



Notice of annual general meeting and explanatory memorandum

Godfreys Group Limited

ACN 602 722 985

Date: Wednesday 19 October 2016

Time: 11.00 am (Melbourne time)

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

NOTICE OF 2016 ANNUAL GENERAL MEETING

NOTICE is given that the 2016 Annual General Meeting of Godfreys Group Limited will be held at Clayton Utz, Level 18, 333 Collins Street, Melbourne Victoria 3000 on Wednesday 19 October 2016 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 1 July 2016. |

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 2016 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 1 July 2016 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 | <p>The Company will disregard any votes cast on this resolution (in any capacity, whether as proxy or as shareholders) by any of the following persons:</p> <ul style="list-style-type: none">(a) Key Management Personnel; and(b) Closely Related Parties of Key Management Personnel. <p>However, the Company need not disregard a vote if it is:</p> <ul style="list-style-type: none">(a) cast by a person as a proxy appointed in accordance with the directions of the proxy form that specifies how the proxy is to vote on Resolution 1; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above; or(b) cast by the Chair of the Meeting as proxy appointed in accordance with the directions of the proxy form for a person who is entitled to vote, and such appointment on the proxy form expressly authorises the Chair to exercise the proxy even if the resolution is connected directly with the remuneration report; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above. |

3. RE-ELECTION OF DIRECTOR

| Resolution 2 | Re-Election of Rod Walker as Director |
|-----------------------|---|
| Description | Mr Rod Walker retires as a Director of the Company in accordance with Article 47(b)(ii) 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 Rod Walker, having retired from his office as a Director in accordance with Article 47(b)(ii) 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> |

Dated 16 September 2016

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 1 July 2016, 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 Friday 14 October 2016.

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 Monday 17 October 2016**:
 - 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 Monday 17 October 2016** 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 Resolution 1. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolution 1. 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 Company's Chairman, Mr Rod Walker, will Chair the Meeting and 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 Resolution 1, he or she will not vote your proxy on that item of business.

EXPLANATORY MEMORANDUM TO NOTICE OF 2016 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 1 July 2016 to be laid before the Company's 2016 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 2016 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2016 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 1 July 2016, 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)

| 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 2016 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

| Resolution 2 | Re-Election of Mr Rod Walker 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 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>Excluding the Managing Director (Mr John Hardy), all of the remaining Directors of the Company have held office for an equal amount of time since their last re-election, as all of them were re-elected to office by shareholders at the Company's 2015 Annual General Meeting. The Directors have determined that Rod Walker will retire as a Director at the Company's 2016 Annual General Meeting in accordance with Article 47(b)(ii) of the Company's Constitution.</p> <p>Rod Walker is eligible for re-election under Article 47(c) of the Constitution, and offers himself for re-election.</p> <p>Please refer to the 2016 Annual Report for information about Mr Walker.</p> |
| Board Recommendation | The Board, with Rod Walker 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. |

| 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

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 Wednesday, 19 October 2016 at Clayton Utz, Level 18, 333 Collins Street, Melbourne Victoria 3000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: 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 Resolution 1, even though the Resolution is 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 ☒.

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 Rod Walker as Director | <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).



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 Resolution is 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 Monday, 17 October 2016**, 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.**