Report are cast against its adoption. If fewer than 25% of the votes are cast against its adoption, then there will be no "second strike" and this Item 6 will not be put to the Meeting.

If the Item is put, the spill resolution will be considered as an ordinary resolution, and if passed, a special meeting of shareholders known as a "Spill Meeting" must be held within 90 days of this Meeting.

All of the Directors who were in office when the 2021 Directors' Report was approved, and who continue in office

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## EXPLANATORY NOTES

*Continued*

(excluding the CEO and Managing Director), will cease to hold office at the end of the Spill Meeting, unless they are re-elected at the Spill Meeting. These Directors are Ms Stephenson, Mr Whittle and Ms Naylor.

Ms Stephenson, Mr Whittle, and Ms Naylor would need to be re-elected at the Spill Meeting to remain in office even if they were re-elected at the Meeting.

### BOARD RECOMMENDATION

The Board considers the following factors to be relevant to a shareholder's decision on how to vote on this Item:

- Ms Stephenson, Mr Whittle and Ms Naylor have been a key part of a Board that has overseen the implementation of the Company's Customer First Plan, the benefits of which are reflected in the FY21 results, as well as the Company's continuing response to the challenges presented by the COVID-19 pandemic;
- the Board and the CEO and his senior leadership team have worked and continue to work cohesively and any spill of the Board could significantly undermine this stability and Myer's ability to continue to deliver the Customer First Plan, and respond to the current challenging macro-economic conditions;
- over recent years, the Board has taken significant action to address concerns in relation to its remuneration strategy, including reduced Director's fees from 1 July 2020, executive pay freezes, switching to performance rights from performance options for the LTIP, changes to the remuneration mix as part of the Company's transformative strategy in FY21 and FY22 and the implementation of the Transformation Incentive Plan for FY21 and FY22;

- the material expense that would be caused by holding another shareholders' meeting within 90 days and the significant disruption to Myer's business during the critical Black Friday, Christmas, and New Year trading period; and
- each of the Non-Executive Directors has previously been elected as a director and received strong support from shareholders for their election.

If the Company does not receive a "second strike" or the spill resolution fails, then the Company has a "clean slate" and enters the 2022 AGM with no "strikes".

The Board recommends that shareholders vote **against** Item 6 being the Conditional Spill Resolution.

**MYER**  

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**MY STORE**

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