



GUD Holdings Limited

ACN 004 400 891

# NOTICE OF ANNUAL GENERAL MEETING

On behalf of your Board of Directors, I am pleased to invite you to the 2022 Annual General Meeting (**AGM**) of GUD Holdings Limited (**GUD** or **Company**), to be held on Thursday 27 October 2022 at 10:00am (AEDT) at Club Pavilion, Level 2, RACV Club, 501 Bourke Street, Melbourne 3000 and online at <https://meetnow.global/MMFZVXS>.

We are pleased to be able to meet in person once again with our shareholders. However, due to the ongoing uncertainties associated with the COVID-19 pandemic, GUD intends to hold the 2022 AGM as a hybrid meeting. This means that subject to any COVID-19 or other health restrictions applying at the time, you will have the option of attending the AGM in person or online.

Whether you intend to attend the meeting in person or 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](http://www.investorvote.com.au) by 10:00am (AEDT) on Tuesday, 25 October 2022.

Shareholders attending the AGM in person or online will be able to view and listen to the meeting, ask questions in real time during the AGM in person (if attending physically), or verbally and in writing (if attending online) and vote on the resolutions to be considered at the AGM by live voting during the meeting. 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/AGM2022](http://www.gud.com.au/AGM2022).

The 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. The Notice of Meeting is available on the Company's website at [www.gud.com.au/AGM2022](http://www.gud.com.au/AGM2022).

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

1. receive and consider the formal reports for the Financial Year ended 30 June 2022;
2. re-elect Mr Graeme Billings as a Non-Executive Director of the Company;
3. adopt the 2022 Remuneration Report;
4. approve the grant of long-term incentives (**Rights**) to Mr Graeme Whickman, the Managing Director and Chief Executive Officer;
5. approve the award of STI deferred equity to Mr Graeme Whickman, the Managing Director and Chief Executive Officer; and
6. approve financial assistance for banking facilities and the Auto Pacific Group acquisition.

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

Further information on how to participate in the meeting is provided in the Notice of Meeting, and in the AGM Online Guide, which can be accessed on the Company's website at [www.gud.com.au/AGM2022](http://www.gud.com.au/AGM2022).

## How to submit your vote in advance of the meeting

Proxy votes must be received by 10.00am (AEDT) on Tuesday, 25 October 2022 to be valid for the meeting.

Instructions on how to appoint a proxy are on the online voting website, [www.investorvote.com.au](http://www.investorvote.com.au) and on page 5 of the Notice of Meeting under 'Proxy lodgement'.

## Other Company documents and how to update your communication preference

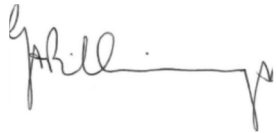
Please review the GUD website at [www.gud.com.au/AGM2022](http://www.gud.com.au/AGM2022) for the following documents:

- 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 2022 (including the GUD Corporate Governance Statement) and Notice of Meeting 2022;
- the GUD Sustainability Review 2022; and
- copies of news releases and financial presentations.

GUD is closely monitoring the developments relating to COVID-19 and current health advice. Shareholders are encouraged to check GUD's website at <http://www.gud.com.au/AGM2022> and the ASX announcements where updates in relation to the AGM will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the meeting.

We look forward to engaging with shareholders at the AGM, and I hope that you will participate in the meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Graeme Billings', with a long horizontal stroke extending to the right.

Graeme Billings

**Chairman**

20 September 2022

**Notice is given that the 2022 Annual General Meeting (“AGM” or “Meeting”) of shareholders of GUD Holdings Limited (“GUD” or “Company”) will be held on Thursday, 27 October 2022 at 10:00am (AEDT) at Club Pavilion, Level 2, RACV Club, 501 Bourke Street, Melbourne 3000 and online.**

Shareholders can attend in the AGM in person or online via the online portal at <https://meetnow.global/MMFZVXS>. Further information on how to attend the Meeting online is set out in this Notice of Meeting and in the Online Meeting Guide. In person registration, and the online platform, will open from 9.30am.

## **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 2022.

### **2. Re-election of Director**

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

#### **Re-election of Mr Graeme Billings**

“That Mr Graeme Billings, 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.*

### **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 2022 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 and does not bind the Directors or the Company.)*

### **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 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.*

### **5. Approval of award of STI Deferred Equity to Managing Director**

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

“That approval is given for the for the grant of shares to the Company’s Managing Director, Mr Graeme Whickman, under the Company’s Short Term Incentive Equity Plan, as the deferred component of his annual short-term incentive award for the year ended 30 June 2022, for performance achieved on the terms summarised in the Explanatory Notes to this Notice of 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 AutoPacific Group 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 AutoPacific Group TopCo Pty Ltd, and subsidiaries, from time to time in connection with the Acquisition as described in the Explanatory Notes to this Notice of Meeting.”

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

Please refer to the Explanatory Notes and information for shareholders, which form part of this Notice of Meeting, for information regarding each item of business and attending the AGM.

By order of the Board

**Malcolm G Tyler**

Company Secretary

20 September 2022

## Information for shareholders

### Attending the Meeting in person

Shareholders are invited to attend the Meeting in person. If you are planning to attend the Meeting in person, please bring your proxy form (either the hard copy or online version) so that your personalised barcode can be scanned on registration. Registration opens at 9.30am.

### Attending the Meeting online

If you are planning to participate in the Meeting online, you will be able to do so using your computer, tablet or smartphone. Shareholders wishing to participate online must use the Computershare Meeting Platform to attend and participate in the meeting.

To participate in the meeting, you can log in by entering the following URL <https://meetnow.global/MMFZVXS> on your computer, tablet or smartphone.

Online registration will open 30 minutes before the Meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact Computershare prior to the Meeting to obtain their login details.

To participate in the Meeting online log in to above URL and follow the instructions below:

1. Click on 'Join Meeting Now'.
2. Enter your SRN/HIN.
3. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.
4. Accept the Terms and Conditions and 'Click Continue'.

Proxyholders will need to contact Computershare on +61 3 9415 4024 one hour prior to the Meeting to obtain their login details.

You can view the Meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress. Further information on how to participate in the Meeting is provided in the Notice of Meeting and in the AGM Online Guide, which can be accessed on the Company's website at: [www.gud.com.au/AGM2022](http://www.gud.com.au/AGM2022).

### 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, 25 October 2022 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 AGM in one of the following ways:

- live and in person at the Meeting;
- live and online during the Meeting using the online platform;
- in advance of the Meeting, by appointing a proxy and directing your proxy how to vote; 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 of the Meeting 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](http://www.investorvote.com.au) or by copying your hard copy proxy form and submitting both together. 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.

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 or does not vote as directed, the Chairman will become your proxy by default and must vote in accordance with any directions given (subject to applicable voting restrictions).

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, 4 and 5 unless you have directed them how to vote or you have appointed the Chairman of the Meeting as your proxy. Additionally, Mr Wickman and his associates will not be able to vote your proxy in favour of Items 4 or 5 unless you direct them how to vote. If you intend to appoint any of those persons as your proxy, you should ensure that you direct that person how to vote on Items 3, 4, and 5. The circumstances in which KMP will be excluded from voting on Items 3, 4 and 5 are set out below under the heading 'Voting Exclusions'.

The term "closely related party" is defined in the Corporations Act 2001 (Cth) (**Corporations Act**) and includes a KMP's spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

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, 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 3, 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 3, 4 and 5, by completing and submitting the proxy form you will be deemed to have expressly authorised the Chairman of the Meeting to vote as he decides.

The Chairman of the Meeting intends to vote all available proxies in accordance with the Board recommendations set out in the Explanatory Notes accompanying this Notice of Meeting.

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 by 10.00am (AEDT) on Tuesday, 25 October 2022.

You can submit your proxy form online at [www.investorvote.com.au](http://www.investorvote.com.au) or by downloading the proxy form online at [www.gud.com.au/AGM2022](http://www.gud.com.au/AGM2022) and submitting it in accordance with the instructions on the proxy form and outlined below.

### **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 (unless it has previously been given to the Company).

#### **Proxy lodgement**

*By 10.00am (AEDT) on Tuesday, 25 October 2022*

#### **Online**

[www.investorvote.com.au](http://www.investorvote.com.au)

#### **By facsimile**

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

#### **By mail**

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

For Intermediary Online subscribers only:

(custodians) [www.intermediaryonline.com](http://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 on the items of business during the Meeting, including an opportunity to ask questions of the Company's Auditor, KPMG. Shareholders participating in the Meeting online will have the opportunity to ask questions in writing and verbally. If you attend the Meeting online and wish to ask a question verbally, the platform will provide you with a phone number to dial on the day. Please note this phone line is accessible for questions and comments only. You will not be able to cast your votes via phone. The AGM Online Guide provides further details on asking questions.

You may also 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 Thursday, 20 October 2022.

Shareholders can submit written questions by completing an online shareholder question form which is available online at [www.investorvote.com.au](http://www.investorvote.com.au) or by completing an online shareholder question form on GUD's website at [www.gud.com.au/AGM2021](http://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](mailto:investors@gud.com.au)

The Chairman of the Meeting 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 Meeting. The Chairman of the Meeting 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 of the Meeting will have regard to the number of shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where considered appropriate, the Chairman of the Meeting may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders, particularly those who plan on attending online, are encouraged to vote in advance of the meeting by lodging a directed proxy by 10.00am on Tuesday, 25 October 2022.

## 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 2022 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 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 3:

- in accordance with a direction as to how to vote on the proxy form or received online (as applicable); or
- by the Chairman of the Meeting where they have been expressly authorised to exercise the proxy as they think fit (even though the resolution is connected directly or indirectly with the remuneration of KMP).

### Item 4 – Approval of LTI grant to Managing Director

The Company will disregard any votes cast on Item 4:

- 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
- 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:

- as proxy or attorney for a person entitled to vote on Item 4 in accordance with a direction given to the proxy or attorney to vote on Item 4 in that way; or
- as proxy for a person entitled to vote on Item 4 by the Chairman of the Meeting, in accordance with an express authorisation to exercise the proxy as the Chairman of the Meeting 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.

### Item 5 – Approval of award of STI Deferred Equity to Managing Director

The Company will disregard any votes cast on Item 5:

- 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
- 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 Chairman of the Meeting, in accordance with an express authorisation to exercise the proxy as the Chairman of the Meeting 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 2022 GUD Annual Report is available online at the Company's website [www.gud.com.au](http://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](http://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 2022 and the Directors' Report and Auditor's Report are set out in the GUD Holdings Limited Annual Report 2022.

Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders to approve these 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 2022 Annual Report on the Company's website ([www.gud.com.au](http://www.gud.com.au)).

### Item 2 – Re-election of Mr Graeme Billings

#### **Mr Graeme Billings**

#### ***B Com FCA MAICD***

Appointed Non-Executive Director on 20 December 2011 and Chairman on 4 September 2020.

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 Austco Healthcare Ltd (appointed 21 October 2015), and a Non-Executive Director of Clover Corporation Limited (appointed 20 May 2013) where he is Chair of the Audit Committee. He was formerly a Non-Executive Director of DomaCom Limited (retired 15 June 2021).

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 and Chair of GUD.

The Board supports Mr Billings' re-election as his insights, knowledge and experience are valuable to the Board.

#### **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 40 to 55 of the GUD Holdings Limited Annual Report for the year ended 30 June 2022 lodged with the ASX on 15 August 2022 and available on the Company's website ([www.gud.com.au](http://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 2022 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 4 - 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 92,336 Rights to the Managing Director, Mr Graeme Whickman, under the Company's Long Term Incentive Equity Plan (**LTI 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 FY23. 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 2022 to 30 June 2025 and will vest 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 pages 45 and 46 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:

$$\# = \text{TFR} \times 80\% / \text{VWAP}, \text{ where}$$

TFR is the Total Fixed Remuneration of the Managing Director to be received in FY23, namely \$1,088,138.

VWAP is the volume weighted average price of the Company's shares traded on ASX over the ASX market trading days in June 2022 (being the month immediately prior to the commencement of the three year performance period), in this case \$9.4276.

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.

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.

##### **Performance conditions**

The Rights will be granted in three tranches, each tranche subject to a performance condition.

##### Tranche 1 - Total Shareholder Return (40% of opportunity)

The first tranche, with a weighting of 40% of the total number of Rights to be granted, is 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 2022 and ending on 30 June 2025. Vesting will be determined following 30 June 2025.

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 in the first tranche to vest and become exercisable, the Company's TSR must be equal to or greater than the median TSR performance of the comparator group.

The comparator group is those stocks comprised in the ASX 300 Consumer Discretionary Index, of which the Company forms part. 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 in the tranche vest
TSR below 50th percentile	Nil
TSR at 50th percentile	45%
TSR between 50th and 75th percentile	Straight line vesting from 45% to 100%
TSR at 75th percentile or above	100%

### Tranche 2 - Earnings Per Share (40% of opportunity)

The second tranche, with a weighting of 40% of the total number of Rights to be granted, is subject to an Earnings Per Share growth performance condition.

Earnings Per Share (**EPS**) growth is measured as the cumulative annual growth rate in the Company's EPS over the three years from 1 July 2022 through 30 June 2025.

The proportion of the Rights that vest and become exercisable, if any, will be determined by reference to the following:

<b>EPS growth</b>	<b>% of Rights in the tranche vest</b>
EPS growth below target of 4%	Nil
EPS growth at target of 4%	45%
EPS growth between target and maximum	Straight line vesting from 45% to 100%
EPS growth at maximum of 8% or above	100%

Earnings Per Share is disclosed in the financial statements as Underlying Basic Earnings Per Share. Underlying Basic EPS is reported to the ASX when the financial statements are released in the 'Results for Announcement to the Market'. As a base point, Underlying Basic Earnings Per Share for FY22 is 64.6 cents per share.

### Tranche 3 – Environmental Sustainability (20% of opportunity)

The Company has recognised the growing importance of sustainability over recent years, at first including in FY22 additional performance metrics in the STI plan.

This third tranche of the FY23 LTI grant has a weighting of 20% of the total number of Rights to be granted. The performance measure for the Environmental Sustainability tranche is based on the percentage of the automotive business revenue derived from non-internal combustion engine (**non-ICE**) vehicle products in FY25. This aligns with our Plan GUD2025 which included in its portfolio vision an objective to achieve 75%+ automotive revenue from non-ICE vehicle products by 2025. In addition, the EPS growth target (refer tranche 2 above) must be met before any achievement under this tranche will be recognised and rewarded.

The proportion of the Rights that vest and become exercisable, if any, will be determined by reference to the following:

<b>% of revenue for the Automotive Group generated from non-ICE products in FY25</b>	<b>% of Rights in the tranche vest</b>
Below target of 79%	Nil
At target of 79%	45%
Between target and maximum	Straight line vesting from 45% to 100%
At maximum of 81% or above	100%

### **Board discretions**

The Board may exercise its discretion to waive or amend any 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 vesting of 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) or where he voluntarily resigns his employment with the Company, all unvested Rights will lapse, unless the Board determines otherwise.

In all other circumstances including death, disability, 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 or voluntary resignation, 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, as required by the ASX Listing Rules, is provided after the Explanatory Notes on Item 5.

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 5 - Approval of award of Restricted Shares to Managing Director under FY22 STI Plan**

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 award of 18,047 Restricted Shares to the Managing Director, Mr Graeme Whickman, under the Company's Short Term Incentive Equity Plan (**STI Plan**) and on the terms set out below.

#### **Details of proposed award**

The proposed award of Restricted Shares to the Managing Director is an outcome of his STI achievement for FY22. The proposed award 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.

For FY22, the Managing Director was entitled to receive an STI award of up to 90% of his total fixed remuneration as his maximum STI opportunity, being \$942,609 with:

- 60% (\$628,406) comprising a cash bonus, subject to financial metrics; and
- 30% (\$314,203) comprising a deferred equity component to be awarded in the form of Restricted Shares, subject to non-financial metrics and shareholder approval.

At the end of FY22, the Board assessed the achievement of the STI performance conditions and determined the Managing Director's STI deferred equity award to be \$170,141 (representing 54% of his target opportunity, equivalent to 16.2% of his total fixed remuneration).

#### **FY22 STI award – Restricted Shares grant**

Subject to shareholder approval, Mr Whickman will be awarded 18,047 Restricted Shares (rounded to the nearest whole number), calculated by applying the formula:

$$\# = \text{TFR} \times 16.2\% / \text{VWAP}, \text{ where}$$

TFR is the Total Fixed Remuneration of the Managing Director 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 2022 (being the month immediately prior to the end of the one year performance period), in this case \$9.4276.

The percentage of 16.2% represents the outcome of the Managing Directors' FY22 non-financial metrics STI and is derived by performance achieved by the Group in two of the three key non-financial metrics established by the Board in early FY22.

Once allocated to Mr Whickman, the Restricted Shares will be subject to:

- a holding lock until 1 July 2023;
- forfeiture if Mr Whickman ceases to be employed by the Company at any time before 1 July 2023;
- a continuing Board discretion to clawback or cancel the award.

As the Restricted Shares form part of Mr Whickman's remuneration, they will be granted at no cost and there will be no amount payable on vesting. The Company may issue new shares or acquire shares on market to satisfy awards under the STI Plan. The Board retains a discretion to make a cash equivalent payment in lieu of an allocation of shares.

The key terms of the proposed award are set out below. A summary of the operation of the STI Plan is set out in the Remuneration Report on page 44 of the Annual Report.

#### **Performance conditions**

The deferred equity component of Mr Whickman's FY22 STI award was subject to achievement of a gateway financial metric and three non-financial performance conditions related to environmental, social and governance (**ESG**) metrics.

The qualifying requirements for Mr Whickman to be eligible to be awarded his deferred equity component (to be delivered in the form of Restricted Shares) were:

- the CVA targets for the Group must be achieved – this was achieved, see section 5 of the Remuneration Report;
- the threshold targets for the non-financial metrics must be achieved – threshold was achieved on two of three metrics; and
- Mr Whickman must remain employed by the Company as of 1 July 2023.

**Gateway metrics:** CVA measures a true level of performance of the business by comparing trading profit performance (being reported profit adjusted for non-recurring items) with the return required on the net assets used by the businesses, generally a measure of weighted average cost of capital. For FY22, the CVA target was achieved. Accordingly, the gateway condition was satisfied.

**Non-financial conditions:** Three non-financial metrics were introduced into the STI Plan for FY22, targeting three areas key to our ESG objectives. The three metrics were:

- a key measure of employee engagement;
- a key safety metric (loss time frequency rate); and
- a key ethical sourcing objective.

Each is separately weighted and independently assessed.

The achievement of threshold performance for any one metric will result in Mr Whickman being eligible for an award of Restricted Shares in value equivalent to 5% of the Managing Director's total fixed remuneration with the potential to increase to 10% on achievement of the stretch target, which is achieved on top-quartile performance against the relevant benchmark. Accordingly, the maximum potential award for the Managing Director equates to 30% of his TFR.

Threshold performance was achieved on two of three metrics. Accordingly, 16.2% of TFR, being 54% of the maximum potential award of the deferred equity component of Mr Whickman's FY22 STI opportunity, is eligible to be awarded in Restricted Shares.

The Remuneration, People and Culture Committee determines STI outcomes after the conclusion of the financial year in accordance with the plan rules.

#### **Board discretions**

Restricted Shares are to be registered in the name of Mr Whickman. However, a holding lock is placed on those shares until the later of 1 July 2023 or when the GUD share price is equal to or higher than the equity raise price in December 2021 (i.e., \$10.40). The Board retains the discretion to forfeit or withhold the award in circumstances of malus or otherwise warranting clawback (see below), at any time up until the release of the holding lock.

#### **Dividend and voting rights**

The Restricted Shares rank equally with existing fully paid ordinary shares and hence the holder will be entitled to receive dividends and notices of and vote at all meetings of the members of the Company.

#### **Trading restrictions**

The Restricted Shares are subject to a holding lock over those shares, which may not be traded or otherwise dealt with, until the later of 1 July 2023 or when the GUD share price is equal to or higher than the equity raise price in December 2021 (i.e., \$10.40). Once the Shares cease to be subject to the holding lock, Mr Whickman will be free to deal with his Shares, subject to the Company's Dealing in Shares Policy.

#### **Cessation of employment**

The Board may disqualify and determine to forfeit some or all of the Restricted Shares if Mr Whickman does not remain employed by GUD as at 1 July 2023.

#### **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 the Restricted Shares should be released from the holding lock. If an actual change of control occurs before the Board has exercised this discretion, The Restricted Shares shall immediately be released from the holding lock.

### **Clawback**

Under the Plan, the Board may exercise its discretion to forfeit Restricted Shares allocated 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.

Other information relating to the STI grant, as required by the ASX Listing Rules, is provided below.

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.

### **Items 4 and 5 – Additional information provided in accordance with the ASX Listing Rules.**

- Mr Whickman's total remuneration package for FY23 comprises:

Fixed Remuneration (including superannuation) (TFR)	\$1,088,138
Short term incentive maximum opportunity	90% of TFR, being \$979,324
Long term incentive maximum opportunity	60% of TFR, being \$652,883

- Mr Whickman is the only Director entitled to participate in and receive Rights under the LTI Plan and Restricted Shares under the STI Plan.
- There is no loan scheme in relation to the grant of Rights, Restricted Shares or allocation of shares on vesting and exercise of Rights or as the dividend equivalent award.
- Mr Whickman falls within the category of persons in ASX Listing 10.14.1 because he is a director of the Company.
- Mr Whickman was granted 58,686 Rights in FY20. The TSR percentile rank for the three-year period ended 30 June 2022 was at the 59.7th percentile, that is above the median company of the comparator group. Accordingly, under the LTI Plan rules, 69.4% (40,728) of those Rights vested and the balance (17,958) lapsed. The Rights were issued at no cost to Mr Whickman and no amount was payable on vesting or exercise of the Rights.
- Mr Whickman was granted 53,198 Rights in FY21 and 51,653 Rights in FY22 under the LTI 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. Earlier LTI grants have vested or lapsed.
- The Restricted Shares the subject of item 5 are the first grant of Restricted Shares under the STI Plan to the Managing Director. The Restricted Shares are to be allocated at no cost to Mr Whickman and no amount is payable on release from the holding lock.
- If the resolutions in items 4 and 5 are approved by shareholders, the Rights and Restricted Shares 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).
- If the resolutions in items 4 and 5 are not approved, it is intended that awards will be provided in cash at an equivalent value to the Rights and Restricted Shares and that will be subject to similar performance conditions, performance period and other conditions as described in these Explanatory Notes.
- Details of any securities (including Rights and shares) issued under the STI Plan or LTI 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 LTI Plan or STI 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.

### **Item 6 - Financial Assistance – Banking facilities and AutoPacific Group acquisition**

#### **AutoPacific Group Acquisition**

The Company has purchased the entire issued share capital of AutoPacific Group TopCo 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 facilities are:

- available core debt facilities with Westpac, National Australia Bank and Citibank totalling approximately \$382 million and maturing across the 2023, 2024, 2025 and 2026 financial years;
- fixed term loans with Pricoa of approximately:
  - AUD\$217 million maturing across the 2028 to 2034 financial years; and
  - USD \$6.9 and \$31.7 million maturing in November 2030 and 2031 respectively;
- short term facilities with Westpac and National Australia Bank totalling \$31 million;
- an overdraft facility with Westpac of \$4.9 million; and
- 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; and
- 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.