

NOTICE OF ANNUAL GENERAL MEETING 2021

The Annual General Meeting of the shareholders of JB Hi-Fi Limited (“Company”) will be held virtually on **Thursday 28 October 2021 at 10.30 am (AEDT)**.

Holding a Virtual General Meeting

As part of the Australian Government’s response to Covid-19, temporary modifications have been made to the Corporations Act which allow companies to hold fully virtual annual general meetings. To protect the health and safety of our shareholders and staff, the Company will hold a fully virtual Meeting, which means there will not be a physical venue for shareholders to attend.

To allow shareholders to participate in the Meeting, shareholders can attend virtually using the Lumi online platform. Shareholders will be able to listen to the proceedings, view the presentations, ask questions of the Board, and vote in real-time using their computer, mobile phone or other device.

If you are planning to attend the Meeting online, you are still encouraged to cast proxy votes and lodge questions prior to the Meeting at www.investorvote.com.au.

Further detail about the process for the Meeting is set out in this Notice.

Postponement/Adjournment/Future alternative arrangements

Technical difficulties may arise during the course of the Meeting. The Chairman has discretion as to whether, and how, the Meeting should proceed in the event that this happens. In exercising his discretion, the Chairman will have regard to the number of shareholders impacted and the extent to which participation in the business of the Meeting is affected.

Where he considers it appropriate, the Chairman may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy by 10.30 am (AEDT) on Tuesday 26 October 2021, even if they plan to attend online.

In the event of the need to postpone or adjourn the Meeting, the Company will provide an update on the ASX platform and its investor website <https://investors.jbhifi.com.au/annualgeneralmeetings/>.

AGENDA

Item 1 Financial and other Reports

To receive and consider the Financial Report, the Directors' Report and Auditor's Report for the financial year ended 30 June 2021.

Item 2 Election and Re-election of Directors

To consider and, if thought fit, pass the following as separate ordinary resolutions:

- (a) "That Mr Stephen Goddard, being a Director of the Company who retires by rotation pursuant to the Company's Constitution, and being eligible offers himself for re-election, is re-elected as a Director of the Company."
- (b) "That Mr Richard Uechtritz, being a Director of the Company who retires by rotation pursuant to the Company's Constitution, and being eligible offers himself for re-election, is re-elected as a Director of the Company."
- (c) "That Mr Geoff Roberts, being a Director of the Company appointed since the last Annual General Meeting, who retires pursuant to the Company's Constitution and being eligible offers himself for election, is elected as a Director of the Company."
- (d) "That Mr Nick Wells, being a Director of the Company appointed since the last Annual General Meeting, who retires pursuant to the Company's Constitution and being eligible offers himself for election, is elected as a Director of the Company."

Item 3 Remuneration Report

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

"That the Remuneration Report (which forms part of the Directors' Report) for the financial year ended 30 June 2021 be adopted."

Item 4 Approval of allocation of restricted shares to Executive Directors

To consider and, if thought fit, pass the following as separate ordinary resolutions:

- (a) "That the allocation of restricted ordinary shares to the Executive Director, Mr Terry Smart, on the terms and conditions described in the Explanatory Notes to this Notice of Meeting, be approved."
- (b) "That the allocation of restricted ordinary shares to the Executive Director, Mr Nick Wells, on the terms and conditions described in the Explanatory Notes to this Notice of Meeting, be approved."

Authorised by the Board.



Doug Smith
Company Secretary

17 September 2021

INFORMATION FOR SHAREHOLDERS

Voting

Voting on all resolutions will be conducted by a poll.

All resolutions are ordinary resolutions and will be passed if at least 50% of votes cast by shareholders entitled to vote on the resolution are cast in favour of the resolution.

Shareholders may vote at the Meeting in one of two ways:

- in advance of the Meeting, by appointing a proxy (preferably the Chairman of the Meeting) by 10.30 am (AEDT) on Tuesday 26 October 2021. The Company recommends that shareholders do this in case of technical difficulties at the Meeting; or
- live and online during the Meeting, using the Lumi platform.

Further details are set out below.

Eligibility to Vote

For the purposes of determining entitlements to vote at the Meeting, shares will be taken to be held by the persons who are registered as shareholders at 7.00 pm (AEDT) on Tuesday 26 October 2021. Transactions registered after that time will be disregarded in determining entitlements to vote at the Meeting.

Voting Exclusions

Item 3 – Remuneration Report

The Company will disregard any votes cast on Item 3:

- in any capacity by or on behalf of a member of the key management personnel whose remuneration is disclosed in the Remuneration Report or their closely related parties; or
- as a proxy by a member of the key management personnel at the date of the Meeting or any of their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Item 3:

- in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy as the Chairman thinks fit, even though the resolution is connected directly or indirectly with the remuneration of the key management personnel of the Company.

Items 4(a) and 4(b) - Approval of allocation of restricted shares to Executive Directors

The Company will disregard any votes cast in favour of Item 4(a) or 4(b):

- in any capacity, by or on behalf of Mr Smart and Mr Wells and any of their associates; and
- as a proxy by a member of the key management personnel at the date of the Meeting or any of their closely related parties,

unless the vote is cast on Item 4(a) or 4(b):

- as proxy or attorney for a person entitled to vote on Item 4(a) or 4(b) in accordance with a direction given to the proxy or attorney to vote on Item 4(a) or 4(b) in that way; or
- as proxy for a person entitled to vote on the resolution by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy as the Chairman thinks fit, even though the resolution is connected directly or indirectly with the remuneration of the key management personnel of the Company; or
- 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 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.

The Chairman intends to vote all available proxies in favour of Items 3 and 4(a) and 4(b).

For the purposes of the Voting Exclusions above, the key management personnel (“KMP”) are the Chairman, the other Non-Executive Directors, the two Executive Directors and the 2 other senior executives classed as KMP in the Company’s Remuneration Report.

The term ‘closely related party’ is defined in the Corporations Act 2001 and “associate” has the meaning given in the ASX Listing Rules. Both terms include a spouse, dependants and certain other close family members, as well as any companies controlled by the KMP.

Appointing a Proxy

If you are a shareholder entitled to vote, you may appoint a proxy. Instructions on how to appoint a proxy are on the online voting website www.investorvote.com.au.

A proxy need not be a shareholder of the Company. Shareholders are encouraged to notify your appointed proxy of their appointment to enable them to participate in the Meeting online and to exercise your voting instructions. Appointed proxies will need to contact Computershare Investor Services to obtain a username and password to vote online. Further details are available in the Online Meeting Guide available at <https://investors.jbhifi.com.au/annualgeneralmeetings/>. Due to Covid-19 we suggest that you appoint the Chairman of the Meeting as your proxy.

If you do not specify a proxy in your completed proxy vote or if the person you appoint as proxy does not participate in the AGM, the Chairman of the Meeting will be taken to be your proxy by default. In accordance with the Corporations Act 2001, any directed proxies that are not voted as directed on a poll at the Meeting will automatically default to the Chairman, who is required to vote proxies as directed.

If you are a shareholder entitled to cast two or more votes, you may appoint two proxies and specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes.

Directed and Undirected Proxies

You are encouraged to appoint the Chairman of the Meeting as your proxy and to actively direct your proxy how to vote on each item of business by marking the appropriate boxes on the Proxy Form.

In view of the Voting Exclusions set out above, if you intend to appoint a member of the KMP as your proxy, please ensure that you direct them how to vote on Items 3 and 4(a) and 4(b).

If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you direct the Chairman how to vote on an item of business, the Chairman must vote in accordance with your direction.

If you appoint the Chairman of the Meeting as your proxy or he becomes your proxy by default, and you do not provide any voting directions on your proxy vote, by validly submitting your proxy you will be expressly authorising the Chairman to cast your vote on Items 3 and 4(a) and 4(b) as he sees fit. This applies even though these resolutions are connected with the remuneration of the Company’s KMP.

The Chairman of the Meeting intends to vote all available proxies in favour of all resolutions.

Lodging your Proxy Form

Proxies should be lodged by **10.30 am (AEDT) on Tuesday 26 October 2021**.

The easiest way to do this is to lodge online at www.investorvote.com.au. You will need your six-digit Control Number and your Securityholder Reference Number (SRN) or Holder Identification Number (HIN). This information is located on the front of your Shareholder Letter. You will be deemed to have signed your proxy form if you lodge it in accordance with the instructions on the website.

Alternatively, you can lodge your completed and signed Proxy Form (together with any Power of Attorney or other authority under which the appointment was signed, or a certified copy of the authority, Letter of Representation, or Power of Attorney):

- by mail to: Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001; or
- by fax to: 1800 783 447 (within Australia) or 61 3 9473 2555 (outside Australia).

Intermediary Online subscribers (custodians) can submit their voting intentions at www.intermediaryonline.com.

Corporate Representatives

Corporate shareholders and corporate proxies who wish to appoint a representative to attend and vote at the Meeting on their behalf, must provide that person with a properly executed letter or other document confirming that they are authorised to act as their representative in accordance with section 250D of the Corporations Act. A form of authorisation may be obtained from Computershare. A copy of the authorisation must be lodged with Computershare before the Meeting.

Participating in the Meeting

By participating in the Meeting online you will be able to:

- listen to the proceedings of the Meeting;
- view the presentations;
- submit questions at the appropriate time whilst the Meeting is in progress; and
- vote during the Meeting.

To participate in the Meeting online, visit <https://web.lumiagm.com/312120576> on your smartphone, tablet or computer. You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure that your browser is compatible.

You will need the following information:

- your username, which is your SRN/HIN; and
- your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Meeting Guide for their password details.

Registration for online participants will open at 9.30 a.m (AEDT) on Thursday 28 October 2021.

Further information regarding participating in the Meeting online, including browser requirements, is detailed in the Online Meeting Guide available on JB Hi-Fi's Investor website at: <https://investors.jbhifi.com.au/annualgeneralmeetings/>.

Asking Questions – before and during the Meeting

You can submit a question or comment prior to the Meeting (including questions to the Auditor) at www.investorvote.com.au. If you would like to do this, please submit your question no later than the second business day before the Meeting, being Tuesday 26 October 2021. Written questions to the Auditor should relate to the content of the Auditor's Report or the conduct of the audit.

You may also submit your questions and comments during the Meeting via the Lumi platform.

The Chairman of the Meeting will endeavour to address as many of the questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised.

EXPLANATORY NOTES

Item 1: Financial and other reports

The Company's Annual Report 2021 (which includes the Financial Report, the Directors' Report and the Auditor's Report) is available on the Company's investor website at <https://investors.jbhifi.com.au/annual-reports/>. A printed copy of the Annual Report has been sent only to those shareholders who have elected to receive a printed copy.

Shareholders will be given a reasonable opportunity to ask questions about, and make comments on, the reports and the Company's management, businesses, operations, financial performance and prospects, however there will be no formal resolution put to the Meeting. The Company's Auditor will also attend the Meeting to answer any questions in relation to the Auditor's Report and the conduct of the audit. Shareholders may also submit questions in advance of the Meeting in accordance with the instructions in this Notice.

2. Election and Re-election of Directors

Background and Further Information

Under Listing Rule 14.5 the Company must hold an election of Directors at each Annual General Meeting.

Stephen Goddard and Richard Uechtritz retire by rotation in accordance with the Company's Constitution and Listing Rule 14.4 and offer themselves for re-election as Directors.

Geoff Roberts was appointed as a Director by the Board with effect from 16 January 2021. In accordance with the Company's Constitution and Listing Rule 14.4, Mr Roberts holds office until the conclusion of the Annual General Meeting unless elected at the Meeting. Mr Roberts therefore offers himself for election as a Director.

Nick Wells was appointed as an Executive Director by the Board with effect from 27 August 2021. In accordance with the Company's Constitution and Listing Rule 14.4, Mr Wells holds office until the conclusion of the Annual General Meeting unless elected at the Meeting. Mr Wells therefore offers himself for election as a Director.

A profile of each candidate seeking election or re-election as a Director, and any other information that the Company believes to be relevant to the decision on whether or not to elect or re-elect such person, is set out below.

- (a) Mr Stephen Goddard
Non-Executive Director
MSc. BSc (Hons)

Stephen was appointed to the Board in August 2016 and became Chairman on 1 July 2020. Stephen is also Chair of the Company's Remuneration and Nominations Committee and was a member of the Audit and Risk Management Committee until 30 June 2020. Stephen has more than 30 years' retail experience having held senior executive positions with some of Australia's best known retailers. These include Finance Director and Operations Director for David Jones, founding Managing Director of Officeworks, and various senior management roles with Myer. Stephen is currently a non-executive director and Chair of the Audit and Risk Management Committees of GWA Group Limited, Accent Group Limited and Nick Scali Limited.

The Board considers Stephen to be an independent director.

- (b) Mr Richard Uechtritz
Non-Executive Director

Richard has over 30 years' experience in retailing. He was co-founder of Australia's two leading photo chains, Rabbit Photo and Smiths Kodak Express, and was a director of Kodak (Australasia) Pty Ltd. Richard led the management buy-in of JB Hi-Fi in July 2000 and was CEO and Managing Director until his resignation from these positions in May 2010. Richard re-joined the Board in April 2011 as a non-executive director. He is also a non-executive director of Seven Group Holdings Limited.

The Board considers Richard to be an independent director.

- (c) Mr Geoff Roberts
Non-Executive Director
Exec. MBA, B.Comm, FCA, FAICD

Geoff was appointed to the Board in January 2021. He recently retired as Group Chief Financial Officer of Seek Limited, having joined them in 2015. He has over 35 years' finance experience, including as Group CFO of AXA Asia Pacific Holdings Limited for seven years. Geoff is a Committee (Board) member and Chair of the Finance and Audit Committee of the Melbourne Cricket Club Committee, and was formerly a Director and Chair of the Audit Committee of AMP Limited.

Geoff was previously a partner at Deloitte and Managing Partner, Victoria from 2011 until 2015. During the period that Geoff was a partner, Deloitte were the appointed auditors of the Group, however at no stage during the term of his partnership was Geoff involved in the provision of audit or other services to the Group.

Prior to his appointment, the Company conducted appropriate checks into Geoff's background and experience and those checks revealed no information of concern.

The Board considers Geoff to be an independent director.

- (d) Mr Nick Wells
Executive Director
B.Comm, CA

Nick was appointed to the Board as an Executive Director on 27 August 2021 at the same time as new Group CEO Terry Smart joined the Board following the departure of previous Group CEO, Richard Murray. Nick has been Chief Financial Officer of the Group since 2014, having joined the Group in 2009. Prior to joining JB Hi-Fi, Nick was a Manager at Deloitte where he provided Audit and Assurance services to a broad range of companies, including a number of Australian retail businesses.

Nick is not considered to be an independent director by the Board.

Board Recommendation

Having considered the skills, experience, knowledge and (except in the case of Nick Wells) the independence of each candidate, the Board recommends (with each Director abstaining in respect of their own re-election) that shareholders vote in favour of each of these resolutions. The Chairman will vote all undirected proxies in favour of these resolutions.

In the event that a resolution for the election or re-election of a Director is not passed, that Director will cease to hold office at the end of the Annual General Meeting.

Item 3: Remuneration Report

Background and Further Information

The Directors' Report for the year ended 30 June 2021 (which is contained in the Company's Annual Report) contains a Remuneration Report, which sets out the policy for the remuneration of key management personnel (being the Chairman, the other Non-Executive Directors, the two Executive Directors and the 2 other senior executives classed as KMP in the Company's Remuneration Report).

The Corporations Act requires that a resolution be put to a vote that the Remuneration Report be adopted. The vote is advisory only and does not bind the Company or its Directors. However, when considering the future remuneration arrangements of the Company, the Remuneration and Nominations Committee and the Board will take into account feedback from shareholders in relation to the Company's remuneration strategy, including the discussion and vote on this resolution.

As a result of provisions in the Corporations Act known generally as the "two strikes rule", shareholders should note that the result of the vote on this Item may affect next year's Annual General Meeting. If 25% or more of the votes cast are "against" the adoption of the Remuneration Report at the 2021 and 2022 Annual General Meetings, the Corporations Act requires a resolution whether to spill the Board to be put to the 2022 AGM. The Directors

therefore encourage shareholders to apply the same level of diligence as for the other resolutions being considered at the Meeting in casting their vote on this Item 3.

A Voting Exclusion Statement applies to this resolution as set out in the Information for Shareholders section of this Notice of AGM.

Remuneration overview

The Board recognises that the performance of the Group depends on the quality and motivation of its people, including both the Executive KMP and the approximately 13,200 employees of the Group across Australia and New Zealand. The Company's remuneration strategy seeks to appropriately reward, incentivise and retain key employees. The Board aims to achieve this by setting competitive remuneration packages ("packages") that include a mix of fixed remuneration and incentives under the Company's Variable Reward Plan ("VRP").

Another year of financial and strategic achievement

The 2021 financial year was an outstanding year for the Group, with management having delivered record revenue (up 12.6%), EBIT (up 53.8%) and EPS (up 67.5%). Sales momentum was strong throughout the year, with continued heightened consumer demand for consumer electronics and home appliance products. Gross margins were well managed with strong improvements in gross margins in all businesses. This gross margin improvement, combined with disciplined cost control and strong sales growth, drove significant operating leverage.

In addition to driving these exceptional financial outcomes, management also executed strongly on a number of key strategic initiatives aimed at further developing and reinforcing the Group over the longer term. These included further enhancing and growing the Group's online channels, improving supply chain capability, successfully implementing sustainability initiatives and strengthening succession plans through internal talent development.

Executive KMP FY2021 Incentive Achievement

This very strong performance was reflected in vesting outcomes in respect of FY2021 VRP incentives, with Executive KMP earning between 97% and 98% of rewards available for FY2021. As the previous Group CEO, Richard Murray, resigned prior to the end of the financial year, the Board determined he was not eligible for the equity component of his FY2021 VRP reward (value of \$2,553,525).

The VRP scorecard for FY2021 provided that 75% of available rewards were linked to financial measures, primarily Group EPS growth, and 100% of available rewards for financial performance were earned by each Executive KMP. The remaining 25% of available rewards were dependent upon the achievement of various strategic measures deemed relevant for the individual executive and between 88% and 92% of available rewards for this strategic component were earned by Executive KMP.

As with recent years, 25% of VRP rewards achieved in relation to FY2021 were paid in cash and the remaining 75% of the VRP rewards achieved in relation to FY2021 were delivered in deferred shares. One third of these shares will be released from dealing restrictions in each of August 2022, August 2023 and August 2024, such that the vast majority of VRP rewards will therefore be subject to share price performance and align Executive KMP with the experience of shareholders over the medium to longer term.

Management succession and transition

Management outperformed once again in FY2021 and remain motivated to continue to drive shareholder value in FY2022. In April and May 2021, announcements were made regarding the transition of several Executive KMP roles in FY2022, each of which has been filled via promotion of internal talent, demonstrating the quality and depth of the Group's current and upcoming management team talent.

- Terry Smart (previously Managing Director – The Good Guys) took over as Group CEO from Richard Murray during August 2021. Terry is a natural successor to the role, having previously led the Group as CEO between 2010 and 2014 and re-joined the Group in 2017 following the acquisition of The Good Guys.
- Both Terry and Nick Wells (Group CFO) joined the Board as Executive Directors during August 2021.
- Terry's role as Managing Director – The Good Guys has been taken up by Biag Capasso (formerly Merchandise Director – The Good Guys). Biag has been with The Good Guys since 2011 and played a key role in its integration into the JB Hi-Fi Group.

FY2021 remuneration packages – Executive KMP

To remain competitive in attracting and retaining key talent in FY2021 the Board considered the remuneration levels for Executive KMP with reference to external market benchmarks as well as the skills, experience, complexity and responsibilities of the Executive KMP roles. The Board also noted that, with the exception of the Group CFO, fixed remuneration and annual remuneration packages for these individuals had not been increased from FY2019 to FY2020.

The Board concluded that Executive KMP remuneration had fallen behind market peers and consequently, the Board increased fixed remuneration for FY2021 (by 2% in most cases) and VRP opportunities available (by 7% to 10% in most cases) for all Executive KMP.

In the case of Richard Murray, the previous Group CEO, in FY2021 the Board approved an increase to fixed remuneration of 11% and VRP opportunity of 26% following the statements in the Company's FY2020 Remuneration Report that his package was modest when compared to peers, but would not be increased in FY2020 given the uncertain market conditions at that time. As noted above, Richard subsequently resigned and left the Group during August 2021 and as a result did not receive any equity component of his FY2021 VRP reward.

Non-Executive Directors - FY2021 remuneration

Fees for non-executive directors remained at the levels set for FY2018, FY2019 and FY2020, with no increases.

Board Recommendation

The Board recommends that shareholders vote in favour of this non-binding resolution. The Chairman will vote all undirected proxies in favour of this resolution.

Item 4: Approval of allocation of Restricted Shares to Executive Directors

Background and Further Information

The Board believes that a significant portion of Executive remuneration should be linked to sustained growth in long term shareholder wealth. In that regard, the Company operates a Variable Reward Plan ("VRP") as part of its long term remuneration strategy.

While shareholder approval of the allocation of restricted shares to the Executive Directors pursuant to the VRP is not required under the Listing Rules as the Company will continue its practice of acquiring shares on market to satisfy this allocation, the Company continues to seek shareholder approval as a matter of good governance.

Accordingly, shareholder approval is sought for:

- (a) the allocation to the Executive Director, Mr Terry Smart, of 26,775 ordinary shares earned by Mr Smart under the Variable Reward Plan during FY2021, the terms and conditions attaching to which are summarised in the Table set out in Appendix 1; and
- (b) the allocation to the Executive Director, Mr Nick Wells, of 20,131 ordinary shares earned by Mr Wells under the Variable Reward Plan during FY2021, the terms and conditions attaching to which are summarised in the Table set out in Appendix 2.

If allocated, details of these shares will be published in the Company's 2022 Annual Report. If shareholders do not approve the allocation, issues may arise with the competitiveness of the total remuneration packages of Mr Smart and Mr Wells and alignment of rewards with other senior executives in the Group. The Board would then need to consider alternative remuneration arrangements for Mr Smart and Mr Wells which are consistent with the Company's remuneration principles, including providing a cash amount to each up to the value of the incentive component of his total FY2021 remuneration package in lieu of the allocation of the restricted shares.

A Voting Exclusion Statement applies to this resolution as set out in the Information for Shareholders section of this Notice of AGM.

Board Recommendation

The Board (with Mr Smart and Mr Wells abstaining) recommends that shareholders vote in favour of these resolutions. The Chairman will vote all undirected proxies in favour of these resolutions.

Appendix 1: Summary of Restricted Shares to be allocated to T Smart

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| <p>Number and value of restricted shares earned</p> | <p>Approval is being sought for the allocation to Mr Smart of \$1,328,169 worth of restricted shares, being Mr Smart's FY2021 VRP award. Based on the volume weighted average price of shares traded on the ASX in the 5 trading days immediately following the release of the Company's FY2021 financial results (\$49.60), this amounts to 26,775 restricted shares.</p> <p>This amount represents 98% of the shares that could have been earned by Mr Smart under the FY2021 VRP, based on Mr Smart's incentive achievement outcomes against the relevant KPIs (see below for further detail).</p> |
| <p>Achievement against KPIs</p> | <p>Under the VRP for FY2021 for Mr Smart, performance was assessed against a scorecard of robust measures, with:</p> <ul style="list-style-type: none"> • 75% of the available rewards under the plan based on Group EPS growth and EBIT growth in The Good Guys business (recognising that Terry was Managing Director of The Good Guys throughout FY2021); and • 25% of the available rewards under the plan based on strategic measures approved by the Board and aligned with the Group's long term corporate plans. <p>Overall, based on performance in FY2021, Mr Smart achieved 98% of the available incentive.</p> <p>Details of the composition and achievement of targets/measures for FY2021 are set out in the Schedule to this Appendix 1.</p> <p>Restricted shares are not subject to any additional performance-based vesting conditions during the restriction period.</p> |
| <p>Price payable on allocation</p> | <p>No amount will be payable by Mr Smart in respect of the allocation of the Restricted shares.</p> |
| <p>Restrictions</p> | <p>Following allocation, the restricted shares will be held on trust for Mr Smart in the JB Hi-Fi Employee Share Trust. Mr Smart will be restricted from transferring, selling, gifting, encumbering, granting security over, or hedging the restricted shares until the relevant restriction period has ended as follows:</p> <ul style="list-style-type: none"> • one third will cease to be subject to restriction one year after allocation (August 2022); • one third will cease to be subject to restriction two years after allocation (August 2023); and • one third will cease to be subject to restriction three years after allocation (August 2024). <p>The effective allocation date for the purpose of these restriction periods will be 17 August 2021 (the date following the release of the Company's FY2021 results).</p> |
| <p>Minimum Shareholding Policy</p> | <p>Mr Smart is subject to the Group's Minimum Shareholding Policy for Group Executives which requires Mr Smart to hold shares equal in value to 1.5 times fixed annual remuneration within 5 years of his appointment as Group CEO in August 2021. Based on the Company's share price on 31 August 2021, the value of Mr Smart's current shareholding significantly exceeds this amount.</p> |

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| Dividends and Votes | Whilst the restricted shares are subject to the restrictions set out above, Mr Smart is still entitled to receive the dividends on the shares (and associated franking credits) and to exercise the votes on those shares. Mr Smart is also entitled to participate in any bonus or rights issue in respect of the restricted shares, although any share issued under any bonus issue in respect of any restricted share will also be restricted until the end of the relevant restriction period. |
| Clawback | Restricted shares are subject to clawback at the Board's discretion in the event of fraud, dishonesty, material misstatement, material breach or negligence by Mr Smart and in certain other circumstances. |
| Cessation of employment | <p>If Mr Smart ceases to be employed during the restriction period he will, subject to the Board's discretion:</p> <ul style="list-style-type: none"> • forfeit the restricted shares if he is a "bad leaver" (termination for cause or resignation to work for a competitor); • retain the restricted shares, subject to the restrictions, if he is a "good leaver" (retirement, redundancy, disablement, mental/terminal illness or death). <p>Treatment of restricted shares if Mr Smart leaves during the restriction period in other circumstances is at the Board's discretion.</p> |
| Trading restrictions | The trading restrictions set out in the Company's Securities Trading Policy will apply to any shares acquired under the VRP, even when the restriction period has ended. |
| Board Discretion | The Board has broad discretions under the VRP Rules in respect of: the forfeiture of awards; the treatment of awards in the event of a change of control of the Company, reorganisation of the issued share capital of the Company, or disposal of material assets by the Company; and in certain other circumstances including those summarised above. |

Schedule to Appendix 1 - T Smart FY2021 KPI Achievement

| MEASURE | PERFORMANCE COMMENTARY |
|---|--|
| Financial Measures (75%) | |
| 1. Group EPS 2. TGG EBIT | 1. Group EPS – Above Target (87.6% growth from 235.0 ¹ to 440.8 cents per share) 2. TGG EBIT - Above Target, with 90% EBIT growth from FY2020 Achievement 100% (as a % of maximum available) |
| Strategic Measures (25%) | |
| 1. TGG OHS 2. Succession/Talent/Diversity 3. TGG Brand Strategy 4. Online Growth 5. Category Architecture 6. Process Improvements and Simplification | 1. TGG OHS – At Target, with strong results in OHS metrics as set out in the Group’s Sustainability Report 2. Succession/Talent/Diversity – Above Target, with strong succession planning and talent development, including senior management internal appointments, and continued progress on diversity initiatives 3. TGG Brand Strategy – Above Target, with ongoing implementation of TGG Brand Strategy 4. Online Growth – Above Target, with continued enhancement of online channels and significant growth 5. Category Architecture – Above Target, with significant advancements in category architecture and store layouts 6. Process Improvement/Simplification – At Target, with implementation of process improvements Achievement 92% (as a % of maximum available) |
| Total (100%) | Achievement 98% (as a % of maximum available) |

¹ Based on the Group’s \$270 million (pre-Covid) NPAT guidance for FY2020. Further details are included on page 34 of the Group’s Annual Report (Remuneration Report).

Appendix 2: Summary of Restricted Shares to be allocated to N Wells

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|--|--|
| <p>Number and value of restricted shares earned</p> | <p>Approval is being sought for the allocation to Mr Wells of \$998,600 worth of restricted shares being Mr Wells' FY2021 VRP award. Based on the volume weighted average price of shares traded on the ASX in the 5 trading days immediately following the release of the Company's FY2021 financial results (\$49.60), this amounts to 20,131 restricted shares.</p> <p>This amount represents 97% of the shares that could have been earned by Mr Wells under the FY2021 VRP, based on Mr Wells' incentive achievement outcomes against the relevant KPIs (see below for further detail).</p> |
| <p>Achievement against KPIs</p> | <p>Under the VRP for FY2021 for Mr Wells, performance was assessed against a scorecard of robust measures, with:</p> <ul style="list-style-type: none"> • 75% of the available rewards under the plan based on Group EPS growth; and • 25% of the available rewards under the plan based on strategic measures approved by the Board and aligned with the Group's long term corporate plans. <p>Overall, based on performance in FY2021, Mr Wells achieved 97% of the available incentive.</p> <p>Details of the composition and achievement of targets/measures for FY2021 are set out in the Schedule to this Appendix 2.</p> <p>Restricted shares are not subject to any additional performance-based vesting conditions during the restriction period.</p> |
| <p>Price payable on allocation</p> | <p>No amount will be payable by Mr Wells in respect of the allocation of the Restricted shares.</p> |
| <p>Restrictions</p> | <p>Following allocation, the restricted shares will be held on trust for Mr Wells in the JB Hi-Fi Employee Share Trust. Mr Wells will be restricted from transferring, selling, gifting, encumbering, granting security over, or hedging the restricted shares until the relevant restriction period has ended as follows:</p> <ul style="list-style-type: none"> • one third will cease to be subject to restriction one year after allocation (August 2022); • one third will cease to be subject to restriction two years after allocation (August 2023); and • one third will cease to be subject to restriction three years after allocation (August 2024). <p>The effective allocation date for the purpose of these restriction periods will be 17 August 2021 (the date following the release of the Company's FY2021 results).</p> |
| <p>Minimum Shareholding Policy</p> | <p>Mr Wells is subject to the Group's Minimum Shareholding Policy for Group Executives which requires Mr Wells to hold shares equal in value to 1 times fixed annual remuneration within 5 years the adoption of this policy in July 2018. Based on the Company's share price on 31 August 2021, the value of Mr Wells' current shareholding significantly exceeds this amount.</p> |
| <p>Dividends and Votes</p> | <p>Whilst the restricted shares are subject to the restrictions set out above, Mr Wells is still entitled to receive the dividends on the shares (and associated franking credits) and to exercise the votes on those shares. Mr Wells is also entitled to participate in any bonus or rights issue in respect of the restricted shares, although any share issued under any bonus issue in respect of any restricted share will also be restricted until the end of the relevant restriction period.</p> |

| | |
|--------------------------------|---|
| Clawback | Restricted shares are subject to clawback at the Board's discretion in the event of fraud, dishonesty, material misstatement, material breach or negligence by Mr Wells and in certain other circumstances. |
| Cessation of employment | <p>If Mr Wells ceases to be employed during the restriction period he will, subject to the Board's discretion:</p> <ul style="list-style-type: none"> • forfeit the restricted shares if he is a "bad leaver" (termination for cause or resignation to work for a competitor); • retain the restricted shares, subject to the restrictions, if he is a "good leaver" (retirement, redundancy, disablement, mental/terminal illness or death). <p>Treatment of restricted shares if Mr Wells leaves during the restriction period in other circumstances is at the Board's discretion.</p> |
| Trading restrictions | The trading restrictions set out in the Company's Securities Trading Policy will apply to any shares acquired under the VRP, even when the restriction period has ended. |
| Board Discretion | The Board has broad discretions under the VRP Rules in respect of: the forfeiture of awards; the treatment of awards in the event of a change of control of the Company, reorganisation of the issued share capital of the Company, or disposal of material assets by the Company; and in certain other circumstances including those summarised above. |

Schedule to Appendix 2 - N Wells FY2021 KPI Achievement

| MEASURE | PERFORMANCE COMMENTARY |
|---|--|
| Financial Measures (75%) | |
| 1. Group EPS | 1. Group EPS – Above Target (87.6% growth from 235.0 ¹ to 440.8 cents per share) Achievement 100% (as a % of maximum available) |
| Strategic Measures (25%) | |
| 1. Group OHS 2. Succession/ Talent /Diversity 3. Risk Management/ Sustainability 4. Strategic Initiatives 5. Investor Relations | 1. Group OHS – Above Target, with strong results in OHS metrics, including leading the Group’s response to Covid-19 2. Succession/Talent/Diversity – Above Target, with continued progress in succession planning, talent development and diversity initiatives 3. Risk Management/Sustainability – Above Target, with strong results including leading the Group’s response to Covid-19 and implementation of sustainability initiatives 4. Strategic Initiatives – At Target, as key strategic initiatives were implemented 5. Investor Relations – Above Target, with strong investor relations engagement in a challenging climate Achievement 89% (as a % of maximum available) |
| Total (100%) | Achievement 97% (as a % of maximum available) |

¹ Based on the Group’s \$270 million (pre-Covid) NPAT guidance for FY2020. Further details are included on page 34 of the Group’s Annual Report (Remuneration Report).


JB HI-FI


JB Hi-Fi Limited
ABN 80 093 220 136

JBH
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Need assistance?

 **Phone:**
1300 302 417 (within Australia)
+61 3 9415 4136 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (AEDT) on Tuesday, 26 October 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of JB Hi-Fi Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of JB Hi-Fi Limited to be held virtually on Thursday, 28 October 2021 at 10:30am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3, 4a and 4b (except where I/we have indicated a different voting intention in step 2) even though Items 3, 4a and 4b are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3, 4a and 4b by marking the appropriate box in step 2.

Step 2 Items of Business

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

| | For | Against | Abstain |
|---|--------------------------|--------------------------|--------------------------|
| Item 2a Re-election of Mr Stephen Goddard as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 2b Re-election of Mr Richard Uechtritz as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 2c Election of Mr Geoff Roberts as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 2d Election of Mr Nick Wells as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 3 Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 4a Approval of allocation of restricted shares to Mr Terry Smart | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 4b Approval of allocation of restricted shares to Mr Nick Wells | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

