



GUD Holdings Limited

ACN 004 400 891

NOTICE OF ANNUAL GENERAL MEETING

The 2019 Annual General Meeting of GUD Holdings Limited (the Company) will be held at the RACV Club, Level 17, 501 Bourke Street, Melbourne on Thursday, 24 October 2019 at 10:00am (AEDT) to transact the following business. Registration will commence at 9:30am.

1. Financial statements and reports

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and Auditor for the year ended 30 June 2019.

2. Re-election of Directors

To consider and, if thought fit, to pass the following resolutions, each as a separate ordinary resolution:

2.1 Re-election of Mark Smith

"That Mr Mark Smith, who retires by rotation in accordance with Rule 34(d) of the Company's Constitution, and, being eligible, offers himself for re-election, be re-elected."

2.2 Re-election of Graeme Billings

"That Mr Graeme Billings, who retires by rotation in accordance with Rule 34(d) of the Company's Constitution, and, being eligible, offers himself for re-election, be re-elected."

See the accompanying Explanatory Notes for information about the re-election of Directors.

3. Remuneration Report

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

"That the Remuneration Report for the year ended 30 June 2019 (as set out in the Directors' Report on pages 24 to 34 of the 2019 Annual Report) be adopted."

A voting exclusion statement in relation to this resolution is set out below, in the "Information for Shareholders" section.

(Note: The vote on this resolution is advisory only)

4. Approval of LTI grant to Managing Director

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

"That approval is given for the grant of 58,686 Performance Rights to the Company's Managing Director, Mr Graeme Whickman, under the Company's Long Term Incentive Equity Plan and on the terms summarised in the Explanatory Notes to this Notice of Annual General Meeting."

A voting exclusion statement in relation to this resolution is set out below, in the "Information for Shareholders" section.

Please note that, in accordance with current governance practices, it is intended that voting on all resolutions will be conducted by way of a poll.

By order of the Board

Malcolm G Tyler

Company Secretary

Melbourne

6 September 2019

Information for shareholders

Attendance at the meeting

If you are planning to attend the meeting, please bring the Chairman's letter and proxy form with you to facilitate registration.

Voting

For the purposes of voting at the meeting, the Directors have determined that persons holding shares in GUD Holdings Limited registered as at 7.00pm (AEDT) on Tuesday 22 October 2019 will be treated as shareholders of the Company.

Appointment of proxies and corporate representatives

A proxy form accompanies this Notice of Annual General Meeting.

A shareholder entitled to attend and vote is entitled to appoint up to two proxies. A proxy need not be a shareholder and may be either an individual or a body corporate.

If a shareholder is a corporation, it can attend and vote at the meeting by appointing an individual person to act as its corporate representative or by appointing a proxy to attend and vote on its behalf. A shareholder that is a body corporate, or a proxy who is a body corporate, will need to ensure that it appoints an individual as its corporate representative to exercise its powers at the meeting and provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

Where a shareholder wishes to appoint two proxies, an additional proxy form may be obtained by contacting Computershare Investor Services Pty Limited at the address listed below. A shareholder appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies but fails to specify the proportion or number of votes that each may exercise, each proxy appointed may exercise half the shareholder's votes. Fractions of votes are to be disregarded. If your proxy chooses to vote, they must vote in accordance with your directions. If you have directed your proxy to vote, and they choose not to vote on a poll, then the Chairman of the meeting will become your proxy by default and vote your proxies as directed by you (subject to applicable voting restrictions).

Subject to the voting restrictions set out below, if you do not direct your proxy to vote by marking the relevant box on the proxy form, your proxy may vote as they choose on that item of business.

If your proxy does not attend the meeting, the Chairman will become your proxy by default. The Chairman intends to vote all available proxies in accordance with the Board recommendations set out in the Explanatory Notes accompanying this Notice of Annual General Meeting.

Generally, the key management personnel (**KMP**) of the Company (which includes each of the Directors) and their closely related parties will not be able to vote your proxy on Items 3 and 4 unless you have directed them how to vote or you have appointed the Chairman as your proxy. The circumstances in which KMP will be excluded from voting on Items 3 and 4 are set out below under the heading 'Voting Exclusions'.

The term "closely related party" is defined in the Corporations Act and includes a KMP's spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

Generally, the Managing Director and his associates will not be able to vote your proxy in favour of Item 4 unless you have directed them how to vote or you have appointed the Chairman as your proxy. The circumstances in which the Managing Director and his associates will be excluded from voting in favour of Item 4 are set out below under the heading 'Voting Exclusions'.

The term "associate" is defined in the ASX Listing Rules and, in relation to the Managing Director, includes a spouse, child, and certain other close family members, as well as any companies controlled by the Managing Director.

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. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him how to vote on Items 3 and 4 by marking the relevant boxes on the proxy form. However, if the Chairman of the meeting is your proxy (or becomes your proxy by default) and you do not mark any of the boxes opposite Items 3 and 4, by signing and returning the proxy form you will be deemed to have expressly authorised the Chairman to vote as he decides.

To be valid, the proxy form, and any authority under which the form is signed, must be received by the Company or the Company's Share Registry prior to 10.00am (AEDT) on Tuesday 22 October 2019.

Voting by attorney

A shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the meeting. An attorney may, but need not, be a shareholder of the Company.

An attorney may not vote at the meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the Company in the same manner, and by the same time, as outlined above for proxy forms.

Vote online

www.investorvote.com.au

By mail

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

By hand

Computershare Investor Services Pty Limited
452 Johnston Street, Abbotsford
Victoria 3067 Australia

Alternatively, you can fax your form to:

(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only:

(custodians) www.intermediaryonline.com

For enquiries call:

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

Voting Exclusions**Item 3 – Remuneration Report**

The Company will disregard any votes cast on Item 3:

- by or on behalf of a member of the KMP named in the Remuneration Report for the year ended 30 June 2019 or that KMP's closely related party (regardless of the capacity in which the vote is cast); or
- as a proxy by a member of the KMP at the date of the meeting or their closely related party,

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 person chairing the meeting where they have been expressly authorised to exercise undirected proxies as they think fit (even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company).

Item 4 – Approval of LTI grant to Managing Director

The Company will disregard any votes on Item 4:

- cast in favour of the resolution by or on behalf of the Managing Director (being the only Director entitled to participate in the employee incentive scheme) or any of his associates (regardless of the capacity in which the vote is cast); and
- cast as a proxy by a member of the KMP of the Company at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Item 4:

- in accordance with a direction on the proxy form; or
- by the person chairing the meeting where they have been expressly authorised to exercise undirected proxies as they think fit (even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company).

Reviewing the Annual Report

A copy of the 2019 GUD Annual Report is available online at the Company's website www.gud.com.au.

Share Registry

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001 Australia
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067 Australia

Enquiries within Australia – 1300 850 505
Enquiries outside Australia - +61 3 9415 4000
Website – www.investorcentre.com

EXPLANATORY NOTES

These Explanatory Notes form part of the Notice of Annual General Meeting and provide shareholders with information to understand the items of business and to assess the merits of the proposed resolutions at the forthcoming Annual General Meeting.

Item 1 – Financial statements and reports

The financial statements of the Company and its controlled entities for the year ended 30 June 2019 and the Directors' Report and Auditor's Report are set out in the GUD Holdings Limited Annual Report 2019.

Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders to approve these statements or Reports.

This item is intended to provide an opportunity for shareholders to raise questions on the management of the Company, the Reports and on the performance of the Company generally. In addition, a reasonable opportunity will be given to shareholders at the meeting to ask the Company's Auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Shareholders can access a copy of the 2019 Annual Report on the Company's website (www.gud.com.au).

Item 2 – Re-election of Directors

2.1 Re-election of Mr Mark Smith

Mark G Smith

Dip. Business (Marketing) FAMI CPM FIML FAICD

Appointed Non-Executive Director on 26 May 2009 and Chairman on 15 November 2017. Mr Smith is also a member of the Company's Audit Committee, Remuneration Committee, Risk & Compliance Committee and Chair of the Nominations Committee.

Mr Smith is currently a Non-Executive Director and Chairman of Australian Pharmaceutical Industries Limited (appointed 6 September 2017). He is a former Non-Executive Director and Chairman of Patties Foods Limited (retired September 2016), a former Non-Executive Director of Toll Holdings Limited (retired May 2015), and a former Non-Executive Director and Chairman of Food Holdings Limited (retired August 2011).

Mr Smith was Managing Director of Cadbury Schweppes Australia and New Zealand (2003 to 2007) and a member of the Asia Pacific Regional Board. Over a 16-year career with the Cadbury Schweppes group he held senior management positions in Australia, the UK and North America. Prior to joining Cadbury Schweppes Mr Smith's career included senior management roles with Unilever and Uncle Toby's.

The Board has undertaken a review of Mr Smith's performance and the contribution he has made to the Board and to Board Committees. The Board has also considered the skills and expertise Mr Smith brings to the Board.

The Board considers Mr Smith to be independent. Prior to submitting himself for re-election, Mr Smith confirmed that he would continue to have sufficient time to properly fulfil his duties as Chairman and as a Director of GUD.

Board Recommendation

The Board (excluding Mr Smith because of his interest) unanimously recommends that shareholders vote in favour of the resolution to re-elect Mr Smith as a Director.

2.2 Re-election of Mr Graeme Billings

Graeme A Billings

B Com FCA MAICD

Appointed Non-Executive Director on 20 December 2011 and Chairman of the Audit Committee on 1 January 2012. Mr Billings is also a member of the Company's Remuneration Committee, Risk & Compliance Committee and Nominations Committee.

Mr Billings retired from PricewaterhouseCoopers in 2011 after 34 years, where he was head of the Melbourne Assurance practice as well as heading the firm's Australian and Global Industrial Products business.

Mr Billings is currently a Non-Executive Director of Korvest Limited (appointed May 2013) and became Chairman of that company in September 2014, a Non-Executive Director and Chairman of Azure Healthcare Ltd (appointed 21 October 2015), a Non-Executive Director of Clover Corporation Limited (appointed 20 May 2013) where he is Chair of the Audit Committee, and a Non-Executive Director of DomaCom Limited (appointed 23 February 2015) where he is Chair of the Audit Committee.

The Board has undertaken a review of Mr Billings' performance and the contribution he has made to the Board and to Board Committees. The Board has also considered the skills and expertise Mr Billings brings to the Board.

The Board considers Mr Billings to be independent. Prior to submitting himself for re-election, Mr Billings confirmed that he would continue to have sufficient time to properly fulfil his duties as a Director of GUD.

Board Recommendation

The Board (excluding Mr Billings because of his interest) unanimously recommends that shareholders vote in favour of the resolution to re-elect Mr Billings as a Director.

Item 3 – Remuneration Report

The Corporations Act requires a non-binding resolution to be put to shareholders for the adoption of the Remuneration Report. The Remuneration Report is set out in the Directors' Report on pages 24 to 34 of the GUD Holdings Limited Annual Report for the year ended 30 June 2019 lodged with the ASX on 26 July 2019 and is also available from the Company's website (www.gud.com.au).

In accordance with the Corporations Act, the shareholder vote on this resolution is advisory only and does not bind the Directors of the Company. However, the Board will take the discussion on this resolution and the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders will be given a reasonable opportunity at the meeting to ask questions about, and make comments on, the Remuneration Report and the Company's remuneration arrangements.

The Board believes that the Company's remuneration arrangements, as set out in the 2019 Remuneration Report, are fair, reasonable and appropriate and support the strategic direction of the Company.

The voting exclusion statement for this resolution is set out on page 3 of this Notice of Annual General Meeting. Please refer to the Information for Shareholders in relation to important information relating to voting on this item.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of this resolution.

Item 4 - Approval of LTI grant to Managing Director

In accordance with ASX Listing Rule 10.14, shareholder approval is sought for the proposed grant of 58,686 Performance Rights to the Managing Director, Mr Graeme Whickman under the Company's Long Term Incentive Equity Plan ('Plan') and on the terms set out below.

Details of proposed grant

The proposed grant of Performance Rights to the Managing Director is his LTI opportunity for the 2019/2020 financial year. The proposed grant is intended to align Mr Whickman's interests with the interests of shareholders and encourage the achievement of the Company's performance goals and growth of the Company's business. The Performance Rights will be subject to a performance period from 1 July 2019 to 30 June 2022 and will vest only if the performance conditions are fulfilled.

The key terms of the proposed grant are set out below. A summary of the operation of the Plan is set out in the Remuneration Report on page 26 of the Annual Report.

Subject to shareholder approval, Mr Whickman will be granted a maximum number of Performance Rights (rounded to the nearest whole number), calculated by applying the formula:

$\# = \text{TFR} \times 60\% / \text{VWAP}$, where

TFR is the Total Fixed Remuneration of the Managing Director to be received in FY20, namely \$994,000.

VWAP is the volume weighted average price of the Company's shares on ASX over the ASX market trading days in June 2019 immediately prior to the commencement of the three year performance measurement period, in this case \$10.1626.

A Performance Right is a right to receive a fully paid ordinary share in the Company at the end of the performance period, subject to satisfaction of the vesting conditions. If the applicable vesting conditions attaching to the Performance Rights are satisfied, Mr Whickman will be allocated one fully paid ordinary share in the Company for each vested Performance Right. The Board retains a discretion to make a cash payment in lieu of an allocation of shares. Performance Rights do not carry any dividend or voting rights prior to vesting. Any Performance Rights which do not vest at the end of the applicable performance period will lapse.

As the Performance Rights form part of the Managing Director's remuneration package, they will be granted at no cost to him. No exercise price will be payable by the Managing Director upon exercise of any vested Performance Rights. Further details of the Managing Director's remuneration package are set out in the 2019 Remuneration Report.

If approved by shareholders, the Performance Rights will be granted shortly following this Annual General Meeting (and, in any event, no later than 12 months after the meeting or any adjournment of the meeting).

Performance condition

The Performance Rights will be subject to a total shareholder return (TSR) performance condition which compares the TSR performance of the Company with the TSR performance of each of the entities in a comparator group.

The performance condition will be measured over a 3 year period commencing on 1 July 2019 and ending on 30 June 2022. Vesting will be determined following 30 June 2022.

TSR measures the growth in the price of shares (modified to account for capital adjustments where appropriate) together with the value of dividends during the performance period, assuming that all those dividends are re-invested into new shares. For any of the Performance Rights to vest, the Company's TSR must be equal to or greater than the median TSR performance of the comparator group.

The comparator group is the Standard and Poor's ASX Small Ordinaries index, of which the Company forms part, modified to exclude stocks in mining, materials and resources industries. Relative TSR was chosen on the basis that it is the most effective way to measure and reward the extent to which shareholder returns are generated relative to the performance of companies that compete with the Company for capital and employees. The Company retains the discretion to modify the comparator group in certain circumstances.

The Company's absolute TSR must be positive over the performance period for any Performance Rights to vest.

The proportion of the Performance Rights that vest, if any, will be determined as follows:

Relative TSR performance	% of Performance Rights that vest
TSR below 50th percentile	Nil
TSR at 50th percentile	50
TSR between 50th and 75th percentile	Progressive vesting from 50 to 100
TSR at 75th percentile and above	100

Trading restrictions

Any shares allocated following vesting of the Performance Rights will not be subject to any trading restrictions other than those imposed by the Company's Dealing in Shares Policy.

Cessation of employment

If Mr Whickman ceases employment with the Company prior to satisfaction of the performance condition applicable to the Performance Rights, then any continued entitlement he may have to the Performance Rights will depend on the circumstances of the cessation.

Where Mr Whickman's employment is terminated for cause (for example, due to serious or wilful misconduct, negligence or breach of his employment contract, or where he is convicted of an offence punishable by imprisonment or commits an act which brings the Company into disrepute), all Performance Rights will lapse, unless the Board determines otherwise.

In accordance with the Plan and unless the Board determines otherwise, in all other circumstances including death, disability, resignation, retirement, redundancy or termination by the Company for convenience, Mr Whickman will retain a pro rata number of Performance Rights reflecting that part of the performance period elapsed at the time of ceasing employment. Vesting of that pro-rata number of Performance Rights, and any issue of shares to Mr Whickman, will depend upon the extent to which the applicable performance conditions are satisfied at the end of the performance period.

Change of control event

In the event of a takeover bid or other transaction, event or state of affairs that in the Board's opinion is likely to result in a change in control of the Company, the Board has a discretion to determine that vesting of some or all of the Performance Rights should be accelerated. If an actual change of control occurs before the Board has exercised this discretion, a pro rata portion of the Performance Rights equal to the portion of the performance period that has elapsed and tested against the performance condition up to the actual date of the change of control shall immediately vest. The Board retains a discretion to determine whether the remaining unvested Performance Rights will vest or lapse.

Clawback

Under the Plan, the Board may exercise its discretion to ensure that no unfair benefit is derived by Mr Whickman in the case of fraud or misconduct.

Other information relating to the LTI grant required by the ASX Listing Rules

Mr Whickman is the only Director of the Company currently entitled to participate in the Plan. No associate of any of the Directors is entitled to participate in the Plan.

There is no loan scheme in relation to the Plan.

Following shareholder approval at the 2018 AGM in October 2018, Mr Whickman received a grant of 30,134 Performance Rights under the Plan at no cost to him. Aside from that grant, no securities have been received by any Director or any associate of a Director under the Plan since last shareholder approval was received.

If approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

The voting exclusion statement for this resolution is set out on page 3 of this Notice of Annual General Meeting. Please refer to the Information for Shareholders in relation to important information relating to voting on this item.

Board Recommendation

The Board (excluding Mr Whickman because of his interest) unanimously recommends that shareholders vote in favour of this resolution.