



GUD Holdings Limited

ACN 004 400 891

NOTICE OF ANNUAL GENERAL MEETING

The 2020 Annual General Meeting of GUD Holdings Limited (the Company) will be held as a virtual meeting on Tuesday, 27 October 2020 at 10:00am (AEDT) to transact the following business. Online registration will commence at 9:30am.

Due to the continuing developments in relation to coronavirus (COVID-19), we are making some changes to our approach this year, with the health and safety of our shareholders and employees being of paramount importance. In light of the current government restrictions on large gatherings, it is not feasible or advisable for shareholders to physically attend this year's AGM.

Accordingly, we have adopted measures to allow shareholders to participate in the AGM online this year. Specifically, the AGM will be made accessible to shareholders 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. These processes are set out in this notice of meeting.

The Directors of GUD encourage shareholders to participate in the meeting via the online platform. Shareholders who are unable to participate in the online AGM or choose not to attend the meeting are encouraged to appoint a proxy ahead of the meeting to cast their vote at the meeting. If you wish to appoint a proxy, please lodge your proxy online at www.investorvote.com.au.

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/AGM2020 or submitting an online question when voting online at www.investorvote.com.au.

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 20 June 2020;
2. elect Ms Jennifer Douglas as a non-executive director of the company;
3. adopt the 2020 remuneration report;
4. approve the grant of long-term incentives (rights) to Mr Graeme Whickman, the managing director; and
5. renew the proportional takeover provisions in the Company's constitution

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

How to participate in the AGM online

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

(a) from their computer, by entering the URL in their browser: <https://web.lumiagm.com/304355206>;

(b) from their mobile device, by either entering the URL in their browser: <https://web.lumiagm.com/304355206>; or by using the Lumi AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

On entering the Lumi app you will need to enter the Meeting ID for the GUD AGM.

Meeting ID: 304-355-206

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/AGM2020.

How to watch the webcast

The meeting will also be webcast live from www.gud.com.au/investor-relations/webcasts, however as distinct from the online platform, shareholders will not be able to vote and ask questions in real time on the webcast (the Lumi online platform referred to above will be available for this).

If you are planning to watch the webcast, we encourage you to submit a proxy and any questions ahead of the meeting.

How to submit your vote in advance of the meeting

Proxy votes must be received by 10.00am (AEST) on Sunday 25 October 2020 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 e-mail 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 2020 (including the GUD Corporate Governance Statement) and Notice of Meeting 2020;
- the GUD Sustainability Review 2020; 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 www.gud.com.au/AGM2020 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 online.

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 2020.

2. Election of Jennifer Douglas

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

“That Ms Jennifer Douglas, who was appointed as a Non-Executive Director of the Company on 1 March 2020 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.”

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

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 2020 (as set out in the Directors’ Report on pages 31 to 42 of the 2020 Annual Report) be adopted.”

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

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

4. Approval of LTI grant to Managing Director

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

“That approval is given for the grant of 53,198 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. Renewal of proportional takeover approval provisions

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

“That the Company renew the proportional takeover approval provisions contained in Rule 73 of the Company’s constitution with effect from 1 December 2020 for a period of 3 years.”

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 2020

Information for shareholders

Participating in the meeting – online registration

You will be able to attend and participate in the Annual General Meeting online 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/304-355-206>; OR
- by following the link that will be made available on the Company's website at: www.gud.com.au/AGM2020.

You can also participate in the Annual General Meeting using your mobile phone or device by downloading the Lumi AGM app from the Apple App or Google Play Stores by searching for Lumi AGM.

You will need your SRN/HIN to register for Meeting.

Further information about how to log in to the Lumi online platform or the Lumi AGM app, 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/AGM2020

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 Sunday 25 October 2020 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 two ways:

-live and online during the meeting using the Lumi online platform, or the Lumi AGM app (if you are participating on your mobile phone or device); 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 Sunday 25 October 2020.

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

Where a shareholder wishes to appoint two proxies, 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 attend the meeting, the Chairman will become your proxy by default. The Chairman intends to vote all available proxies in accordance with the Board recommendations set out in the Explanatory Notes accompanying this Notice of Annual General Meeting.

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

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

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

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

If you intend to appoint a member of the KMP as your proxy, please ensure that you direct them how to vote on Items 3 and 4. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him how to vote on Items 3 and 4 by marking the relevant boxes on the proxy form. However, if the Chairman of the meeting is your proxy (or becomes your proxy by default) and you do not mark any of the boxes opposite Items 3 and 4, by 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 Sunday 25 October 2020.

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 on the items of business during the meeting via the Lumi online platform, including an opportunity to ask questions of the Company's Auditor, KPMG.

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 Tuesday 20 October 2020.

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/AGM2020.

Alternatively, you can send any written questions to:

GUD Holdings Limited AGM

PO Box 62

Sunshine, Victoria 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 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 2020 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 3:

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

Item 4 – Approval of LTI grant to Managing Director

The Company will disregard any votes on Item 4:

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

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

- 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 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.
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Reviewing the Annual Report

A copy of the 2020 GUD Annual Report is available online at the Company's website www.gud.com.au.

Share Registry

Computershare Investor Services Pty Limited

GPO Box 242

Melbourne Victoria 3001 Australia

Yarra Falls, 452 Johnston Street

Abbotsford Victoria 3067 Australia

Enquiries within Australia – 1300 850 505

Enquiries outside Australia - +61 3 9415 4000

Website – www.investorcentre.com

EXPLANATORY NOTES

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

Item 1 – Financial statements and reports

The annual financial report of the Company and its controlled entities for the year ended 30 June 2020 and the Directors' Report and Auditor's Report are set out in the GUD Holdings Limited Annual Report 2020.

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

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

Shareholders can access a copy of the 2020 Annual Report on the Company's website (www.gud.com.au).

Item 2 – Election of Ms Jennifer Douglas

J A Douglas* BSc LLB(Hons) LLM MBA GAICD

Appointed Non-Executive Director on 1 March 2020.

Ms Douglas, who was appointed as a Director since the last Annual General Meeting (following appropriate background checks, including criminal, bankruptcy, education, qualifications and reference checks), presents herself for election by shareholders.

Ms Douglas has significant experience as an executive in the communications and technology sectors having held a diverse range of executive roles at Telstra and Sensis from 1997 to 2016 and playing a lead role in driving customer centred growth and change. Prior to this, Ms Douglas was a lawyer with Mallesons and Allens where she specialised in intellectual property, communications and media law.

Ms Douglas is currently a Non-Executive Director of Hansen Technologies Limited (appointed 15 February 2017), a Non-Executive Director of Opticomm Limited (appointed 21 August 2017) where she is Chair of the Remuneration Committee and a Non-Executive Director of Essential Energy (appointed 15 March 2018) where she is Chair of the Regulatory Committee. She is also a Non-Executive Director of St Kilda Football Club and Peter MacCallum Cancer Foundation and a former Non-Executive Director of Telstra SNP Monitoring (retired 2016), Family Life Inc (retired 2010), Pacific Access Superannuation Fund (retired 1999) and Kilvington Girls Grammar School (retired 1994).

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

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

The Board believes Ms Douglas' substantial experience in communications and technology with considerable executive and strategic responsibilities, further enhances the Board's ability to oversee the Company's performance and governance. Ms Douglas' insights, knowledge and experience are particularly valuable in her roles as a member of the Risk and Compliance, Audit and People, Risk and Culture Committees.

Board Recommendation

The Board (excluding Ms Douglas because of her interest) unanimously recommends that shareholders vote in favour of the resolution to elect Ms Douglas 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 31 to 42 of the GUD Holdings Limited Annual Report for the year ended 30 June 2020 lodged with the ASX on 28 July 2020 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 2020 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 53,198 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 2020/2021 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 2020 to 30 June 2023 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 34 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:

= TFR x 60% / VWAP, where

TFR is the Total Fixed Remuneration of the Managing Director to be received in FY21, namely \$994,000¹.

VWAP is the volume weighted average price of the Company's shares on ASX over the ASX market trading days in June 2020 (being the month immediately prior to the commencement of the three year performance period), in this case \$11.211.

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 3 year period commencing on 1 July 2020 and ending on 30 June 2023. Vesting will be determined following 30 June 2023.

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)	\$994,000 ¹
Short term incentive	40% of TFR, being \$397,600
Long term incentive	60% of TFR, being \$596,400

Note:

1. At its meeting in late July 2020 the Board Remuneration, People and Culture Committee resolved to defer consideration of all executive remuneration for FY21 up to its meeting in December 2020. Hence the calculation of the number of Rights to be granted to Mr Wickman in relation to FY21 is based upon a remuneration equivalent to his intended Total Fixed Remuneration in FY20, namely \$994,000. Shareholders are referred to the Remuneration Report for further details of Mr Whickman's FY20 remuneration.

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 Rule 10.14.1 because he is a director of the Company.

Mr Whickman has been granted 30,134 Rights in FY19 and 58,686 Rights in FY20 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 5 – Renewal of proportional takeover approval provisions

The Corporations Act permits a company to include in its constitution a provision which enables the company to refuse to register a transfer of shares acquired under a proportional takeover bid unless a resolution is first passed by shareholders approving the bid. These provisions must be renewed every three years, or they will cease to have effect.

Rule 73 of the Company's constitution currently contains provisions dealing with proportional takeover bids for GUD shares in accordance with the Corporations Act. The proportional takeover approval provisions in the Company's constitution were last renewed with the approval of shareholders at the 2017 AGM for a period of 3 years with effect on and from 1 December 2017. Accordingly, the provision will cease to operate from 1 December 2020 unless renewed by the proposed special resolution.

If these provisions are renewed by shareholders at the meeting, they will be in exactly the same terms as the existing provisions and will operate for a further three years.

A copy of the Company's current Constitution is available on the Company's website (www.gud.com.au).

Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares (ie. less than 100%).

Effect of Rule 73 provisions on a proportional takeover bid

- If a proportional takeover bid is made for the securities of the Company, the Directors must ensure that shareholders vote on a resolution to approve the bid at a meeting held more than 14 days before the bid closes.
- Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote. The vote is decided on a simple majority. The bidder and its associates are not allowed to vote.
- If the resolution to approve the bid is passed, transfers pursuant to the bid may be registered, but, if the resolution is lost, the bid is taken to be withdrawn. If the resolution is not voted on, the bid is taken to have been approved.
- Under current requirements of the Corporations Act, the new provisions would only apply for 3 years, unless renewed by a further special resolution in a general meeting.
- The provision does not affect a full takeover bid.

No knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire or to increase the extent of a substantial interest in the Company.

Reasons for and potential advantages and disadvantages of Rule 73

The Directors consider that the renewal of the proportional takeover approval provisions has no potential advantages or disadvantages for them personally.

The reasons for and potential advantages of Rule 73 for shareholders include:

- Shareholders should be able to vote on whether a proportional takeover bid should proceed;
- It may help shareholders avoid being locked in as a minority and may prevent a bidder acquiring control of the Company without paying a satisfactory control premium for their shares;
- It increases shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is adequately priced;
- The right to vote on a proportional takeover bid may also avoid a situation arising where shareholders feel pressured to accept the bid even if they do not want it to succeed;
- Shareholders have the opportunity to ascertain the views of other shareholders which may help each individual shareholder assess the likely outcome of the proportional takeover bid and to decide whether to accept or reject that offer; and
- The provision is likely to influence an intending bidder to structure its offer in a way which is attractive to a majority of shareholders.

The potential disadvantages for shareholders of Rule 73 include:

- It may discourage proportional takeover bids and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a proportional bid being made;
- It may also be considered to constitute an additional restriction on the ability of shareholders to deal freely with their shares;
- Shareholders may lose an opportunity to sell some of their shares at a premium; and
- It may reduce the chance of a proportional takeover bid being successful.

The Directors do not believe the possible disadvantages outweigh the advantages of the proportional takeover provisions operating for the next three years. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

Review of proportional takeover approval provisions

Whilst similar takeover approval provisions have been in effect under the Company's constitution, there have been no full or proportional takeover offers for the Company.

Therefore, there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and the shareholders, respectively, during this period.

Board Recommendation

The Directors unanimously recommend that shareholders vote in favour of the resolution.