



GUD Holdings Limited

ACN 004 400 891

NOTICE OF ANNUAL GENERAL MEETING

The 2021 Annual General Meeting of GUD Holdings Limited will be held on Friday, 29 October 2021 at 10:00am (AEDT). Registration will commence at 9:30am.

Shareholders can participate online at <https://web.lumiagm.com/397063115>

On behalf of your Board of Directors, I am pleased to invite you to the 2021 Annual General Meeting (AGM) of GUD Holdings Limited (GUD or Company).

Due to the ongoing COVID-19 pandemic and to ensure the health and safety of our shareholders, this year we offer our shareholders the opportunity to participate in our AGM online. There will not be a physical AGM for shareholders to attend in person.

Even if you plan to participate in the AGM online, we encourage you to submit a directed proxy vote as early as possible so that your vote will be counted, if for any reason you cannot vote on the day. If you wish to appoint a proxy, please lodge your proxy online at www.investorvote.com.au

The AGM will be made accessible via a live webcast as well as an online platform which will include the facility for shareholders to ask questions in relation to the business of the meeting and to vote in real time at the meeting.

Shareholders may ask questions in real time at the meeting orally and in writing. As always, we invite shareholders to submit questions in advance of the meeting. Questions may be submitted by completing an online shareholder question form on GUD's website at www.gud.com.au/AGM2021

This notice of meeting (which includes the following agenda, information for shareholders and explanatory notes) details the formal business to be dealt with at the AGM.

Briefly, the formal business of the meeting will be to:

1. receive and consider the formal reports for the financial year ended 30 June 2021;
2. elect Ms Carole Campbell and Professor John Pollaers as non-executive directors of the company;
3. re-elect Mr David Robinson as a non-executive director of the company;
4. adopt the 2021 remuneration report;
5. approve the grant of long-term incentives (rights) to Mr Graeme Whickman, the managing director; and
6. approve financial assistance for banking facilities and the Australian Clutch Services acquisition.

The Directors recommend that shareholders vote in favour of all resolutions.

How to participate in the AGM online

Shareholders can participate in the AGM online using one of the following methods:

- (a) from their computer, by entering the URL in their browser: <https://web.lumiagm.com/397063115>; or
- (b) from their mobile device, by entering the URL in their browser: <https://web.lumiagm.com/397063115>.

The online platform will allow shareholders, proxyholders, attorneys and authorised representatives to view the meeting, vote and ask questions in real-time.

Further information on how to participate in the meeting is provided in the notice of meeting, and in the Virtual AGM Online Guide, which can be accessed on the Company's website at www.gud.com.au/AGM2021.

How to submit your vote in advance of the meeting

Proxy votes must be received by 10.00am (AEDT) on Wednesday, 27 October 2021 to be valid for the meeting.

Instructions on how to appoint a proxy are on the online voting website, www.investorvote.com.au.

Your proxy may be appointed in a variety of ways described on page 4 of the notice of meeting under 'Proxies'.

Other Company documents and how to update your communication preference

Please review the GUD website for the following documents:

- a link from the Share Information page to our share registry to register your email address in order to receive all shareholder information electronically and to obtain standard shareholder forms, including a direct dividend advice, a change of address advice and a request to consolidate holdings;
- the GUD Annual Report 2021 (including the GUD Corporate Governance Statement) and Notice of Meeting 2021;
- the GUD Sustainability Review 2021; and
- copies of news releases and financial presentations.

With Government guidance continually being updated, GUD is closely monitoring the developments relating to COVID-19. Shareholders are encouraged to check GUD's website at <http://www.gud.com.au/AGM2021> and the ASX for updates in relation to the AGM.

We look forward to engaging with shareholders in this new way, and I hope that you will participate in the meeting.

AGENDA

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 2021.

2. Election of Directors

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

2.1 Ms Carole Campbell

"That Ms Carole Campbell, who was appointed as a Non-Executive Director of the Company on 16 March 2021 and who, in accordance with Rule 34(b) of the Company's Constitution, holds office as a Director until the conclusion of this meeting and, being eligible, offers herself for election, be elected."

2.2 Professor John Pollaers

"That Mr John Pollaers, who was appointed as a Non-Executive Director of the Company on 23 June 2021 and who, in accordance with Rule 34(b) of the Company's Constitution, holds office as a Director until the conclusion of this meeting and, being eligible, offers himself for election, be elected."

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

3. Re-election of Directors

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

3.1 Re-election of Mr David Robinson

"That Mr David Robinson, who retires by rotation in accordance with Rule 34(c) 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.

4. 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 2021 (as set out in the Directors' Report on pages 29 to 40 of the 2021 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.)

5. 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 51,653 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.

6. Financial Assistance – Banking facilities and Australian Clutch Services acquisition

To consider, and if thought fit, pass the following as a special resolution:

"That, for the purposes of section 260B(2) of the Corporations Act 2001 (Cth), approval is given for the financial assistance to be provided by Australian Clutch Services Pty Ltd, from time to time in connection with the Acquisition as described in the Explanatory Notes to this Notice of Annual General Meeting."

Please note that voting on all substantive resolutions will be conducted by way of a poll.

By order of the Board

Malcolm G Tyler

Company Secretary

Melbourne

15 September 2021

Information for shareholders

Participating in the meeting – online registration

If you are planning to participate in the meeting online, you will be able to do so using your computer, your mobile phone or device. You can participate in the meeting by entering this link in your browser: <https://web.lumiagm.com/397063115>.

You will need your SRN/HIN to register for the meeting.

Further information about how to log in to the Lumi online platform, to register for the Annual General Meeting, and to participate in the Annual General Meeting as a shareholder, proxyholder, attorney or authorised representative is available in the Virtual AGM Online Guide, which can be accessed on the Company's website at: www.gud.com.au/AGM2021

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 Wednesday, 27 October 2021 will be treated as shareholders of the Company.

Voting on all items of business will be conducted on a poll. You may vote at the Annual General Meeting in one of three ways:

- live and online during the meeting using the Lumi online platform; or
- in advance of the meeting, by appointing a proxy and directing your proxy how to vote online at www.investorvote.com.au by 10:00am (AEDT) on Wednesday, 27 October 2021; or
- by appointing a proxy, attorney or shareholder representative to vote at the meeting on your behalf.

The Chairman of the meeting will open the poll at the beginning of the meeting and the poll will remain open until the Chairman announces that the poll is closed.

Appointment of proxies and corporate representatives

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 vote at the meeting by appointing an individual person to act as its corporate representative or by appointing a proxy to 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, they can do so online at www.investorvote.com.au. 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 do not attend the meeting or 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 participate in 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 4 and 5 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 4 and 5 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 5 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 5 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 4 and 5. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him how to vote on Items 4 and 5 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 4 and 5, by completing and submitting 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 Wednesday, 27 October 2021.

The proxy form may be downloaded online at www.gud.com.au/AGM2021

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.

Proxy lodgement

Online

www.investorvote.com.au

By mail

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

By fax

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

Questions from shareholders

GUD welcomes your feedback. All shareholders will have a reasonable opportunity to ask questions and make comments orally or in writing on the items of business during the meeting, including an opportunity to ask questions of the Company's Auditor, KPMG. The online platform will contain additional details on how to ask questions live during the AGM.

You may submit written questions ahead of the AGM relating to the business of the meeting, including questions for the Company's Auditor, KPMG. Questions for the Company's Auditor must relate to the content of the Auditor's report or the conduct of the audit of the Financial Report.

Written questions must be received by the Company no later than 5:00pm (AEDT) on Friday, 22 October 2021.

Shareholders can submit written questions by completing an online shareholder question form which is available online at www.investorvote.com.au or by completing an online shareholder question form on GUD's website at www.gud.com.au/AGM2021.

Alternatively, you can send any written questions to:

GUD Holdings Limited AGM
PO Box 62
SUNSHINE VIC 3020
Email: investors@gud.com.au

The Chairman will endeavour to address as many of the more frequently raised relevant 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. Please note that individual responses will not be sent to shareholders.

Technical difficulties

Technical difficulties may arise during the course of the online meeting. The Chairman has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising this 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 the Chairman 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.

In the event of a substantial technological failure that prevents shareholders from having a reasonable opportunity to participate in the meeting, the Company will provide an update on its website and the ASX platform to communicate the details of the postponed or adjourned meeting to shareholders.

Voting Exclusions

Item 4 – Remuneration Report

The Company will disregard any votes cast on Item 4:

- by or on behalf of a member of the KMP named in the Remuneration Report for the year ended 30 June 2021 or that KMP's closely related party (regardless of the capacity in which the vote is cast); and
- 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 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).

Item 5 – Approval of LTI grant to Managing Director

The Company will disregard any votes on Item 5:

- cast in favour of the resolution by or on behalf of the Managing Director 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 5:

- as proxy or attorney for a person entitled to vote on Item 5 in accordance with a direction given to the proxy or attorney to vote on Item 5 in that way; or
- as proxy for a person entitled to vote on Item 5 by the person chairing the meeting, in accordance with an express authorisation in the proxy form to exercise the proxy as the chairman decides; 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 item; and
 - the holder votes on the item in accordance with directions given by the beneficiary to the holder to vote in that way.

Reviewing the Annual Report

A copy of the 2021 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 VIC 3001 Australia

Yarra Falls, 452 Johnston Street

ABBOTSFORD VIC 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 annual financial report of the Company and its controlled entities for the year ended 30 June 2021 and the Directors' Report and Auditor's Report are set out in the GUD Holdings Limited Annual Report 2021.

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 and make comments 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 2021 Annual Report on the Company's website (www.gud.com.au).

Item 2 – Election of Directors

The Board undertook a comprehensive process to identify suitably qualified candidates, and undertook extensive background checks, before appointing Ms Carole Campbell and Professor John Pollaers as Directors.

2.1 Election of Ms Carole Campbell

Ms Carole Campbell *BEC FCA GAICD*

Appointed Non-Executive Director and Chair of the Audit Committee on 16 March 2021. Member of the Remuneration, People and Culture Committee, Nominations Committee and Risk and Compliance Committee.

Ms Campbell has over 30 years' financial executive experience in a range of industries including professional services, financial services, media, mining and industrial services. Ms Campbell commenced her career with KPMG and has held executive roles with Macquarie Group, Westpac Institutional Bank, Seven West Media, Bis Industries and Merivale.

Ms Campbell is currently a Non-Executive Director and Chair of the Audit Committee for Humm Group Limited and Non-Executive Director and Member of the Audit Committee of Southern Cross Media Group Limited. She is also Deputy Chair of the Australian Film, Television and Radio School. She was previously a Non-Executive Director of IVE Group Limited and The Sydney Film Festival.

Ms Campbell is a Fellow of Chartered Accountants Australia and New Zealand and a Graduate Member of the Australian Institute of Company Directors.

The Board has undertaken a review of Ms Campbell's performance and the contribution she has made to the Board and to Board Committees. The Board has also considered the skills and expertise Ms Campbell brings to the Board.

The Board considers Ms Campbell to be independent. Prior to accepting appointment and submitting herself for election, Ms Campbell confirmed that she would continue to have sufficient time to properly fulfil her duties as a Director of GUD.

The Board supports Ms Campbell's election as her substantial experience in professional services and financial executive responsibilities, further enhances the Board's ability to oversee the Company's financial performance and governance. Ms Campbell's insights, knowledge and experience are particularly valuable in her roles as chair of the Audit Committee and as a member of the Risk and Compliance and Remuneration, People and Culture Committees.

Board Recommendation

The Board (excluding Ms Campbell because of her interest) unanimously recommends that shareholders vote in favour of the resolution to elect Ms Campbell as a Director.

2.2 Election of Professor John Pollaers

Professor John C Pollaers *BElecEng (First Class Hons) BSc MBA*

Appointed Non-Executive Director on 23 June 2021. Member of the Audit Committee, Remuneration, People and Culture Committee, Nominations Committee and Risk and Compliance Committee.

Professor Pollaers has over thirty years' experience in FMCG and healthcare sectors, as well as considerable manufacturing experience. He also has experience on government advisory committees, in the education sector and not-for-profit space.

In his executive career, Mr Pollaers was CEO of Pacific Brands from 2012 until 2014 and before that was CEO of Fosters prior to the sale to SAB Miller. His executive career commenced with Diageo where he spent almost 20 years rising to the role of President Asia-Pacific.

Mr Pollaers is currently Chancellor of Swinburne University of Technology and Chairman and Founder of Leef Independent Living Solutions Pty Ltd. He was also recently appointed as Independent Chair of the Australian Financial Complaints Authority.

Mr Pollaers was formerly Chairman of the Australian Advanced Manufacturing Council, Chair of the Aged Care Workforce Strategy Taskforce for the Federal Government, Chairman of the Australian Industry and Skills Committee and a member of the Prime Minister's Industry 4.0 Taskforce.

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

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

The Board supports Mr Pollaers' election as he brings strong strategic skills, a deep understanding of manufacturing processes, customer relationship management, channel management dynamics, an innovation track record, government relations and a broad progressive commercial capability to the Board. Ms Pollaers' insights, knowledge and experience are particularly valuable in his roles as a member of the Audit, Risk and Compliance and Remuneration, People and Culture Committees.

Board Recommendation

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

Item 3 – Re-election of Mr David Robinson

Mr David D Robinson BSc MSc

Appointed Non-Executive Director on 20 December 2011, and Chair of the Remuneration, People and Culture Committee. Member of the Audit Committee, Nominations Committee and Risk and Compliance Committee.

Mr Robinson spent the 22 years prior to joining the Board with global automotive parts, general industrial and consumer products manufacturer and marketing company Robert Bosch GmbH.

In that time, he has worked in the USA, Germany and Australia and had responsibility for sales, marketing, engineering, manufacturing, accounting and personnel. He was President of Robert Bosch Australia and Robert Bosch New Zealand.

David has been chair of the Remuneration Committee since 2018.

The Board has undertaken a review of Mr Robinson'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 Robinson brings to the Board.

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

The Board supports Mr Robinson's re-election as his automotive experience is invaluable given the Group's increased exposure to the automotive aftermarket and Mr Robinson's insights, knowledge and experience are valuable to the Board.

Board Recommendation

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

Item 4 – 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 29 to 40 of the GUD Holdings Limited Annual Report for the year ended 30 June 2021 lodged with the ASX on 4 August 2021 and is also available on 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 or 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 2021 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 6 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 5 - Approval of LTI grant to Managing Director

In accordance with ASX Listing Rule 10.14, which provides that a listed company must not permit a director to acquire equity securities under an employee incentive scheme unless it obtains the approval of its shareholders, shareholder approval is sought for the proposed grant of 51,653 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 Rights to the Managing Director is his LTI opportunity for the 2021/2022 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 Rights will be subject to a performance period from 1 July 2021 to 30 June 2024 and will vest only if the performance condition and other vesting conditions are satisfied.

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 32 of the Annual Report.

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

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

TFR is the Total Fixed Remuneration of the Managing Director to be received in FY22, namely \$1,047,344.

VWAP is the volume weighted average price of the Company's shares on ASX over the ASX market trading days in June 2021 (being the month immediately prior to the commencement of the three year performance period), in this case \$12.1657.

The Rights to be granted are zero exercise price options (referred to as 'Rights'). A 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 and exercise of the vested Right. If the applicable vesting conditions attaching to the Rights are satisfied, Mr Whickman will be allocated one fully paid ordinary share in the Company for each vested and exercised Right. The Board retains a discretion to make a cash payment in lieu of an allocation of shares. Rights do not carry any voting rights prior to vesting and exercise. Any Rights which do not vest at the end of the applicable performance period will lapse.

As the 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 Rights.

If approved by shareholders, the 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). The Company uses Rights because they create share price alignment between Mr Whickman and ordinary shareholders but do not provide him with the full benefits of share ownership (such as dividend and voting rights) unless and until the Rights vest.

If shareholders do not approve the grant of Rights, it is intended that an equivalent award will be provided in cash that will be subject to similar performance conditions, performance period and other conditions as described in these Explanatory Notes.

Performance condition

The Rights will be subject to a relative 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 three year period commencing on 1 July 2021 and ending on 30 June 2024. Vesting will be determined following 30 June 2024.

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 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 mining and resource companies. 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.

In addition, the Company's absolute TSR must equal or exceed zero over the performance period for any Rights to vest and become exercisable. That means that if the Company's absolute TSR over the relevant performance period is negative, no Rights will vest, even if the percentile ranking achieved by the Company over the relevant performance period is equal to or greater than the 50% of other entities in the comparator group.

The proportion of the Rights that vest and become exercisable, if any, will be determined by reference to the percentile ranking achieved by the Company over the relevant performance period compared to the other entities in the comparator group as follows:

Relative TSR performance ranking	% of 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 or above	100%

The Board may waive or amend the performance condition if it determines that the original performance condition is no longer appropriate or applicable, provided that the interests of Mr Whickman are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

Exercise of vested Rights

Mr Whickman will be able to exercise any Rights that vest for a period of 12 years from the date of vesting (Expiry Date), subject to complying with the Company's "Dealing in Shares" Policy. If the Rights are not exercised by the end of the Expiry Date, any vested but unexercised Rights will automatically be exercised on that date.

Dividend equivalent award

On exercise of vested Rights, Mr Whickman may also receive additional shares or a cash payment in lieu of an allocation of additional shares as a dividend equivalent award in relation to those exercised Rights. The dividend equivalent award is a notional amount calculated based on the value of dividends paid by the Company during the period between the date the Rights vest and the Rights exercise date, as if the shares allocated on exercise had been held during that period ('Notional Dividend Amount').

The number of additional shares to be allocated will be determined by dividing the Notional Dividend Amount by the volume weighted average closing price of shares over the 5 trading day period prior to the date of exercise, rounded down to the nearest whole number.

Trading restrictions

Any dealing in respect of a Right (unvested or vested but unexercised) is prohibited, unless the Board determines otherwise or the dealing is required by law.

Any shares allocated following vesting and exercise of the 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 Rights, then any continued entitlement he may have to the 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 unvested Rights will lapse, unless the Board determines otherwise.

In all other circumstances including death, disability, resignation, genuine retirement, redundancy or termination by the Company for convenience, Mr Whickman will retain a pro rata number (based on how much of the performance period has elapsed at the time of ceasing employment) of unvested Rights which will remain subject to the original performance condition and terms of offer and the balance will lapse, unless the Board determines otherwise.

If Mr Whickman ceases employment with the Company and he has vested but unexercised Rights or the Rights vest in accordance with the treatment outlined above then, unless the Board determines otherwise:

- in the case of termination for cause, the vested but unexercised Rights will lapse; and
- in all other circumstances of cessation, the vested but unexercised Rights will continue to be exercisable until the end of the Expiry Date (or any earlier date determined by the Board and notified) and will be automatically exercised at the end of that last date (if not exercised earlier).

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 Rights should be accelerated. If an actual change of control occurs before the Board has exercised this discretion, a pro rata portion of the 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 Rights will vest or lapse. Any vested Rights will be automatically exercised, unless the Board determines otherwise.

Clawback

Under the Plan, the Board may exercise its discretion to lapse unvested and vested but unexercised Rights and/or forfeit shares allocated on exercise of Rights to ensure that no unfair benefit is derived by Mr Whickman, for example, in the case of fraud, dishonesty or where Mr Whickman is in breach of obligations to the Company.

Adjustments to Rights

The Board may make any adjustments it considers appropriate to the terms of a Right in order to minimise or eliminate any material advantage or disadvantage to Mr Whickman resulting from a corporate action by, or capital reconstruction in relation to, the Company, including but not limited to any return of capital, bonus issue or rights issue, in each case subject to the ASX Listing Rules.

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

Listing Rule 10.15.4 requires this Notice of Meeting to include details (including the amount) of Mr Whickman's current total remuneration:

Fixed Remuneration (including superannuation) (TFR)	\$1,047,344
Short term incentive	40% of TFR, being \$418,938
Long term incentive	60% of TFR, being \$628,406

There is no loan scheme in relation to the the grant of Rights or allocation of shares on vesting and exercise of those Rights.

Mr Whickman falls within the category of persons in ASX Listing 10.14.1 because he is a director of the Company.

Mr Whickman has been granted 58,686 Rights in FY20 and 53,198 in FY21 under the Plan in respect of prior year grants. The Rights were issued at no cost to Mr Whickman and no amount is payable on vesting or exercise of the Rights.

Details of any securities (including Rights and shares) issued under the Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.

The voting exclusion statement for this resolution is set out on page 6 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.

Item 6 – Financial Assistance – Banking facilities and Australian Clutch Services Acquisition

Australian Clutch Services Acquisition

The Company has purchased the entire issued share capital of Australian Clutch Services Pty Ltd (Target) (Acquisition).

On completion of the Acquisition, the Company became the Listed Australian Holding Company of the Target and its subsidiaries (Target Group).

Banking facilities

The main finance documents are:

1. core debt facilities with Westpac, National Australia Bank and Citibank totalling \$150 million and maturing in 2024;
2. fixed term loan with Pricoa of \$50 million and maturing in January 2028;
3. short term facilities with Westpac and National Australia Bank totalling \$25 million;
4. an overdraft facility with Westpac of \$4.9 million; and
5. a Common Terms Deed dated 29 October 2013 between GUD Holdings Limited and each other party listed in Schedule 1 of that deed (as Transaction Parties) and the Initial Financiers listed in Schedule 2 of that deed, as amended, or amended and restated from time to time (Common Terms Deed).

The Common Terms Deed includes events of default, undertakings, representations and warranties from the borrower and in relation to material subsidiaries of the Company consistent with a facility of this nature or as required by the financiers. The undertakings include:

- a negative pledge;
- undertakings not to acquire or dispose of assets; and
- undertakings not to incur financial obligations,

in each case subject to agreed exceptions.

Under the Common Terms Deed the obligations of the borrowers are guaranteed by various subsidiaries of the Company under a guarantee and indemnity provision (Guarantee) in favour of the financiers.

Under the terms of the Common Terms Deed, each member of the Target Group is required to provide a guarantee and indemnity in favour of the Company's financiers.

The Target's accession will not become effective until the procedure outlined below is completed.

Financial assistance prohibition

The entry by the Target and its performance of its rights and obligations under the Guarantee may constitute the giving of financial assistance in connection with the acquisition of shares in the Target, within the meaning of Part 2J.3 of the Corporations Act 2001 (Cth) (Corporations Act).

Section 260A(1) of the Corporations Act expressly provides that financial assistance may be given if the assistance is approved by shareholders under section 260B of the Corporations Act.

Under section 260B(1) of the Corporations Act, for a company to financially assist a person to acquire shares in itself or a holding company of the company, the financial assistance must be approved by its shareholders by:

- a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- a resolution agreed to, at a general meeting, by all ordinary shareholders.
- If, immediately after the acquisition, the company will be a subsidiary of another:
 - domestic corporation that is listed in Australia (Listed Australian Holding Company); or
 - domestic corporation that is not listed in Australia and is not itself a subsidiary of another domestic corporation (Ultimate Australian Holding Company),

then the financial assistance must also be approved by a special resolution passed under section 260B(2) (in the case of a Listed Australian Holding Company) or section 260B(3) (in the case of an Ultimate Australian Holding Company) of the Corporations Act at a general meeting of that corporation.

Financial assistance

In addition to their accession to the Guarantee, the Target may, or may be required to:

- subordinate intercompany claims;
- transfer assets to, or assume other liabilities of, the borrowers or other subsidiaries or related parties of the Company;
- make available directly or indirectly their cash flows (whether through dividends, capital distributions, intercompany loans or otherwise) or other resources in order to enable the Company and the other borrower and guarantors to comply with their payment and other obligations in respect of the financing arrangements;
- consent or agree to amendments to the finance documents, including amendments that make their obligations more onerous;
- provide additional support which may include incurring additional obligations and/or providing additional guarantees, mortgages and/or charges or other security;
- provide other financial assistance in connection with the Acquisition including, without limitation, in connection with any refinancing.

Other subsidiaries of the Target may in the future also provide or be required to provide financial assistance in connection with the Acquisition in the same form as that to be provided by the Target or in another form or governed by another jurisdiction if necessary.

Reasons for giving financial assistance

The reason for the giving of the financial assistance described above is to enable the Company to comply with certain of its obligations under the Common Terms Deed.

If such obligations are not complied with an 'Event of Default' will occur under the Common Terms Deed and any funding under the Common Terms Deed may be required to be repaid.

Effect of financial assistance

The substantial effect of the financial assistance on the Target is that it will have guaranteed all amounts payable under the Common Terms Deed. The operations of the Target will also be restricted by the representations and undertakings given in the Common Terms Deed.

Advantages of the proposed financial assistance

The advantage to the Company of the proposed financial assistance is that the accession by the Target to the Guarantee given in connection with the Common Terms Deed will become effective and so avoid an Event of Default occurring under the Common Terms Deed. If an Event of Default occurred, the financiers may require immediate repayment of the amounts due under the Common Terms Deed.

Disadvantages of the proposed financial assistance

As the Company is already liable for the amounts due under the financing arrangements, the directors of the Company do not believe there are any disadvantages to the Company of the proposed resolution, except that the operations of the Target will be restricted by the representations and undertakings given in respect of them under the finance documents.

The disadvantages of the proposed resolution for the Target include the following:

- it will become liable for the amounts due under the Common Terms Deed;
- its operations will be restricted by the representations and undertakings given in respect of it under the finance documents;
- the borrowers may default under the Common Terms Deed;
- the financiers may make a demand under the guarantees provided by the Target requiring repayment of the amounts due under the Common Terms Deed; and
- a demand made under the Guarantee may result in the winding up of the Target and a sale of its assets upon an enforcement of a judgment against them may result in a return to the Company (and ultimately its shareholders) significantly lower than could have been achieved by the Company had those assets been sold in the ordinary course of business or had the Target continued trading.

Financial assistance resolution

The financial assistance resolution in Item 6 of the notice of meeting will be passed if 75% of the votes validly cast on this item are in favour of the resolution.

Shareholders may vote either for or against the Financial Assistance Resolution.

Board Recommendation

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