



Notice of annual general meeting and explanatory memorandum

Godfreys Group Limited

ACN 602 722 985

Date: Thursday 12 October 2017

Time: 11.00 am (Melbourne time)

Place: Clayton Utz
Level 18
333 Collins Street
Melbourne Victoria 3000

NOTICE OF 2017 ANNUAL GENERAL MEETING

NOTICE is given that the 2017 Annual General Meeting of Godfreys Group Limited will be held at Clayton Utz, Level 18, 333 Collins Street, Melbourne Victoria 3000 on Thursday 12 October 2017 at 11.00 am (Melbourne time).

BUSINESS

Shareholders are invited to consider the following items of business at the Annual General Meeting:

Ordinary Business

1. FINANCIAL AND RELATED REPORTS

Agenda Item 1	Financial and Related Reports
Description	To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2017.

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING VOTE)

Resolution 1	Adoption of Remuneration Report (Non-Binding Vote)
Description	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2017 Annual Report and is available from the Company's website (www.godfreys.com.au). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT the Remuneration Report for the financial year ended 30 June 2017 included in the Directors' Report of the Annual Report as required under section 300A of the Corporations Act, be adopted by the Company."</i>
Voting Exclusion	The Company will disregard any votes cast on this resolution: <ul style="list-style-type: none">• by or on behalf of a member of the KMP named in the remuneration report for the year ended 30 June 2017, or that KMP's closely related party, regardless of the capacity in which the vote is cast;• as a proxy by a member of the KMP at the date of the meeting, or that KMP's closely related party, unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:<ul style="list-style-type: none">○ in accordance with their directions of how to vote as set out in the proxy appointment or;○ by the Chairman pursuant to an express authorisation on the Proxy Form.

3. RE-ELECTION OF DIRECTOR

Resolution 2	Re-Election of Brendan Fleiter as Director
Description	Mr Brendan Fleiter retires as a Director of the Company in accordance with Article 47(b)(i) of the Company's Constitution and, being eligible, offers himself for re-election under Article 47(c) of the Constitution.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT Mr Brendan Fleiter, having retired from his office as a Director in accordance with Article 47(b)(i) of the Company's Constitution and, being eligible under Article 47(c) of the Constitution, having offered himself for re-election, be re-elected as a Director of the Company."</i>

4. LONG-TERM INCENTIVE PLAN

Resolution 3	Approval of the Long-Term Incentive Plan (LTIP)
Description	The Company seeks shareholder approval for the Company's Long-Term Incentive Plan (LTIP or Plan) for the purposes of the ASX Listing Rules and the Corporations Act.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT, for the purposes of Exception 9 in ASX Listing Rule 7.2, sections 259B(2) and 260C(4) of the Corporations Act, and for all other purposes, shareholders approve the Long Term Incentive Plan and the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."</i>
Voting Exclusion	The Company will disregard any votes cast on this Resolution by: <ul style="list-style-type: none"> (a) any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those Directors; (b) Key Management Personnel and their Closely Related Parties. <p>However, the Company need not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> (c) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or; (d) the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides, where the proxy appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

5. RENEWAL OF PROPORTIONAL TAKEOVER BID PROVISIONS

Resolution 4	Renewal of Proportional Takeover Bid Provisions in Constitution
Description	The Company seeks shareholder approval to renew to the Proportional Takeover Bid Provisions in the Constitution for a further three years from the date of the Meeting, which will ensure that in the event of a Proportional Takeover Bid being made, a general meeting of the Company will be convened in order for shareholders to vote on the Proportional Takeover Bid.
Resolution (Special)	To consider and, if thought fit, pass the following resolution as a special resolution : <i>"THAT, pursuant to sections 136(2) and 648G of the Corporations Act, shareholder approval be given for the Proportional Takeover Bid Provisions contained in rule 80 of the Constitution to be renewed for a further three years from the date of the 2017 Annual General Meeting, as detailed in the Explanatory Memorandum accompanying this Notice."</i>

Dated: 8 September 2017

By order of the Board of Godfreys Group Limited



Sophie Karzis
Company Secretary

QUESTIONS FROM SHAREHOLDERS

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, in relation to the conduct of the external audit for the year ended 30 June 2017, or the content of its audit report, by using the question form included with your proxy form (which is also available online at www.godfreys.com.au).

Written questions must be received by no later than 5.00 pm (Melbourne time) on Thursday 5 October 2017.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Remuneration Report.

During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the Auditor the opportunity to answer written questions addressed to it. However, there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

VOTING INFORMATION

Voting by proxy

- (a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate.
- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority **by 11.00 am (Melbourne time) on Tuesday 10 October 2017:**

- online: www.linkmarketservices.com.au (select 'Voting' and follow the prompts to lodge your vote - see proxy form for further information)
- by post: Godfreys Group Limited, c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, Australia
- by hand: 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000 (Monday to Friday, 9.00am to 5.00pm)
- by facsimile: +61 2 9287 0309

Voting and other entitlements at the Annual General Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* that shares in the Company which are on issue at **7.00pm (Melbourne time) on Tuesday 10 October 2017** will be taken to be held by the persons who held them at that time for the purposes of the Annual General Meeting (including determining voting entitlements at the meeting).

Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the Chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the Chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1 and 3. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 and 3. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Chairman of the Meeting intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolutions 1 or 3, he or she will not vote your proxy on that item of business.

EXPLANATORY MEMORANDUM TO NOTICE OF 2017 ANNUAL GENERAL MEETING

1. FINANCIAL AND RELATED REPORTS

Agenda Item 1	Financial and Related Reports
Explanation	<p>Section 317 of the Corporations Act requires the Company's financial report, Directors' report and Auditor's Report for the financial year ended 30 June 2017 to be laid before the Company's 2017 Annual General Meeting. There is no requirement for a formal resolution on this item.</p> <p>The financial report contains the financial statements of the consolidated entity consisting of Godfreys and its controlled entities.</p> <p>As permitted by the Corporations Act, a printed copy of the Company's 2017 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2017 Annual Report is available from the Company's website (www.godfreys.com.au).</p> <p>The Chair of the meeting will allow a reasonable opportunity at the meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor Deloitte Touche Tohmatsu (Deloitte) questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2017, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Deloitte in relation to the conduct of the audit.</p>

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Agenda Item 2, Resolution 1	Adoption of Remuneration Report (Non-binding resolution)
Explanation	<p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2017 Annual Report and is available from the Company's website (www.godfreys.com.au).</p> <p>The Remuneration Report:</p> <ul style="list-style-type: none"> • describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance; • sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and • explains the differences between the basis for remunerating non-executive Directors and senior executives, including the Managing Director. <p>The vote on this resolution is advisory only and does not bind the Directors. However, the Board will take into account any discussion on this resolution and the outcome of the vote when considering the future remuneration policies and practices of the Company.</p>

Voting Exclusion	A voting exclusion statement applies to this resolution, as set out in the Notice.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of this Resolution 1.

3. RE-ELECTION OF DIRECTOR

Agenda Item 3, Resolution 2	Re-Election of Mr Brendan Fleiter as Director
Explanation	<p>Articles 47(a) and 47(b) of the Constitution require that, in accordance with the ASX Listing Rules, one of the Directors (excluding the Managing Director or any Directors appointed by the Board during the year under Article 46(b) of the Constitution) must retire at each annual general meeting of the Company.</p> <p>Assuming there are no Directors who must retire under Article 47(a) due to having held their office as a Director for three years (or three annual general meetings) since their last re-election, Article 47(b)(ii) provides that the Director to retire at a given annual general meeting is the Director who has held office as Director for the longest period of time since their last election or appointment to office. In the event that two or more Directors have held office for the same period of time, the Director to retire at the annual general meeting is to be determined by lot.</p> <p>Brendan Fleiter has held office for the longest period of time since his appointment, and accordingly will retire as a Director at the Company's 2017 Annual General Meeting in accordance with Article 47(b)(ii) of the Company's Constitution.</p> <p>Brendan Fleiter is eligible for re-election under Article 47(c) of the Constitution, and offers himself for re-election.</p> <p>Please refer to the 2017 Annual Report for information about Mr Fleiter.</p>
Board Recommendation	The Board, with Brendan Fleiter abstaining, recommends that shareholders vote in favour of this resolution.
Chair's available proxies	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 2.

4. LONG-TERM INCENTIVE PLAN

Agenda Item 4, Resolution 3	Approval of the Long-Term Incentive Plan (LTIP)
Explanation	Shareholder approval is sought for the Company's Long-Term Incentive Plan (LTIP) for the purposes of the ASX Listing Rules and the Corporations Act.
ASX Listing Rules	<p>ASX Listing Rule 7.1 provides that a company may not issue Equity Securities, or agree to issue Equity Securities, without the approval of shareholders, if the number of Equity Securities to be issued in any 12-month period (including shares issued on the exercise of any options) exceeds 15% of the issued capital of the company preceding the issue.</p> <p>ASX Listing Rule 7.2 contains a number of exceptions to the prohibition contained in ASX Listing Rule 7.1. In particular, under Exception 9 in ASX Listing Rule 7.2, any Equity Securities issued under an employee incentive scheme within three years of the date on which shareholders approve the issue of those Equity Securities are not counted for the purposes of ASX Listing Rule 7.1. Resolution 6 is designed to satisfy the requirements of Exception 9 in ASX Listing Rule 7.2 in relation to the LTIP.</p>
Corporations Act	<p>Section 259B(1) of the Corporations Act prohibits a company from taking security over its shares except as permitted by section 259B(2). Section 259B(2) states that a company may take security over shares in itself under an employee share scheme that has been approved by resolution passed at a general meeting of the company.</p> <p>Section 260A(1)(c) of the Corporations Act prohibits a company from financially assisting a person to acquire shares in itself except as permitted by section 260(C). Section 260(C)(4) provides for special exemption for approved employee shares schemes and states that financial assistance is exempted from section 260(A) if a resolution is passed at a general meeting of the company.</p> <p>Accordingly, shareholder approval is sought under Resolution 3 to ensure compliance with these sections of the Corporations Act.</p>
Purpose of LTIP	<p>The purpose of the LTIP is to provide incentives to members of Company's management who are integral to the operations and ongoing success of the Company. These incentives are designed to encourage greater productivity from management and to better enable the Company to retain its management personnel in a highly competitive industry.</p> <p>Should Resolution 3 be passed, the Company will have the necessary flexibility to issue securities as an incentive to management personnel, and the issue of securities under the LTIP will not be included within the Company's placement capacity pursuant to ASX Listing Rule 7.1.</p> <p>A summary of the LTIP is provided below.</p>
Details of the LTIP	<p>General</p> <p>The objectives of the LTIP are to facilitate the Company in retaining, incentivising and motivating its management team. Under the LTIP, the Board has the discretion to grant performance rights to eligible employees (which may include executive Directors) of the Company or a related body corporate.</p>

Performance rights give a participant in the LTIP a right to acquire shares in the Company subject to the achievement of time based or performance based vesting conditions, and do not require the payment of an exercise price.

The Board has the discretion to amend the rules of the LTIP, but not so as to reduce the rights of participants who hold performance rights under the LTIP at the time. Awards under the LTIP are made at the Board's discretion.

Eligibility

The rules allow for offers under the LTIP to be made to any full-time or part-time employee of the Company or a related body corporate as the Board determines and may include executive Directors.

Grant of performance rights

Performance rights may be issued under the LTIP subject to vesting conditions, including time and performance based hurdles. The Board determines the details of the vesting conditions attaching to performance rights under the LTIP prior to offers of participation being made. Performance rights will only vest where the performance conditions and any other relevant conditions advised to the participant by the Directors have been satisfied, unless otherwise determined by the Board. An unvested performance right will lapse in certain circumstances including where performance conditions are not satisfied within the relevant time period.

No amount is payable on the grant of performance rights offered under the LTIP.

Delivery of shares

Shares in the Company will be delivered to participants upon the vesting of performance rights. On the vesting of performance rights, the Company will deliver shares by new issue. No exercise price is payable on the exercise of performance rights unless otherwise determined by the Board at the date of grant.

Unlisted

Performance rights will not be listed on ASX and may not be transferred, assigned or otherwise dealt with except with the approval of the Directors.

Change of control

On a change of control of the Company, unvested performance rights will vest on a pro rata basis, based on the proportion of the relevant performance period in respect of those unvested performance rights which has elapsed at the date of the change of control. The Board has discretion as to how to treat remaining unvested performance rights, including but not limited to: vesting a portion of those unvested performance rights; applying the specified performance tests for the vesting conditions at an earlier date and vesting a portion appropriate to that level of achievement; allowing those unvested performance rights to remain 'on foot'; and/or allowing those unvested performance rights to be 'swapped' into the acquiring company's performance rights on issue.

Where there is a takeover bid made for Shares in the Company, the Directors may determine that all or a part of the participant's unvested performance rights, will become vested performance rights. If there are certain variations of the share capital of the Company including a capitalisation or rights issue, subdivision, consolidation or reduction in share capital, the Directors may make such adjustments as they consider appropriate under the LTIP, in accordance with the provisions of the ASX Listing Rules.

	<p>Plan limits</p> <p>Issues of shares on vesting of performance rights granted under the LTIP will be subject to a cap of 5% of the issued share capital of the Company, inclusive of shares that may be issued under any other employee incentive schemes of the Company for employees and Non-Executive Directors, but disregarding offers made outside of Australia, made under a prospectus or other disclosure document or which do not require a disclosure document.</p> <p>Expiry of performance rights</p> <p>Unless otherwise determined by the Board in its discretion, performance rights which have not vested will expire and cease to exist on the expiry date specified at the date of grant or upon the Board making a determination that the performance rights are to be forfeited or have lapsed.</p> <p>Trustee</p> <p>The Company may appoint a trustee for the purpose of administering the LTIP, including to acquire and hold shares or other securities of the Company on behalf of participants in the LTIP or otherwise for the purposes of the LTIP.</p> <p>Forfeiture on cessation of employment</p> <p>In the event that a participant in the LTIP ceases employment with the Company or any of its associated entities in certain circumstances including dismissal for cause or poor performance, then subject to compliance with the ASX Listing Rules and the Corporations Act, any unvested performance rights held by that participant will lapse.</p> <p>Quotation</p> <p>The Company will apply for official quotation of any shares issued to an LTIP participant upon the vesting of any performance right, in accordance with the ASX Listing Rules.</p> <p>Other terms</p> <p>A performance right issued pursuant to the LTIP does not entitle its holder to rights to dividends nor rights to vote at meetings of shareholders of the Company until that performance right has vested and the participant is the holder of a valid Share in the Company. Shares acquired upon vesting of the performance rights will upon allotment rank equally in all respects with other Shares and the Company will apply to ASX for the quotation of the relevant Shares.</p> <p>No performance right or Share may be offered under the LTIP if to do so would contravene the Corporations Act, the ASX Listing Rules or instruments of relief issued by ASIC from time to time.</p> <p>The LTIP rules contain other terms relating to the administration, variation, suspension and termination of the LTIP.</p>
<p>Securities issued under LTIP</p>	<p>The LTIP was summarised in the Company's Prospectus dated 24 November 2014. Since that date, 1,171,516 performance rights have been issued under the LTIP.</p>
<p>Voting Exclusion</p>	<p>A voting exclusion statement applies to this item of business, as set out in the Notice.</p>

Board Recommendation	As Resolution 3 is in connection with the remuneration of KMP, the Directors do not make any recommendation to shareholders in relation to this Resolution 3.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution 3.

5. RENEWAL OF PROPORTIONAL TAKEOVER BID PROVISIONS

Agenda Item 5, Resolution 4	Renewal of Proportional Takeover Bid Provisions in Constitution
Explanation	<p>Rule 80 of the Constitution provides that the Company must refuse to register shares acquired under a Proportional Takeover Bid unless a resolution is passed by shareholders in general meeting approving the offer.</p> <p>In accordance with the Corporations Act and the Constitution, rule 80 will cease to have effect on 6 November 2017, being three years from the date of when the provision was first included in the Constitution, unless renewed by a special resolution of the Company's shareholders. Accordingly, the Directors request that shareholders approve the renewal of the Proportional Takeover Bid Provisions as set out in rule 80 of the Constitution for a further three years with effect from the date of the Meeting.</p>
Proportional Takeover Bid	<p>A Proportional Takeover Bid is a takeover offer sent to each shareholder for only a specified proportion of the shares (i.e. less than 100%) held by the shareholder. Shareholders who accept such an offer in full will only dispose of that specified proportion and retain the balance of their shares.</p> <p>This may allow effective control of the Company to pass to the bidder without shareholders having the chance to sell all of their shares, and may assist the bidder to take control of the Company without paying an adequate control premium.</p>
Effect of the Proportional Takeover Bid Provisions	<p>The effect of the Proportional Takeover Bid Provisions in rule 80 of the Constitution is that the Director must convene a general meeting in the event of a Proportional Takeover Bid, at which meeting those shareholders entitled to vote will be asked to vote on whether to approve the Proportional Takeover Bid (Approving Resolution). The meeting at which the Approving Resolution is proposed must be held before the date which is 14 days before the last day of the bid period in respect of the Proportional Takeover Bid (Approving Resolution Deadline).</p> <p>With respect to an Approving Resolution, each shareholder who as at the end of the day on which the first offer under the Proportional Takeover Bid was made held bid class shares, will be entitled to vote and will have one vote for each fully paid share held. The vote is to be decided on a simple majority. The bidder and its associates will not be entitled to vote on the Approving Resolution and if they do vote, their votes will not be counted.</p> <p>If the Approving Resolution is not passed, transfers giving effect to a takeover contract resulting from the acceptance of an offer made under the Proportional Takeover Bid will not be registered and the Proportional Takeover Bid will be taken to have been withdrawn. If the Approving Resolution is passed, then the transfers must be registered if they comply with the Corporations Act and the Constitution.</p>

	<p>If an Approving Resolution has not been voted on as at the end of the day before the Approving Resolution Deadline, an Approving Resolution will be taken to have been passed, and the Proportional Takeover Bid will be taken to have been approved.</p> <p>The Proportional Takeover Bid Provisions only apply for three years from the date of their renewal, after which time they may only continue to apply if the Company's shareholders pass a special resolution in general meeting (in accordance with section 136(2) of the Corporations Act) to renew the Proportional Takeover Bid Provisions for a further three years from the date of that general meeting.</p>
<p>Knowledge of Proportional Takeover Bids</p>	<p>As at the date of this Notice, the Directors are not aware of a proposal by any person to acquire or to increase the extent of a substantial interest in the Company.</p>
<p>Potential advantages and disadvantages for Directors and shareholders</p>	<p>Pursuant to section 648G(5)(g) of the Corporations Act, the Company provides the below information in relation to the potential advantages and potential disadvantages of the Proportional Takeover Bid Provisions for both the Directors and shareholders.</p> <p>Potential advantages and disadvantages to Directors</p> <p>The Directors consider that the Proportional Takeover Bid Provisions have no potential advantages or disadvantages for them as Directors, as the Directors are free to make whatever recommendations to shareholders with respect to Proportional Takeover Bids as the Directors deem appropriate.</p> <p>Potential advantages and disadvantages to shareholders</p> <p>The potential advantages of the Proportional Takeover Bid Provisions for shareholders include that the provisions:</p> <ul style="list-style-type: none"> (a) provide the right for shareholders to meet and decide, by majority vote, whether to accept a Proportional Takeover Bid; (b) may help shareholders avoid being in a situation where they are holding residual shares as a minority, and may prevent a bidder acquiring control of the Company without paying an adequate control premium; (c) potentially increase the shareholders' bargaining power and may help ensure that any bid is adequately priced; and (d) may assist each individual shareholder in deciding whether to accept or reject the Proportional Takeover Bid offer, by showing each shareholder the view of the majority of their fellow shareholders. <p>Potential disadvantages of the Proportional Takeover Bid Provisions for shareholders include that the provisions:</p> <ul style="list-style-type: none"> (a) may potentially discourage the making of Proportional Takeover Bids for shares in the Company; and (b) may reduce the likelihood of a Proportional Takeover Bid being successful, <p>both of which may result in shareholders losing a potential opportunity to sell some of their shares at a premium.</p>

	<p>The Directors consider that the potential advantages for shareholders of the Proportional Takeover Bid Provisions operating for a further three years from the date of the Meeting outweigh the potential disadvantages.</p> <p>Review of advantages and disadvantages of provisions during period prior to renewal</p> <p>Section 648G(5)(f) of the Corporations Act requires that the Company provide shareholders with a review of the advantages and disadvantages of the Proportional Takeover Bid Provisions for the Directors and shareholders during the period throughout which the provisions have already been in effect. The Company advises that during the period throughout which the current Proportional Takeover Bid Provisions have been in effect, there have been no Proportional Takeover Bids for the Company against which specific advantages and disadvantages can be assessed.</p> <p>However, throughout this period, the general advantages and disadvantages laid out above applied to the Proportional Takeover Provisions.</p>
<p>Reasons for renewing the Proportional Takeover Bid Provisions</p>	<p>The Board considers that it is in the interests of shareholders for the Proportional Takeover Bid Provisions to remain in force in the Constitution, such that shareholders will have the opportunity to vote on any proposed Proportional Takeover Bid during the three years from the date of the Meeting.</p>
<p>Board Recommendation</p>	<p>As stated above, the Directors consider that the passing of this Resolution will be in the interests of shareholders and that the potential advantages for shareholders of the Proportional Takeover Bid Provisions outweigh any potential disadvantages, and for this reason the Directors recommend that shareholders vote in favour of this Resolution.</p>
<p>Chairman's available proxies</p>	<p>The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution 4.</p>

DEFINITIONS	
Company or Godfreys	Means Godfreys Group Limited ACN 602 722 985.
Constitution	Means the constitution of Godfreys.
Director	Means a director of the board of Godfreys.
Closely Related Party (of a member of KMP of an entity)	Has the definition given to it by section 9 of the Corporations Act, and means: <ul style="list-style-type: none"> a) a spouse or child of the member; or b) a child of the member's spouse; or c) a dependant of the member or of the member's spouse; or d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or e) a company the member controls; or f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage).
Key Management Personnel or KMP	Means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

-ENDS-

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Godfreys Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Godfreys Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11.00 am (Melbourne time) on Thursday, 12 October 2017 at Clayton Utz, Level 18, 333 Collins Street, Melbourne Victoria 3000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 3: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 3, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

Resolutions

	For	Against	Abstain*
1 Adoption of Remuneration Report (Non-Binding Vote)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Brendan Fleiter as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of the Long-Term Incentive Plan (LTIP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Renewal of Proportional Takeover Bid Provisions in Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11.00 am (Melbourne time) on Tuesday, 10 October 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Godfreys Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**