

GOODWOOD CAPITAL LIMITED - NOTICE OF ANNUAL MEETING

Notice is given that the 2020 annual meeting of shareholders of Goodwood Capital Limited (*Goodwood* or the *Company*) will be held at the offices of Link Market Services, Level 11, Deloitte Centre, 80 Queen Street, Auckland on Wednesday 9th December 2020 commencing at 1pm.

AGENDA

Chairman introduction and shareholder discussion

SPECIAL RESOLUTION

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

Resolution 1 – Replacement of Company constitution

That the constitution, in the form tabled at the meeting, be adopted as the Company's constitution in place of the existing constitution.

ORDINARY RESOLUTIONS

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

Resolution 2 – Auditor reappointment and remuneration

That Baker Tilly Staples Rodway be reconfirmed as auditors of the Company and that the Directors be authorised to fix the auditor's remuneration.

Resolution 3 – Election of Sean Joyce

That **Sean Joyce**, who retires by rotation under the NZX Listing Rules and has offered himself for election, be elected as a Director of the Company.

Resolution 4 – Election of Roger Gower

That **Roger Gower**, who retires by rotation under the NZX Listing Rules and has offered himself for election, be elected as a Director of the Company.

Resolution 5 – Election of Angus Cooper

That **Angus Cooper**, who retires by rotation under the NZX Listing Rules and has offered himself for election, be elected as a Director of the Company.

Resolution 6 – Ratification of previous share issue by private placement

That the Company's previous issue of 2,633,453 new ordinary shares to wholesale investors at an issue price of \$0.02 per share is approved and ratified for all purposes, on the terms and conditions set out in the Explanatory Notes.

Resolution 7 – Approval of further share issues

That the Company is authorised to issue the following shares at an issue price of \$0.02 per share, on the terms and conditions set out in the Explanatory Notes:

- a) up to 6,250,000 new ordinary shares to wholesale investors; and
- b) up to 6,250,000 ordinary shares to Mounterowen Limited,

provided that the total number of shares issued to Mounterowen Limited does not exceed the number of shares issued to wholesale investors.

Explanatory notes regarding each of these resolutions are attached to this notice of meeting.

By Order of the Board of Directors

Sean Joyce
Chair

Tuesday 24 November 2020

NOTES

1 PROXIES

All shareholders of the Company entitled to attend and vote at the meeting are entitled to appoint a proxy to attend and vote for them instead. A proxy need not be a shareholder of the Company.

A shareholder wishing to appoint a proxy should complete the enclosed Proxy Form. To be effective, the Proxy Form must be received by the Company's Share Registrar, Link Market Services, in accordance with the instructions in the Notes to the Proxy Form accompanying this Notice at least 24 hours before the meeting is due to begin (i.e. before 1 pm on Monday 7th December 2020).

If you wish, you may appoint the Chair (Mr Sean Joyce) or any other director as your proxy.

If you return this Proxy Form without directing the proxy how to vote on any particular matter, the proxy will vote as he or she thinks fit. If appointed as a discretionary proxy, the Chair or any other director intends to vote in favour of all resolutions (subject to any voting restrictions).

2 VOTING RESTRICTIONS

For resolution 6, the persons that subscribed for the shares which are subject of ratification by that resolution, and any Associated Person of those persons, are restricted from voting on resolution 6.

For resolution 7, the persons that have agreed to subscribe for the shares which are subject of approval by that resolution, and any Associated Person of those persons, are restricted from voting on resolution 7.

For the voting restrictions discussed in this paragraph 2, a person restricted from voting on a resolution ("excluded person" for the purposes of that resolution) may act as proxy if:

- a) that excluded person has been appointed as a proxy by another person who is not disqualified from voting under NZX Listing Rule 6.3.1; and
- b) that excluded person is voting in accordance with that other person's express instructions and cannot act as a discretionary proxy.

All persons registered on the Company's register of shareholders as the holders of shares as at the close of business at 5pm on Monday 7 December 2020 are entitled to vote at the meeting in person or by proxy. If you return this Proxy Form without directing the proxy how to vote on any particular matter, the proxy will vote as he or she thinks fit.

EXPLANATORY NOTES

The Company is listed on the NZX Main Board and must comply with the NZX Listing Rules (as updated from time-to-time and now-dated 3 November 2020), the Takeovers Code and the Companies Act 1993 (*Act*). In addition, various provisions of the NZX Listing Rules are included in or incorporated by reference in the Company's constitution (*Constitution*). The Act, the Constitution and the NZX Listing Rules also contain specific requirements which are relevant to the resolutions comprised in this Notice. The implications of the NZX Listing Rules, the Act and the Constitution, insofar as they relate to each resolution, are addressed in the Explanatory Notes to each resolution.

Nature of Resolutions

Resolution 1 is a special resolution. A special resolution is a resolution passed by a majority of 75% of the votes of shareholders of the Company, entitled to vote and voting.

Resolutions 2 to 7 are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of Shareholders of the Company, entitled to vote and voting.

These Explanatory Notes have been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

CONSTITUTION

Resolution 1 – Replacement of Company constitution (Special Resolution)

Having recently been re-listed following its exit from liquidation, the NZX Listing Rules require the Company to seek shareholder approval to align its constitution with recent changes to the NZX Listing Rules applying to the NZX Main Board. A copy of the proposed new constitution is available for download from www.goodwoodcapital.co.nz. The key changes involved are:

- various changes to reflect the new [NZX Listing Rules](#) introduced on 1 January 2019 (as updated from time-to-time and now-dated 3 November 2020), including:
 - **Directors:**
 - Rules requiring regular retirement and re-election of directors have been changed as follows:
 - Under the previous NZX Listing Rules, one third of the directors, or the number nearest one third, must retire at the annual meeting in each year, and are eligible for re-election. The directors to retire are those who have been longest in office.
 - Under the new NZX Listing Rules, a director may not hold office, without being re-elected, past the third annual meeting after his or her appointment or re-election, or for three years, whichever is the longer (see new Rule 2.7.1).
 - The previous NZX Listing Rules provided that executive directors were not required to retire by rotation. That exception has been removed.
 - **Sale of less than a minimum holding:** amending the procedure allowing for the sale of share parcels of less than a minimum holding so as to provide for those shares to be sold on market (including through a broker on behalf of Goodwood), rather than through NZX or in some other manner approved by NZX (see new Rule 4.14.1);
 - **Board composition:** including an express statement that Goodwood shall comply with the updated minimum Board composition requirements of the new NZX Listing Rules (see new Rule 2.1.1).
 - **Other Changes:**
 - Changes to the definitions in Goodwood's constitution, and various other less significant wording changes, have been made to reflect the provisions of the Rules:
 - removing references to the NXT regulations given that the Company is no longer listed on that market;
 - the opportunity has also been taken to simplify the form of the constitution by removing unnecessary repetition of provisions of the Companies Act 1993 with which Goodwood must comply.

If any of the provisions of the updated constitution are inconsistent with the NZX Listing Rules (as amended by any waiver or ruling granted to Goodwood), the NZX Listing Rules will prevail. A copy of the NZX Listing Rules is available at <https://www.nzx.com/regulation/nzx-rules-guidance/main-board-debt-market-rules>.

The proposed alterations to Goodwood's constitution do not impose or remove a restriction on the activities of Goodwood, and accordingly no rights arise under section 110 of the Companies Act 1993.

The Company has arranged for a solicitor's opinion regarding the constitution's compliance with the NZX Listing Rules to be provided to NZX Regulation in accordance with Rule 2.19.1.

AUDITOR

Resolution 2 – Auditor reappointment and remuneration (Ordinary Resolution)

Baker Tilly Staples Rodway are the auditors of the Company. Baker Tilly Staples Rodway recently completed an audit of the Company's financial statements for the accounting period ended 31 March 2020, following the Company exiting from liquidation on 19 October 2020.

While the Company was in liquidation, the Company was not strictly required to prepare, or have audited, financial statements as, under section 248 of the Act directors of a company in liquidation are prohibited from performing their duties, other than the limited duties required or permitted by Part 16 of the Act. Now that the Company is no longer in liquidation, the proposed resolution seeks shareholder confirmation that Baker Tilly Staples Rodway will continue as auditors of the Company and empowers the Directors to set the remuneration of the auditors.

DIRECTORS

All three of the Company's directors were appointed by the Board during October 2020. Under NZX Listing Rule 2.7.1 a director appointed by the Board must not hold office (without re-election) past the next annual meeting following the director's appointment. Accordingly, Sean Joyce, Roger Gower and Angus Cooper retire and, being eligible, offer themselves for re-election.

No remuneration was provided to directors during the year ended 31 March 2020. The Board has approved director fees of \$24,000 per director per annum (or \$72,000 in total per annum).

The maximum permitted aggregate directors' fees was previously set at a pool of NZD\$320,000 in total per annum as set out in the Company's listing document dated 5 November 2015.

Brief biographies outlining each director's history and experience are set out below.

Resolution 3 – Election of Sean Joyce (Ordinary Resolution)

Sean Robert Joyce retires as a director by rotation pursuant to the NZX Listing Rules and, being eligible, has offered himself for election.

Sean has over 25 years' experience in the corporate sector as a corporate lawyer and a market participant. He is a principal of his own corporate law firm and is a principal of Auckland based capital markets advisory firm and NZX Sponsor, CM Partners Limited.

Sean has a particular focus on the capital markets and securities laws – regulatory compliance, compliance listings, reverse listings, fund raising and offerings of various types of securities in New Zealand. Sean has been involved in a large number of IPO's, reverse listings and takeovers of listed companies in New Zealand and Australia.

Sean is a non-executive director of several small cap listed companies and is a non-executive director of several significant privately held companies. Sean is a Chartered Member of the Institute of Directors (CMInstD), and will Chair the Board of the Company.

Sean holds a Bachelor of Arts and a Bachelor of Laws (Honours) from Auckland University.

Given Sean's investment vehicle Mounterowen Limited holds a significant number of Goodwood shares, Sean is not an Independent Director (as that term is defined in the NZX Listing Rules).

Resolution 4 – Election of Roger Gower (Ordinary Resolution)

Roger Hamilton Gower retires as a director by rotation pursuant to the NZX Listing Rules and, being eligible, has offered himself for election.

Roger has wide experience as a company executive, director and Chairman in both public and private companies. He is currently Chairman of PrimePort Timaru Limited and New Zealand Food Innovation Auckland Limited (the Food Bowl). Roger is an independent director of NZX listed Me Today Limited. Roger is the Chief Executive of New Zealand's Best Food & Beverage Limited, that has developed wellbeing products under the Douglas Nutrition brand. Roger was Chairman at the juice company Charlie's, which listed in 2005 and prior to that he had a corporate career in logistics and transportation.

Roger has a BCom from the University of Auckland, an MBA from Massey University and an MPhil from the University of Cambridge.

The Board is of the view that Roger is an Independent Director (as that term is defined in the NZX Listing Rules).

Resolution 5 – Election of Angus Cooper (Ordinary Resolution)

Angus James Cooper retires by rotation as a director pursuant to the NZX Listing Rules and, being eligible, has offered himself for election.

Angus has 30 years of commercial experience in the public company arena. The majority in strategic General Management roles within EBOS Group Ltd and was GM of mergers and acquisitions for over 10 years completing 25 acquisitions and five divestments for the group.

More recently he has been involved in an advisory capacity for Synlait Milk assisting with their acquisition of Dairyworks and Talbot Forest Cheese. Complimenting his executive and management experience, he was a director of Animates Pet Stores for over seven years.

He has broad experience across a range of sectors including: Retail, Healthcare Products, Pharmaceuticals, FMCG, Scientific, Dairy Logistics, Automotive, Engineering, Print / Pre Press and Animal Care.

The Board is of the view that Angus is an Independent Director (as that term is defined in the NZX Listing Rules).

ISSUES OF NEW SHARES

Resolution 6 – Ratification of previous share issue under private placement (Ordinary Resolution)

NZX Listing Rule 4.5.1 permits the issue of ordinary shares representing up to 15% of the total number of shares on issue in any 12 month period without the prior approval of Goodwood's shareholders.

On 13 November 2020, Goodwood issued 2,633,453 new ordinary fully paid shares at an issue price of 2 cents per share to raise \$52,669 in accordance with NZX Listing Rule 4.5.1 (*Placement Shares*). The Placement Shares represented 15% of the total number of shares on issue in Goodwood on the date of their issue. The Placement Shares are identical to, and rank equally with, the existing ordinary shares in the Company.

The issue price was certified as a fair and reasonable price by the Directors pursuant to section 47(2) of the Act. In determining a fair and reasonable issue price, amongst other things, the Directors took account of the net tangible assets per share of the company, an estimate of the value attributed to the listed company shell having regard to previous reverse takeover transactions (RTO), and the price that third party investors were prepared to pay to subscribe.

As at the date of this notice of meeting (being after the issue of the Placement Shares), Goodwood has 20,189,812 shares on issue.

The Placement Shares were issued in equal proportions of 877,817 Placement Shares to Karen Anne MacKenzie Paget, Brett Wilkinson and Ilakolako Investments Limited. The funds raised from the issue will be applied towards funding Goodwood's ongoing working capital requirements. None of the persons issued shares were Associated Persons of Goodwood or any director (as that term is defined in the NZX Listing Rules).

NZX Listing Rule 4.5.1(c) allows the Company to renew its capacity to issue ordinary shares within NZX Listing Rule 4.5.1, when it has been used, by obtaining subsequent ratification of the issue from shareholders of the Company.

The Board is seeking the ratification by shareholders of the previous issue of the Placement Shares.

The effect of this Resolution will be to allow Goodwood to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in NZX Listing Rule 4.5.1 without the requirement to obtain prior shareholder approval.

In the event that resolution 6 is not passed, the Company will be restricted from issuing further Equity Securities other than in accordance with NZX Listing Rule 4.1.2.

Resolution 7 – Approval of further share issue (Ordinary Resolution)

Under NZX Listing Rule 4.2.1, the Board seeks approval to issue up to 12,500,000 new ordinary shares (*Proposed Shares*) consisting of:

- up to 6,250,000 new ordinary shares to wholesale investors that are not Associated Persons of Goodwood or any director (*Wholesale Investors*); and
- up to 6,250,000 new ordinary shares to Mounterowen Limited (*Mounterowen*),

provided that the total number of shares issued to Mounterowen Limited does not exceed the number of shares issued to wholesale investors.

As at the date of this notice the names of the wholesale investors have not yet been confirmed.

Shareholders should note that Mounterowen is an investment vehicle of Goodwood Chair Sean Joyce. As disclosed in the Company's announcement to the market on 30 October 2020, the Company owes approximately \$350,000 debt to Mounterowen. If this Resolution is passed, the issue of up to 6,249,999 ordinary shares to Mounterowen will constitute a conversion of up to \$124,999 of that debt.

The Proposed Shares will be issued at an issue price of 2 cents per share to \$125,000 in capital from the Wholesale Investors and convert \$125,000 of the debt owed to Mounterowen. The issue price was certified as a fair and reasonable price by the Directors pursuant to section 47(2) of the Act. In determining a fair and reasonable issue price, amongst other things, the Directors took account of the net tangible assets per share of the company, an estimate of the value attributed to the listed company shell having regard to previous RTOs, and the price that third party investors were prepared to pay to subscribe.

The Proposed Shares will be identical to, and will rank equally with, the existing ordinary shares in the Company. The funds raised from the issue will be applied towards funding Goodwood's ongoing working capital requirements.

The Proposed Shares are expected to be issued by the end of December 2020 and, in any event, will be issued within the next 12 months following this meeting.

The maximum number of new shares subject to approval under this resolution represents 61.912% of the Company's current shares on issue. If the full number of Proposed Shares are issued, the number of shares issued to Wholesale Investors and Mounterowen by this resolution would each represent 19.119% of the Company's shares on issue. The maximum number of shares that can be issued to Mounterowen is therefore just below the number of shares that can

be lawfully issued under the Takeovers Code (being 20%). The minimum number of shares the Company intends to offer Mounterowen, subject to approval of this resolution, is 5,000,000, which will convert \$100,000 of the debt owed and result in Mounterowen holding 15.903% of the Company's shares on issue (assuming the full amount of shares contemplated to be issued to Wholesale Investors under this resolution is issued). Mounterowen does not currently hold any shares in the Company.

Shareholdings in Goodwood will be diluted as a result of the matters contemplated by resolutions 6 and 7. A table showing this dilution is set out below:

Event	Number of shares	% of pre-issue shares on issue
Shares on issue prior to 13 November 2020 placement	17,556,359	
Shares issued via 13 November 2020 placement	2,633,453	14.99%
New total following 13 November 2020 placement	20,189,812	
Shares to be approved under resolution 7 (up to)	12,500,000	61.91%
New Total if Proposed Shares are issued	32,689,812	

For a further example of the dilution at shareholder level, a shareholder that held 200,000 shares on 19 October 2020 (when the company ceased to be in liquidation), had an interest in 1.14% of the company, following the share issue on 13 November had an interest in 0.99% and, if resolution 7 is passed and all 12.5m shares issued, 0.61%.

In the event that resolution 7 is not passed, the Company will not issue the Proposed Shares and the funds which would have been raised from the issue of the Proposed Shares to the Wholesale Investors will not be raised. The full amount of the Company's debt owed to Mounterowen will also remain outstanding.

COMPANY'S PRO FORMA FINANCIAL POSITION

The Company's financial position at 23 November 2020 is shown in the table below.

The table also shows a proforma balance sheet which reflects the potential financial position of the Company as at 23 November 2020, had the additional \$250,000 placement contemplated by resolution 7 (raising \$125,000 in capital and converting \$125,000 of the Mounterowen debt, occurred at this date.

	As at 23 November 2020 NZ\$	Proforma 23 November 2020 NZ\$
Assets		
Cash	38,000	163,000
Receivables and other current assets	37,000	37,000
NZX bond	20,000	20,000
Total assets	95,000	220,000
Liabilities		
Payables	32,000	32,000
Loan advances — Mounterowen	349,000	224,000
Total liabilities	381,000	256,000
Net (liabilities)/assets	(286,000)	(36,000)
Net tangible asset backing per share	(0.0142)	(0.0011)

Pending entry into a RTO the board is managing the company by minimising costs incurred to those needed to ensure ongoing compliance with the NZX Listing Rules and other legal requirements. The cash on hand, and cash anticipated from the additional placement is considered sufficient working capital to manage the company for the current and following accounting period (i.e. to 31 March 2022). The board may undertake further capital raising in the future, whether in conjunction with an RTO or otherwise.

NZX REVIEW OF THIS NOTICE OF MEETING

NZX Regulation has confirmed to the Company that it has no objection to the contents of this notice of meeting.