

ADOREBEAUTY

GROUP

Clawback Policy

Adore Beauty Group Limited (ACN 636 138 988)

Adopted by the Board on 6 October 2020

Adore Beauty Clawback Policy

1. Purpose

Adore Beauty Group Limited (ACN 636 138 988) (**Adore Beauty**) is committed to effective remuneration practices that reward performance in a manner that is appropriate and consistent with its culture and shareholder expectations.

This Policy sets out some of the circumstances in which the Board may seek to reduce or recoup "at risk" remuneration (whether vested or unvested) or take other actions to ensure remuneration outcomes are appropriate in light of all the circumstances, including those which arise or come to light after "at risk" remuneration has been granted or delivered.

This Policy is not intended in any way to fetter the Board's discretion to act as it feels appropriate in any case.

2. Scope of application

This Policy applies to all directors, employees and contractors of any Group Company who receive "at risk" remuneration, including short term incentive awards and long term incentive awards (and any deferred equity awards or other one-off or special incentives).

For the avoidance of doubt, under this Policy:

- a reduction of "at risk" remuneration need not be a reduction of "at risk" remuneration relating to a period in which the Trigger Event occurred; and
- "at risk" remuneration may be reduced to zero.

The Board may take action under this Policy at any time, subject to law.

3. Trigger Events

The Board may take action to reduce, recoup or otherwise adjust "at risk" remuneration where, in the opinion of the Board:

- the person:

- acts, or has acted, fraudulently or dishonestly or made a material misstatement on behalf of any Group Company;
 - has engaged in serious misconduct or gross negligence (including recklessness or wilful indifference);
 - has been responsible for material financial losses (to the extent these occurred as a result of the person acting outside the Group's agreed risk appetite);
 - acts, or fails to act, in a way that could reasonably be regarded to have contributed to, or is likely to contribute to, material reputational damage to any Group Company;
 - has breached his or her duties or obligations to the Group (including acting in breach of the terms and conditions of his or her employment or engagement, any restrictive covenant or Adore Beauty's Code of Conduct);
 - has been convicted of an offence or has a judgment entered against them in connection with the affairs of any Group Company; or
- the person has retained an award of "at risk" remuneration, or an award has been treated in a particular manner, upon the person ceasing to be employed or engaged within the Group, and the Board subsequently becomes aware of circumstances in existence at the time that the person's employment or engagement within the Group ceased which, had the circumstances been known at that time would, in the opinion of the Board, have resulted in the award being forfeited or the award being treated in a different manner;
 - there is a material misstatement in, or omission from, the Company's financial statements, or a misstatement concerning the satisfaction of a performance or vesting condition applicable to "at risk" remuneration (whether intentional or inadvertent), which results in the person obtaining an award, an award vesting or a dealing restriction in relation to an award granted being lifted, where, in the opinion of the Board, such award would not have been obtained or vested, or such restriction would not have been lifted (as applicable) but for that misstatement or omission;
 - all or part of an award of "at risk" remuneration is no longer justified having regard to information or circumstances which have come to light after a grant of an award; or

- any other circumstances exist or have occurred which the Board determines in good faith to have resulted in the person receiving an unfair benefit, (each a **Trigger Event**).
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4. Actions Board may take

The Board, in its absolute discretion, may take such clawback actions as it deems necessary or appropriate to address a Trigger Event.

Malus: In relation to any unvested awards (e.g. short and long term incentives) and deferred equity (e.g. equity still subject to restriction), the Board may:

- reduce or extinguish the person's entitlement to an award;
- deem all or some awards held by the person to have lapsed or been forfeited (as applicable) or else remain on foot but subject to conditions;
- adjust the relevant performance or vesting conditions applicable to the assessment of an award;
- amend the terms or conditions applicable to an award; or
- determine that the restrictions on disposing or otherwise dealing with shares are extended.

Clawback: In relation to any vested awards (e.g. cash paid or equity released from restriction under vested incentives), the Board may:

- require that the person forfeit any vested equity allocated as part of the person's "at risk" remuneration; or
- require the repayment by the person to the relevant Group Company as a debt of all or part of the amount received by the person following vesting of an award (including all or part of the net proceeds of sale where securities acquired have been sold and any dividends received in respect of securities allocated on vesting of an award).

In relation to both unvested and vested awards, the Board may:

- adjust the person's incentive entitlements or participation in incentive plans in the current year or any future year.

The Board may determine any other treatment in relation to awards to ensure no unfair benefit is obtained by the person.

5. Other rights

The Trigger Events and discretions outlined in this Policy are in addition to any other rights that the Group or any Group Company may have under law or the relevant terms of an award.

The Board reserves the right to take any other action available to it in the circumstances and to include different or additional triggers and discretions in award documentation and/or terms of employment.

6. Responsibilities

The Board will apply this Policy, and exercise its discretion, in circumstances it considers appropriate.

The CFO must notify the People and Remuneration Committee of any circumstances which could constitute a Trigger Event under this Policy.

7. Definitions

“at risk” remuneration means the portion of a person’s remuneration that is subject to performance conditions, vesting conditions or a real risk of forfeiture. It includes short term incentive awards, long term incentive awards, deferred equity awards and any other one-off or special incentives.

Board means the board of directors of Adore Beauty, any committee of the Board or a duly authorised person or body to which the Board has delegated its powers under this Policy from time to time.

Group means Adore Beauty and its subsidiaries.

Group Company means a member of the Group or any other entity designated by the Board to be a Group Company for the purposes of this Policy.

Policy means this Clawback Policy document.

8. Review

This policy will be reviewed from time to time by the Board.

9. Related policies, procedures & guidelines

Participants can access related corporate governance policies at <https://www.adorebeautygroup.com.au/>.

Participants should also refer to the documentation provided at the time any "at risk" remuneration is awarded to them (including the relevant invitation and plan rules).

Policy commencement date (date adopted by the Board): 6 October 2020.