STEALTH GROUP HOLDINGS LTD

ASX RELEASE

15 October 2024

NOTICE OF ANNUAL GENERAL MEETING

The following documents were released to shareholders today in relation to the Annual General Meeting of Stealth Group Holdings Ltd (ASX:SGI) (Stealth or the Company) to be held on Friday, 15 November 2024 at 11.00 am AWST at L2/43 Cedric Street, Stirling, Western Australia 6021 and online.

1. Notice of Meeting (including Explanatory Memorandum)
2. Proxy Form
3. Letter to Shareholders (who have not elected to receive notices by email).

In accordance with the reversal of the temporary modifications to the Corporations Act in March 2022, the Company will dispatch physical copies of the Notice of Annual General Meeting (Notice) to those shareholders who have elected to receive one.

A copy of the Notice is also available at the following link https://stealthgi.com and has also been lodged on the Australian Securities Exchange (ASX) and should be read in its entirety prior to voting.

Shareholders will be able to submit their proxy vote in accordance with the instructions on the Proxy Form.

- ENDS –

This announcement was authorised to be given to the ASX by the Board of Directors of Stealth Group Holdings Ltd.

FOR FURTHER ENQUIRIES:

Mike Arnold Group Managing Director & CEO	Chris Wharton AM Chairman	John Boland CFO and Company Secretary

Corporate Office: +61 (0) 8 6465 7800

ABOUT STEALTH GROUP HOLDINGS LTD

An Australian Distribution Group

Stealth Group Holdings (Stealth) is a distributor, wholesaler, and a retailer of industrial maintenance, repair and operating (MRO) supplies, consumer technology products and other related products and services.

Stealth uses a combination of multichannel and single channel online models to provide customers, primarily businesses, with a range of options for dinging and purchasing products through an Australia-wide network of highly integrated distribution centres, branches, company stores, websites, retail reseller stores, and independent operators.

BOARD OF DIRECTORS
Chris Wharton AM
Chairman

Michael Arnold
Group Managing Director & CEO

John Groppoli
Non-Executive Director

Simon Poidevin
Non-Executive Director

John Boland
Company Secretary

ISSUED CAPITAL
115.7 million Ordinary Shares

PRINCIPAL OFFICE
Level 2/43 Cedric Street
Stirling, Western Australia 6021

CONTACT
Michael Arnold
Group Managing Director & CEO

John Boland
Group Chief Financial Officer

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E: investors@stealthgi.com
W: www.stealthgi.com

ABN: 25 615 518 020

GROUP OPERATING BRANDS
- Heatleys Safety & Industrial
- Force Technology International
- C&L Tool Centre
- Industrial Supply Group
- United Tools

WEBSITES
- heatleys.com.au
- forcetechnology.com.au
- cltoolcentre.com.au
- isgaus.com.au
- unitedtools.com.au
- toolspareparts.com.au

ASX: SGI

Notice of Annual General Meeting

Explanatory Memorandum | Proxy Form

STEALTH GROUP
HOLDINGS LTD

ACN 615 518 020

Details of Meeting

Date of Meeting	Time of Meeting	Place of Meeting
Friday, 15 November 2024	11:00 am (AWST)	Stealth Group Holdings Ltd, Level 2, 43 Cedric Street, Stirling, Western Australia 6021

Annual Report

The 2024 Annual Report is available from the Company website via the following link:
https://stealthgi.com/wp-content/uploads/2024/08/4891-Stealth-Annual-Report-2024_F.pdf

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This document is important and requires your immediate attention. You are advised to read this document in its entirety and seek independent legal and/or financial advice before deciding how to vote on the resolutions.

If you are in doubt how to deal with this document or how to vote on the Resolutions, please consult your financial or other professional adviser.

Should you have any questions regarding the matters in this document please do not hesitate to contact the Company Secretary via email at investors@stealthgi.com.

Notice of Annual General Meeting

The Annual General Meeting of Stealth Group Holdings Ltd (**Company** or **Stealth**) is to be held on Friday, 15 November 2024, at Stealth Group Holdings Ltd, Level 2, 43 Cedric Street, Stirling, Western Australia 6021 at 11:00 am (AWST).

The Explanatory Memorandum that accompanies and forms part of this Notice describes all of the matters to be considered at this Meeting.

Business

Financial Statements and Other Reports – Year Ended 30 June 2024 (no resolution required)

To receive and consider the Financial Report for the financial year ended 30 June 2024, together with the Declaration of Directors, the Remuneration Report, and the reports of the Directors and of the Auditor for the year ended 30 June 2024.

Resolution 1 – Non-Binding Resolution to Adopt Remuneration Report

To consider and, if thought fit, to pass with or without amendment the following resolution as a **non-binding resolution**:

> *"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given to adopt the Remuneration Report as set out in the Annual Report for the year ended 30 June 2024."*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

a. a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
b. a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

a. the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
b. the voter is the Chair and the appointment of the Chair as proxy:
   (i) does not specify the way the proxy is to vote on this Resolution; and
   (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 – Re-election of Director – Mr Christopher Wharton AM

To consider, and if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

> *"That Mr Wharton, being a director of the Company who retires by rotation in accordance with Clause 14.2 of the Company's Constitution, ASX Listing Rule 14.4, and for all other purposes, and being eligible and offering himself for re-election, be re-elected as a director of the Company."*

Resolution 3 – Proposed Issue of 217,392 Shares to the Managing Director

To consider, and if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

> *"That approval be given in accordance with Listing Rule 10.11.1, and for all other purposes, for the proposed issue of 217,392 new fully paid ordinary shares at nil consideration to the Managing Director, Mr Arnold, on the terms described in the Explanatory Notes that accompany this Notice"*

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

a. the Managing Director; or
b. a Closely Related Party of the Managing Dire.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

a. the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
b. the voter is the Chair and the appointment of the Chair as proxy:
   (i) does not specify the way the proxy is to vote on this Resolution; and
   (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the Managing Director.

Resolution 4 – Financial Assistance

To consider, and if thought fit, to pass with or without amendment the following resolution as a **special resolution**:

> *"That, for the purposes of sections 260A and 260B(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for Force Technology International Pty Ltd (a wholly owned subsidiary of the Company) to provide financial assistance to Stealth in connection with the acquisition by Stealth of all of the ordinary shares in Force Technology International Pty Ltd, as further described in the Explanatory Notes that accompany this Notice"*

Please refer to the Explanatory Notes, prepared in accordance with section 260B(4) of the Corporations Act 2001 (Cth), which forms part of this Notice.

Resolution 5 – Approval of prior issue of securities to refresh the Company's 15% placement capacity

To consider, and if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

> *"That for the purposes of Listing Rule 7.4 and for all other purposes the 15% placement capacity of the Company be refreshed by the previous issue of 14,444,903 ordinary shares at an issue price of $0.2423 on 14 June 2024 on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting, being ratified and approved."*

Explanatory Memorandum

The Explanatory Memorandum is incorporated in and comprises part of this Notice.

Shareholders are directed to the Definitions set out in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice and the Explanatory Memorandum.

Actions to be taken by shareholders

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek legal and/or financial advice from their professional advisers prior to voting.

If Shareholders have questions about the Meeting and voting arrangements, please email the Company Secretary at investors@stealthgi.com.

Voting by Proxy

The Proxy Form provides further details on appointing proxies and lodging proxy votes. Proxy votes (together with any authority under which the Proxy Form was signed or a certified copy of the authority) must be received before 11:00 am (AWST) on Wednesday, 13 November 2024.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting Entitlements

For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company's share register at 4:00 pm (AWST) on Wednesday, 13 November 2024 will be entitled to attend and vote at the Annual General Meeting.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with an original (or certified copy) certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. The appointment must comply with section 250D of the Corporations Act.

Attorneys

If an attorney is to attend the Meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 11:00 am (AWST) on Wednesday, 13 November 2024. Previously lodged powers of attorney will be disregarded by the Company.

Questions

Shareholders are encouraged to submit questions in respect of the items of business as well as general questions in respect of the Company and its operations in advance of the Meeting by email to the Company Secretary at investors@stealthgi.com.

DATED THIS 15TH OF OCTOBER 2024

BY ORDER OF THE BOARD

John Boland
Company Secretary

Explanatory Memorandum

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Stealth Group Holdings Ltd (Company or Stealth).

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Financial Statements and Report

Under the Corporations Act, the directors of the Company must table the Financial Report, the Directors' Report and the Auditor's Report for Stealth for the financial year ended 30 June 2024 (**2024 Annual Report**) at the Meeting. These reports, together with the Declaration of Directors, are set out in the 2024 Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the 2024 Annual Report prior to this Notice of Annual General Meeting.

In accordance with section 314 (1AA)(c) of the Corporations Act, the Company advises the 2024 Annual Report is available from the Company's website (https://stealthgi.com/wp-content/uploads/2024/08/4891-Stealth-Annual-Report-2024_F.pdf).

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the 2024 Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2024.

There is no requirement for Shareholders to approve the 2024 Annual Report.

At the Meeting, Shareholders will be given reasonable opportunity to:

a. discuss the 2024 Annual Report, which is available online;
b. ask questions about, or comment on, the management of the Company; and
c. ask the Auditor questions about:
   (i) the conduct of the audit;
   (ii) the preparation and content of the Auditor's Report;
   (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
   (iv) the independence of the Auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Auditor about:

a. the preparation and contents of the Auditor's Report;
b. the conduct of the audit of the 2024 Annual Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

1. Resolution 1 – Adoption of Remuneration Report

1.1 General

Under the Corporations Act, the Company is required to include, in the Directors' Report, a detailed Remuneration Report setting out the prescribed information in relation to the remuneration of directors and executives of Stealth and the Company's remuneration practices.

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

Under section 250R (2) of the Corporations Act, the Remuneration Report is required to be submitted for adoption by a resolution of Shareholders at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

1.2 Voting consequences

Under the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors who were in office when the Directors' Report was approved, other than the Managing Director, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved will be the Directors of the Company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

1.4 Voting Intention

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 1.

2. Resolution 2 – Re-election of Director – Mr Christopher Wharton AM

2.1 General

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third Annual General Meeting following the director's appointment or 3 years, whichever is the longer. However, where the is more than one managing director, only one is entitled not to be subject to re-election.

Clause 14.2 of the Constitution requires that at the annual general meeting, one third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring director is eligible for re-election.

In determining the number of Directors to retire, no account is to be taken of:

a. a Director who only holds office until the next annual general meeting pursuant to Clause 14.4 of the Constitution; and/or
b. a Managing Director.

Accordingly, 1 Director must retire.

2.2 Qualifications and other directorships

Mr. Wharton is Chairman of Thriver Finance, a WA-based investment company, an appointed director of Perth Racing and a board member of East Perth Football Club.

He is the former Chief Executive Officer of Seven West Media WA (SWM) and led the acquisition of the Seven Media Group, which ultimately became Seven West Media.

Prior to the formation of SWM he was CEO of publicly-listed West Australian Newspaper Holdings and before that, CEO of Channel Seven Perth for nine years. He was responsible for all SWM's print, online and television and radio broadcasting assets in WA.

He began his career as a journalist and worked in all areas of newspaper management in Sydney before being appointed Chief Executive Officer of Perth's Community Newspaper Group in 1995. In 2013, he became Chairman of Community Newspaper Group. His community and business involvement includes board memberships of the Telethon Trust from 2000-2017 and Gold Corporation from 2002-2019. Chris was a member of the WA Olympic Team Appeal Committee from 2000-2017 and a director of the West Coast Eagles Football Club from 2013-2021.

He is a Fellow of the Australian Institute of Company Directors, the Australian Institute of Management and is a former Councillor and Vice President of the WA Chamber of Commerce and Industry. He is also a former member of the Committee for Perth. He was awarded an Order of Australia Medal in the 2016 Queen's Birthday honours for services to the print and broadcast industries and for services to the community.

2.3 Independence

The Board has considered Mr Wharton's independence and considers that he is an independent Director.

2.4 Board recommendation

The Board has reviewed Mr Wharton's performance since his appointment to the Board and considers that Mr Wharton's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (other than Mr Wharton) supports the re-election of Mr Wharton and recommends Shareholders vote in favour of the Resolution.

2.5 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 2.

3. Resolution 3 – Proposed Issue of 217,392 Shares to the Managing Director

3.1 General

ASX Listing Rule 10.11.1 requires that an entity must not issue equity securities to a related party without the approval of the holders of its shareholders. Listing Rule 19 Interpretation and definitions, under section (a) (iii) of the definition of a related party, states that directors of any entity are a related party for the purposes of the ASX Listing Rules.

Accordingly, the Board is seeking shareholder approval for this proposed issue of shares to the Managing Director.

3.2 Proposed Issue of Shares

The proposed issue of shares to the Managing Director, Mr Michael Arnold, for which shareholder approval is sought, comprises the issue of 217,392 fully paid ordinary shares for nil consideration based on a value of 0.23 cents per share (as of 1 August 2024) representing a total value of $50,000.

The Company is proposing to issue the securities specified to the Managing Director as and by way of (a) non-cash compensation for efforts rendered in the course of his employment over and above their normal duties and (b) ensuring that critical executives continue to be remunerated (in non-cash terms) at competitive market rates.

3.3 When will the Shares be Issued?

If shareholder approval is obtained, the shares will be issued on 15 November 2024 following completion of the 2024 AGM.

3.4 What happens if shareholder approval is not obtained

If shareholder approval is not obtained, the Board has discretion to make a cash payment in lieu of the issue of shares for the total value of $50,000.

3.5 Other information required by ASX Listing Rules

Total remuneration package for FY24 for Mr Michael Arnold:

	Short-Term Employment Benefits			Post-Employment benefits	Long-Term Employment Benefits		
2024	Base salary, fees & allowances $	Bonuses earned and payable $	Other non-monetary benefits $	Super-annuation $	Long service leave $	Share-based payments $	Total $
Executive Director							
Mr. M Arnold	486,800	125,000	18,054	27,500	9,436	-	666,790

3.6 Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Arnold or an associate of Mr Arnold, regardless of the capacity in which the vote is cast.

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

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3.7 Board recommendation

The Board (other than Mr Arnold) supports the issue of shares to Mr Arnold and recommends Shareholders vote in favour of the Resolution.

3.8 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 3.

4. Resolution 4 – Financial Assistance

In compliance with section 260B(4) of the Corporations Act, Shareholders are advised of the information below.

4.1 General

Stealth and the Subsidiaries are parties to:

a. General Security Deed dated 16 December 2020 between, among others, Commonwealth Bank of Australia ABN 48 123 123 124 (**Financier**) and Stealth (GSD);
b. Facility Agreement dated 16 December 2020 between, among others, the Financier and Stealth (**FA**);
c. A number of other finance documents required by, or referred to in the documents listed in either the GSD and/or the FA; and
d. Various amendment and variation agreements to the above documents between 16 December 2020 and 15 October 2024.

(together the **Finance Documents**), which record the terms and conditions of Stealth's debt facility with the Financier (collectively the **Facility**).

The terms of the Facility, including in relation to interest charge, events of default, representations, and warranties (from Stealth and the Subsidiaries) are customary for debt facilities of this nature.

The FA requires Stealth to ensure that the Subsidiaries who satisfy the prescribed earnings or assets tests (**Guarantor Coverage**), become a 'Transaction Party' to the Finance Documents (**Transaction Party**) by executing a Transaction Party Accession Deed Poll (**Accession Deed**). By doing so, each Subsidiary will be providing financial assistance of the nature described below in section 1.5.

Transaction Parties are required to, amongst other things, provide security over all their assets in favour of the Financier, and irrevocably and unconditionally guarantee to the Financier under the Finance Documents the payment of the secured monies on terms contained in the Finance Documents (collectively, the **Securities**).

On 14 June 2024, Stealth became the registered holder of all of the shares in Force Technology International Pty Ltd (**Acquired Company**) so that it became a wholly owned subsidiary of Stealth.

4.2 Accession to the Finance Documents

In accordance with Guarantor Coverage tests in the Finance Documents, Stealth is now required to ensure that the Acquired Company becomes a Transaction Party to the Finance Documents by executing an Accession Deed.

4.3 The Financial Assistance rules

Section 260A(1) of the Corporations Act provides that a company may financially assist a person to acquire shares in the company or a holding company of the company only in certain circumstances, including where the giving of the assistance does not materially prejudice (a) the interests of the company or its shareholders, or (b) the company's ability to pay its creditors; or where the assistance is approved by shareholders under section 260B of the Corporations Act.

Financial assistance is broadly interpreted and may be the provision of anything needed in order to carry out a transaction, including giving security over assets or giving a guarantee or indemnity in respect of another person's liability.

The Board (being the same directors as of the Acquired Company) have not formed the view that the accession to the Finance Documents by the Acquired Company will have the effect of materially prejudicing the interests of creditors or the shareholders of the Acquired Company. However, due to uncertainty surrounding the interpretation and application of the expression "material prejudice" and the fact that, on the face of it, acceding to the Finance Documents does to some extent prejudice the Acquired Company's freedom to operate its business as it sees fit, the Board believes it is prudent to obtain the approval of its shareholders under section 260B of the Corporations Act.

Between the date of this Notice and the Annual General Meeting, Stealth (being the shareholder of the Acquired Company) will be asked to give approval for the giving of financial assistance by the Acquired Company to Stealth. Under section 260B(2) of the Corporations Act, if immediately after the acquisition, the company giving financial assistance will be a subsidiary of another corporation which is listed in Australia, that listed domestic corporation must also obtain shareholder approval for the financial assistance at a general meeting. As Stealth is the listed holding company of the Acquired Company, this resolution seeks the approval of Shareholders, pursuant to section 260B(2) of the Corporations Act, for financial assistance to be provided by the Acquired Company.

4.4 Reason for Financial Assistance

The reason for the giving of the financial assistance described above is to enable Stealth to comply with its obligations under the Finance Documents.

If approval for financial assistance is not provided, Stealth will need to investigate the possibility of undertaking corporate restructuring to move all or a substantial portion of the assets in the Acquired Company to entities which are existing Transaction Parties under the Finance Documents. There is no guarantee that any such restructuring would be successful or efficient. In addition, restructuring will incur additional costs for Stealth which would not otherwise be incurred if the resolution is approved.

Further, if shareholder approval is not provided and Stealth is not able to complete any such corporate restructuring by 11 December 2024 Stealth:

a. will be in breach of undertakings which will result in the occurrence of an 'Event of Default' and a 'Review Event' enabling the Financier to exercise rights under the Finance Documents such as demanding repayment of all money owing under the Finance Documents, and/or repricing Stealth's debt under the Facility; and
b. may be forced to negotiate alternative financing and incur break costs and additional transaction fees.

4.5 The Proposed Financial Assistance in detail

By executing the Accession Deed and granting the Securities, the Acquired Company will provide the following financial assistance to Stealth:

c. It will unconditionally and irrevocably guarantee the repayment of any secured money under the Finance Documents;
a. It will provide the Financier with security over the Acquired Company's assets on the terms of the Finance Documents; and
b. It will give the indemnities, undertakings, representation, and warranties to which Stealth and each other Transaction Party has provided and continues to provide to the Financier. The undertakings and representations may restrict various corporate actions the Acquired Company could otherwise undertake.

As of the date of this Explanatory Memorandum, the Board does not believe that Stealth, any existing Transaction Party or the Acquired Company, either collectively or individually, is likely to be in default in relation to its obligations under the Finance Documents.

4.6 Advantages

The advantage to Stealth of the proposed resolution is that:

a. the Acquired Company will be able to execute an Accession Deed and grant the Securities; and,
b. it will allow Stealth to meet the Guarantor Coverage under the Finance Documents and avoid the occurrence of an 'Event of Default' and a 'Review Event' under the Finance Documents.

In addition, Stealth would not be required to incur the additional cost of corporate restructuring, and the risk that it may not be able to complete the corporate restructuring by 11 December 2024. The effect of failure to complete the corporate restructuring by 11 December 2024 is set out above under 1.4.

The principal advantage of the proposed resolution to the Acquired Company is that it will benefit from the Subsidiaries. The Board believes that this is in the interests of the Acquired Company because the Acquired Company will:

a. have greater access to funding as a result of integration in the Stealth Group;
b. benefit from synergies, cost savings and greater growth potential through that integration with the Stealth Group; and
c. have access to new management expertise provide by Stealth.

In addition, if approval of financial assistance is not obtained, and Stealth is not able to complete the corporate restructuring by 11 December 2024, the Financier may require immediate repayment of the amounts owing under the Finance Documents, and this may have a material impact on the operations of the Acquired Company.

The Board believes that approving the financial assistance described above is in the interests of Stealth.

4.7 Disadvantages

The Board does not believe there are any disadvantages for Stealth as a result of the proposed resolution as Stealth is already a Transaction Party to the Finance Documents.

The disadvantages of the proposed resolution for the Acquired Company include the following:

a. The Acquired Company will become liable for amounts due under the Finance Documents and the Acquired Company's assets may become subject to enforcement action by the Financier in the event of any 'Event of Default' and any 'Review Event' under the Finance Documents;
b. The Acquired Company becoming a Transaction Party under the Finance Documents may impact on its ability to borrow in the future;
c. The corporate actions of the Acquired Company will be restricted by the terms of the Finance Documents; and
d. Although the Board does not believe as of the date of this Explanatory Memorandum that there is or will likely be any prospect of default, a member of the Stealth Group may, in the future, default under the Finance Documents which will result in the financier having various rights under the Finance Documents including making a demand under a guarantee or indemnity provide by the Acquired Company requiring immediate repayment of amounts due under the Finance Documents.

4.8 Prior Notice to ASIC

Copies of the Notice of Annual General Meeting and these Explanatory Notes were lodged with the Australian Securities and Investments Commission before being sent to Shareholders in accordance with section 260B(5) of the Corporations Act.

4.9 Disclosure

The Board considers that the Notice and these Explanatory Notes contain all information known to Stealth that would be material to Shareholders in deciding how to vote on the resolution, other than information which it would be unreasonable to require Stealth to include because it has been previously disclosed to Shareholders.

4.10 Voting consequences

This resolution is a special resolution and will be passed if more than 75% of votes cast by Shareholders present at the Annual Geneal Meeting are in favour of the Resolution.

4.11 Board recommendation

The Directors unanimously support the provision of Financial Assistance by the Acquired Company and recommend that Shareholders vote in favour of the Resolution.

4.12 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 4.

5. Resolution 5 – Approval of prior issue of securities to refresh the Company's 15% placement capacity

5.1 General

On 14 June 2024 the Company issued 14,444,903 fully paid ordinary shares (ranking pari passu with, and otherwise on the same terms as, existing fully paid ordinary shares) at an issue price of $0.2423 equally (**Force Issue**). The purpose of the issue was for the Company to acquire 100% of the shares the Acquired Company from the shareholders of the Acquired Company being:

- Mr Peter Jake Minear as Trustee for the JES Investment Trust;
- Doumin Holding Pty Ltd as Trustee for the Doust Family Trust; and
- Mr Michael Reginald Doust.

(collectively, the **Vendors**)

Mr Peter Jake Minear as Trustee for the JES Investment Trust and Doumin Holding Pty Ltd as Trustee for the Doust Family Trust each received 5,777,961 fully paid ordinary shares and Mr Michael Reginald Doust received 2,888,981 fully paid ordinary shares. The Force Issue was issued pursuant to the Share Purchase Agreement (**Agreement**) between the Company, the Sellers and the Acquired Company which, amongst other things, included the following material terms:

- The allotment of 14,444,903 new SGI shares at a price of $0.2423 per share, equal to $3.5 million.
- The existing working capital finance facilities of the Acquired Company held with the Commonwealth Bank amounting to approximately $6.0 million on completion, were assumed by Stealth.
- A one-off outperformance incentive may be payable in cash to the vendors for the FY26 period if the Acquired Company achieves an EBITDA exceeding $2.5 million. The calculation of the outperformance incentive payment is as follows:
  - EBITDA for FY26.
  - subtract $2.5 million from EBITDA.
  - multiply the result by 4.
  - multiply the resulting figure by 25% to determine the final payment amount.

There are no further material terms in the agreement.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company may issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Force Issue does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the Force Issue.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the listed company's capacity to issue further equity securities without shareholder approval under that rule.

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

To this end, Resolution 5 seeks the approval of Shareholders for the prior issue of the Force Issue under and for the purposes of Listing Rule 7.4.

5.2 Technical information required by Listing Rule 14.1.A

If Resolution 5 is passed, the Force Issue will be excluded in calculating the Company's 15% limit in Listing Rules 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Force Issue.

If Resolution 5 is not passed, the Force Issue will be included in calculating the Company's 15% limit in Listing Rules 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Force Issue.

5.3 Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of the Vendors, Peter Jake Minear or Michael Reginald Doust and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons (**Resolution 5 Excluded Party**).

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

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, if:

a. that person is either:
   (i) a member of the Key Management Personnel of the Company; or
   (ii) a Closely Related Party of such member; and
b. the appointment does not specify the way the proxy is to vote on this Resolution.

However, provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

a. the proxy is the Chair; and
b. the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5.4 Board Recommendation

The Directors unanimously support the refresh of the Company's 15% placement capacity and recommend that Shareholders vote in favour of the Resolution.

5.5 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 5.

Definitions

$ means an Australian dollar.

Annual General Meeting means the annual general meeting the subject of this Notice.

Annual Report has the same meaning as Financial Report.

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules and **Listing Rules** mean the official listing rules of ASX.

Auditor means the Company's auditor from time to time, at the date of the Notice, being BDO Audit Pty Ltd.

Auditor's Report means the auditor's report on the Financial Report.

AWST means Australian Western Standard Time, being the time in Perth.

Board means the board of directors of the Company.

Chair (or Chairperson) means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party of a member of the Key Management Personnel means:

a. a spouse or child of the member;
b. a child of the member's spouse;
c. a dependent of the member or the member's spouse;
d. anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
e. a company the member controls; or
f. a person prescribed by the *Corporations Regulations 2001* (Cth).

Company or **Stealth** means Stealth Group Holdings Ltd (ACN 615 518 020).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a Director of the Company and **Directors** means the directors of the Company.

Directors' Report means the directors' report within the Financial Report.

EBITDA means Earnings before interest, tax, depreciation and amortisation.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Annual General Meeting**.**

Financial Report means the annual financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act.

Group means the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the official listing rules of the ASX.

Managing Director means the Managing Director of the Company.

Meeting means the meeting of Shareholders convened by the Notice of Annual General Meeting.

Notice or **Notice of Meeting** means the notice of annual general meeting accompanying this Explanatory Memorandum.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report as contained in the Directors' report section of the Company's annual financial report.

Resolution means a resolution in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company and **Shareholders** means the shareholders of the Company

Subsidiaries for of purpose of the Financial Assistance comprise the following:

- Stealth Global Industries Australia Pty Ltd (ACN 167 577 371)
- Heatleys Group Holdings Pty Ltd (ACN 604 453 152)
- Heatley Sales Pty Ltd (ACN 009 260 824)
- Industrial Supply Group Pty Ltd (ACN 055 790 282)
- C&L Tool Centre Pty Ltd (ACN 104 125 546)
- United Tools Pty Ltd (ACN 011 008 110)
- Australian Workplace Supplies Pty Ltd (ACN 096 561 241)
- Trade Counter Direct Pty Ltd (ACN 637 992 253)

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Stealth Group Holdings Ltd
ACN 615 518 020

Unit 10, 43 Cedric Street
Stirling WA 6021

Telephone: +61 8 6465 7800
Email: investors@stealthgi.com

www.stealthgi.com

Stealth Group Holdings Ltd
ABN 25 615 518 020

SGI

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

Need assistance?

Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:
www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AWST) on Wednesday, 13 November 2024.**

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/au and select "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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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

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I/We being a member/s of Stealth Group Holdings Ltd 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 Stealth Group Holdings Ltd to be held at Stealth Group Holdings Ltd, Unit 10, 43 Cedric Street, Stirling, WA 6021 on Friday, 15 November 2024 at 11:00am (AWST) 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 Resolutions 1, 3 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3 and 5 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 Resolutions 1, 3 and 5 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
Resolution 1	Non-Binding Resolution to Adopt Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director – Mr Christopher Wharton AM	☐	☐	☐
Resolution 3	Proposed Issue of 217,392 Shares to the Managing Director	☐	☐	☐
Resolution 4	Financial Assistance	☐	☐	☐
Resolution 5	Approval of prior issue of securities to refresh the Company's 15% placement capacity	☐	☐	☐

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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)*

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

Mobile Number	Email Address

STEALTH GROUP
HOLDINGS LTD

15 October 2024

Dear Shareholder,

NOTICE OF ANNUAL GENERAL MEETING

Stealth Group Holdings Ltd (ASX: SGI) (the Company or Stealth) is convening its Annual General Meeting on Friday, 15 November 2024 at 11:00 am (AWST) at L2/43 Cedric Street, Stirling, Western Australia 6021 and online.

In accordance with the reversal of the temporary modifications to the Corporations Act in March 2022, the Company will dispatch physical copies of the Notice of Annual General Meeting (Notice) to those shareholders who have elected to receive one. A copy of the Notice can be viewed and downloaded from the Company's website at https://stealthgi.com and has also been lodged on the Australian Securities Exchange (ASX) and should be read in its entirety prior to voting.

As you have not elected to receive notices by email, a copy of your personalised Proxy Form is enclosed for your convenience. Shareholders are encouraged to submit their proxy vote online or by form in accordance with the instructions on the Proxy Form.

The Company strongly encourages Shareholders to lodge a directed proxy form prior to the meeting. Your proxy vote must be received by 11:00 am (AWST) on Wednesday, 13 November 2024. Any proxy vote received after that time will not be valid for the meeting.

The Notice of Annual General Meeting sets out, amongst other things, the purpose of the Meeting and should be read in its entirety. If you are in doubt as to any of the matters set out in the Notice of Annual General Meeting or how you should vote, you should seek advice from your professional advisers prior to voting. If you have questions about the Meeting and voting arrangements, please email the Company Secretary at investors@stealthgi.com.

Yours sincerely,

Mike Arnold
Group Managing Director & CEO

Stealth Group Holdings Ltd