



7 May 2019

Market Announcements Office  
ASX Limited

## AHG Board unanimously recommends AHG Shareholders accept AP Eagers' Improved Offer

- Improved Offer consideration of 1 APE Share for every 3.6 AHG Shares owned
- Accepting AHG shareholders will participate in any dividends approved by the AP Eagers' Board and announced to the ASX after today's date and before the end of the offer period on APE Shares received by them as a consequence of their acceptance<sup>1</sup>
- AP Eagers will waive the general market fall bid condition and undertakes to waive the no material adverse change (**MAC**) bid condition once a *merger authorisation* from the ACCC comes into force<sup>2</sup>
- Reflecting a shared understanding of the changing industry dynamics and the potential impacts and opportunities for the respective businesses, the Boards of both AHG and AP Eagers believe there is strong merit for shareholders in participating in an enlarged, merged group
- The AHG Board unanimously recommends AHG shareholders accept the Improved Offer, in the absence of a superior proposal, and that they should accept once AP Eagers waives the no MAC bid condition<sup>3</sup>

### Overview of the Improved Offer

A.P. Eagers Limited (ASX:APE) (**AP Eagers**) and Automotive Holdings Group Limited (ASX:AHG) (**AHG**) are pleased to announce that AP Eagers has today agreed to vary its all-scrip offer to acquire the ordinary shares in AHG it does not already own by increasing the consideration offered from 1 APE Share for every 3.8 AHG Shares (**Initial Offer**) to 1 APE Share for every 3.6 AHG Shares (**Improved Offer**).

<sup>1</sup> subject to the Improved Offer becoming unconditional.

<sup>2</sup> provided neither a breach of that no MAC bid condition nor an event set out in clause 7.1 of the Implementation Deed occurs before that date.

<sup>3</sup> this will occur once a *merger authorisation* for the Offer comes into force provided that neither a breach of the no MAC bid condition nor an event set out in clause 7.1 of the Implementation Deed occurs before that date.

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Assuming AHG and AP Eagers are fully combined,<sup>4</sup> the merged group is expected to have a pro forma market capitalisation of approximately \$2.3 billion,<sup>5</sup> and existing AHG shareholders (other than AP Eagers) and AP Eagers shareholders would own 25.5% and 74.5% of the merged group,<sup>6</sup> respectively.

AP Eagers and AHG have entered into an implementation deed (**Implementation Deed**), under which the AHG Directors have agreed to unanimously recommend that AHG shareholders accept the Improved Offer, in the absence of a superior proposal, and that they should accept once AP Eagers waives the no MAC bid condition in the manner contemplated in the Implementation Deed.<sup>7</sup>

Key terms of the Implementation Deed (attached) are as follows:

*AP Eagers dividends approved after today and before the end of the offer period*

AP Eagers will ensure that the *record date* for any dividend approved for payment by its Board and announced to the ASX after today and before the end of the offer period is no earlier than the last day on which accepting shareholders have (or, in the case of foreign shareholders, the nominee has) been issued APE Shares and their names have been entered in the register of members for AP Eagers. This should ensure that those accepting shareholders receive any such dividend in respect of APE Shares which are issued to them as a consequence of the offer.

*Bid conditions*

The Improved Offer remains subject to the bid conditions set out in schedule 2 to AP Eagers' bidder's statement dated 5 April 2019 (as supplemented from time to time) (**Bidder's Statement**), with the exception of the bid condition set out in paragraph 6 (*general market fall*), which AP Eagers has agreed to waive.

AP Eagers also undertakes to waive the no MAC bid condition on the date a *merger authorisation* for the offer comes into force provided that neither a breach of that MAC bid condition, nor an event set out in clause 7.1 of the Implementation deed, occurs before that date.

Further, AP Eagers has agreed not to rely on the breach of the bid condition in paragraph 4(c) of schedule 2 of the Bidder's Statement as a consequence of the appointment of Mr Richard England to the AHG Board as disclosed by AHG to ASX on 26 April 2019.

*Reimbursement fee for AP Eagers*

If any AHG Director makes any public statement to the effect that he or she does not support the Improved Offer or fails to recommend that AHG shareholders accept the Improved Offer or, having done so, publicly withdraws or varies his or her favourable recommendation or publicly recommends or promotes or otherwise endorses a competing proposal or AHG breaches the term of the Implementation Deed (with the result that the deed is terminated by AP Eagers), AHG must pay the sum of \$1.5 million to AP Eagers as a reimbursement fee. The reimbursement fee will not be payable if the independent expert engaged by AHG opines at any time after the dispatch of AHG's target's statement but before a breach by AHG of the MAC bid condition that the offer is neither fair nor reasonable to AHG shareholders and the reason for that conclusion is a matter, event or circumstance affecting AP Eagers or APE Shares.

*Other assistance to AP Eagers*

AHG will assist AP Eagers with the provision of information necessary or desirable for the satisfaction or waiver of the various bid conditions. AHG also has agreed to work in a cooperative fashion with AP

<sup>4</sup> Meaning AP Eagers holds 100% of AHG Shares as a consequence of the Improved Offer.

<sup>5</sup> Based on the closing prices for APE Shares of \$9.08 and AHG Shares of \$2.40 on 7 May 2019 (being the last trading day prior to the date of this announcement), excluding AP Eagers' existing 28.84% shareholding in AHG and before conversion of any performance rights or options.

<sup>6</sup> Before conversion of any performance rights or options currently on issue in AP Eagers and AHG.

<sup>7</sup> this will occur once a *merger authorisation* for the Offer comes into force provided that neither a breach of the no MAC bid condition nor an event set out in clause 7.1 of the Implementation Deed occurs before that date.

Eagers in processing the application for *merger authorisation* which has been made by AP Eagers with the ACCC in relation to the offer.

AHG's Directors have also announced that they intend to accept, or procure the acceptance of, the Improved Offer in respect of any AHG shares they own or control, in the absence of a superior proposal, once AP Eagers waives the no MAC bid condition in the manner contemplated in the Implementation Deed.<sup>8</sup>

Mr Tim Crommelin, Chairman of AP Eagers, commented:

*"We are delighted the AHG Board shares our view on the logic and benefits of bringing the two companies together to create Australia's leading automotive group. We look forward to working with the AHG team to satisfy the remaining conditions of the Offer, including obtaining ACCC and third party approvals, as quickly as possible in order to deliver the best outcome for shareholders in the merged group."*

AHG's Chairman, Mr Richard England said:

*"Having regard to the increased value for AHG shareholders and the reduced conditionality, the Board of AHG believes that the Improved Offer is in the best interests of AHG Shareholders, in the absence of a superior proposal. The Improved Offer provides AHG shareholders with the opportunity to continue their exposure to any future growth in AHG's earnings and value and, if sufficient AHG shareholders accept the Improved Offer, the financial and strategic benefits that are expected to accrue to the merged group."*

### **Next steps and indicative timetable**

AP Eagers will separately release to the ASX a third supplementary bidder's statement in relation to the Improved Offer.

AHG, with the support of AP Eagers, intends to seek relief from ASIC to delay dispatch of its target's statement, including the independent expert's report, to AHG shareholders so as to enable (among other things) the independent expert to properly consider the Improved Offer. AHG will confirm the proposed dispatch date for the target's statement as soon as ASIC relief has been granted.

Even assuming that delay, the target's statement would still be dispatched within a short period of time (after the originally intended dispatch date of 9 May 2019) and AHG Shareholders will have ample time to consider the Improved Offer and take any action.

The current closing date of the Improved Offer remains 7.00pm (Sydney time) on 16 September 2019.

### **ENDS**

#### **Further enquiries:**

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General Counsel & Company Secretary  
(07) 3608 7100

**Automotive Holdings Group Limited**  
**David Rowland**  
General Counsel & Company Secretary  
(08) 9422 7676

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<sup>8</sup> this will occur once a *merger authorisation* for the offer comes into force provided that neither a breach of the no MAC bid condition nor an event set out in clause 7.1 of the Implementation Deed occurs before that date.

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## Implementation deed

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A.P. Eagers Limited ACN 009 680 013

Automotive Holdings Group Limited ACN 111 470 038

Execution version

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# Implementation deed

Dated 7 May 2019

## Parties

<b>AP Eagers</b>	<b>A.P. Eagers Limited ACN 009 680 013</b> of 5 Edmund Street, Newstead, Queensland 4006
<b>AHG</b>	<b>Automotive Holdings Group Limited ACN 111 470 038</b> of 21 Old Aberdeen Place, West Perth, Western Australia 6005

## Background

- A AP Eagers has made the Takeover Bid for all AHG Shares not already owned by it.
- B AP Eagers is proposing to announce a variation to the terms of the Takeover Bid to improve the consideration offered and a waiver of certain of the Bid Conditions.
- C The AHG Board is proposing to recommend AP Eagers' varied Takeover Bid in the absence of a Superior Proposal on the terms of this document.
- D AHG and AP Eagers have agreed to co-operate with each other in relation to the varied Takeover Bid on the terms of this document.

## Agreed terms

### 1 Definitions and interpretation

#### 1.1 Definitions

Unless the context provides otherwise, terms defined in the Bidder's Statement have the same meaning when used in this document and:

<b>Term</b>	<b>Definition</b>
<b>Accepting Shareholders</b>	has the meaning set out in clause 6(a).
<b>Agreed Announcement Date</b>	means the date on which the joint announcement referred to in clause 2.1 is released to ASX, which must be no later than Wednesday, 8 May 2019.
<b>Agreed Competition Law Compliance Protocol</b>	means a competition law compliance protocol acceptable to both AP Eagers and AHG (each acting reasonably), which protocol will contain terms that (among other things) limit access to confidential, competitively sensitive information to approved external advisers only.

<b>Term</b>	<b>Definition</b>
<b>Authorised Representatives</b>	has the meaning set out in clause 5.7(a).
<b>Bid Condition 5 (No Material Adverse Change)</b>	means the Bid Condition to the Offer set out in paragraph 5 of schedule 2 to the Bidder's Statement.
<b>Bid Condition 6 (General market fall)</b>	means the Bid Condition to the Offer set out in paragraph 6 of schedule 2 to the Bidder's Statement.
<b>Bidder's Statement</b>	means the bidder's statement issued by AP Eagers in respect of the Takeover Bid and dated 5 April 2019, as supplemented from time to time.
<b>Change of Control Requirements</b>	has the meaning set out in clause 5.1(a)(i).
<b>Competing Proposal</b>	<p>means a transaction or proposed transaction notified to the AHG Board which, if completed, would mean a person other than AP Eagers or WFM Motors Pty Ltd (and its associates) would:</p> <ul style="list-style-type: none"> <li>(a) acquire a Relevant Interest in 20% or more of AHG's securities;</li> <li>(b) acquire control of AHG, within the meaning of section 50AA Corporations Act;</li> <li>(c) acquire all or a substantial part of AHG's business, assets or undertaking;</li> <li>(d) otherwise acquire or merge with AHG; or</li> <li>(e) require AP Eagers to terminate this document or abandon, or otherwise fail to proceed with making the Takeover Bid, or fail to obtain control of AHG.</li> </ul>
<b>Condition Information</b>	means the information requested in the letter dated 10 April 2019 from AP Eagers' external legal adviser to the company secretary of AHG.
<b>Future Dividend</b>	has the meaning set out in clause 6.
<b>Independent Expert</b>	means KPMG Financial Advisory Services (Australia) Pty Ltd, who has been engaged by AHG to opine on whether the Offer is fair and reasonable to AHG Shareholders who are not associated with AP Eagers.
<b>Merger Authorisation</b>	means an authorisation granted by the ACCC under Part VII of the <i>Competition and Consumer Act 2010</i> (Cth) for AP Eagers to engage in conduct to which section 50 of the <i>Competition and Consumer Act 2010</i> (Cth) would or might apply.
<b>Merger Authorisation Application</b>	means the application for a Merger Authorisation lodged by AP Eagers with the ACCC on 29 April 2019.
<b>Offer</b>	means each offer to acquire AHG Shares dated 23 April 2019 and made pursuant to the Takeover Bid, the terms of which are contained in the Bidder's Statement, as are proposed to be increased in accordance with the joint announcement to be released by AP Eagers and AHG under clause 2.1.
<b>Permitted Purpose</b>	means for the purposes of satisfying (or waiving) a Bid Condition.



Term	Definition
<b>Reimbursement Fee</b>	means \$1.5 million.
<b>Superior Proposal</b>	means a publicly announced Competing Proposal that, taking into account all aspects of the Competing Proposal: <ul style="list-style-type: none"> <li>(a) is reasonably capable of being completed; and</li> <li>(b) would, if completed substantially in accordance with its terms, reasonably be expected to be more favourable to AHG Shareholders than the Offer.</li> </ul>
<b>Takeover Bid</b>	means the Offers made under Chapter 6 Corporations Act.

## 1.2 Interpretation

In this document:

- (a) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;
- (b) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;
- (c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;
- (e) a reference to this document includes the agreement recorded by this document;
- (f) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (g) no provision of this document will be construed adversely to a party because that party was responsible for the preparation of this document or that provision;
- (h) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;
- (i) a reference to any time, unless otherwise indicated, is to the time in Brisbane, Queensland;
- (j) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity; and
- (k) a reference to 'month' means calendar month.

## **2 Public announcement**

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### **2.1 Announcement**

Prior to commencement of trading on ASX on the Agreed Announcement Date, each of AP Eagers and AHG will release a joint announcement in the form set out in Annexure A (or as otherwise agreed by the parties in writing).

### **2.2 Waiver of Bid Condition**

AP Eagers must waive Bid Condition 6 (General market fall) on the Agreed Announcement Date.

### **2.3 Future intention to waive Bid Condition**

AP Eagers undertakes that it will waive Bid Condition 5 (No Material Adverse Change) on the date a Merger Authorisation comes into force (**ACCC Approval Date**) provided that on or before the ACCC Approval Date neither of the following has occurred:

- (a) a breach of Bid Condition 5 (No Material Adverse Change) which has not otherwise been waived by AP Eagers prior to the ACCC Approval Date; nor
- (b) any event set out in clause 7.1.

### **2.4 Non-reliance on and waiver of potential prior breach of Bid Conditions**

AP Eagers agrees that it will not rely on the breach of the Bid Condition in paragraph 4(c) of schedule 2 to the Bidder's Statement as a consequence of the appointment of Mr Richard England to the AHG Board (as disclosed by AHG to ASX on 26 April 2019) and AP Eagers agrees to waive that Bid Condition to that extent, as contemplated by paragraph 9.4 of schedule 1 to the Bidder's Statement.

### **2.5 Required disclosure**

Where a party is required by law, the Listing Rules or a memorandum of understanding with a Regulatory Authority to make any announcement or make any disclosure about a matter the subject of the Takeover Bid, it may do so only after it has given the other party reasonable notice and has consulted to the extent reasonably practicable in the circumstances with the other party and its external legal advisers.

## **3 AHG Directors' recommendation and acceptance**

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- (a) AHG represents and warrants that:
  - (i) the AHG Board has met and considered the possibility of AP Eagers agreeing to vary the Offer; and
  - (ii) each of the AHG Directors has informed AHG that they will:
    - (A) unanimously recommend that AHG Shareholders accept the Offer, in the absence of a Superior Proposal, and that they should accept the Offer, once AP Eagers waives Bid Condition 5 (No Material Adverse Change) as contemplated by clause 2.3;

- (B) (to extent that they or their Associates, as applicable, are eligible to do so), promptly, and in any event within one Business Day after the date of this document, provide Acceptance Instructions in respect of all AHG Shares that they, or their Associates, own, control or otherwise have a Relevant Interest in; and
  - (C) promptly, and in any event within one Business Day after the date on which AP Eagers waives Bid Condition 5 (No Material Adverse Change), accept, or procure the acceptance of, the Offer in respect of all AHG Shares that they, or their Associates, own, control or otherwise have a Relevant Interest in.
- (b) On and from the date that AP Eagers waives Bid Condition 5 (No Material Adverse Change) as contemplated by clause 2.3 and provided no event set out in clause 7.1 has occurred, AHG must in the absence of a Superior Proposal, procure that each AHG Director participates in efforts reasonably required by AP Eagers to promote the merits of the Takeover Bid, including meeting with key AHG Shareholders, analysts, management, joint venture partners and press if requested to do so by AP Eagers.

#### **4 AHG Performance Rights**

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- (a) AHG must take such action as is necessary after the date of this document but before the end of the Offer Period to ensure that any AHG Performance Rights which have not already vested in accordance with their terms of issue, either vest and convert to AHG Shares or lapse prior to the end of the Offer Period, which actions shall include procuring that the AHG Board resolve that if AP Eagers has a Relevant Interest in at least 50.1% of the AHG Shares and the Offer becomes or is declared unconditional, this constitutes a change of control for the purposes of the AHG Performance Rights.
- (b) In respect of the AHG Performance Rights which do vest as a consequence of the actions taken as contemplated in clause 4(a), AHG must, prior to the end of the Offer Period, issue the number of AHG Shares required by the terms of those AHG Performance Rights on such vesting so that the relevant former holders of the AHG Performance Rights can participate in the Offer.

#### **5 Conduct during the Offer Period**

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##### **5.1 Change of control**

- (a) As soon as practicable after the date of this document (and in any event in respect of the matters set out in clause 5.1(a)(i) within 10 Business Days after the date of this document):
  - (i) AHG must seek to identify change of control or similar provisions in categories of contracts to which a member of the AHG Group is a party which may be triggered by the implementation of the Offer (**Change of Control Requirements**) and notify those details to AP Eagers and its external legal advisers; and
  - (ii) the parties must use all reasonable endeavours to agree a proposed strategy to obtain any consents required in accordance with the terms of any identified Change of Control Requirements, and to then expeditiously seek those consents in accordance with the agreed strategy.

- (b) A failure by the AHG Group to obtain any landlord or third party consent as part of the Change of Control Requirements will not constitute a breach of this document by AHG and, together with any consequences that arise, will be disregarded when assessing the operation of any other provision of this document.

## **5.2 AHG Board changes**

Promptly after AP Eagers has a Relevant Interest in at least 50.1% (by number) of AHG Shares and AP Eagers declares the Offers to be free from the Bid Conditions, AHG must:

- (a) cause the appointment of any person nominated by AP Eagers to AHG Board (subject to receipt of a valid consent to act from each subject person, and to the relevant persons otherwise being eligible for appointment as a director of AHG) and any relevant retirements from AHG Board notified by AP Eagers; and
- (b) use its best endeavours to obtain from those directors of AHG who resign, written notice that they have no claim outstanding for loss of office, remuneration or otherwise against AHG.

## **5.3 Data room establishment by AHG**

- (a) Subject to the confidentiality regime set out in clause 5.6 and the Agreed Competition Law Compliance Protocol, AHG must procure that, as soon as reasonably practicable after the date of this document and no later than 15 Business Days after the date of this document, a virtual data room is made available to AP Eagers and its external legal advisers, which virtual data room must:
  - (i) be substantially populated with the Condition Information and AHG must provide AP Eagers with written notice once this has occurred; and
  - (ii) provide for a facility for AP Eagers to request further information relating to the Condition Information from AHG during the Offer Period and track the progress of responses to those requests.
- (b) Despite any other provision of this document, AHG may redact or withhold information or documents from AP Eagers if and to the extent:
  - (i) contemplated by the Agreed Competition Law Compliance Protocol;
  - (ii) they are (any of) confidential to a third party, or commercially sensitive and confidential to that party, or subject to legal professional privilege in favour of that party;
  - (iii) AHG is prohibited, by law or a Regulatory Authority, from providing any such information or documents to AP Eagers (whether in the context of AP Eagers' application for a merger authorisation from the ACCC, or otherwise).

## **5.4 Merger Authorisation Application**

Without limiting this clause 5 and except to the extent prohibited by law or a Regulatory Authority, AHG must:

- (a) consult with AP Eagers (or its external legal advisers) in advance in relation to the progress of obtaining, and all material communications with the ACCC regarding, the Merger Authorisation Application;

- (b) provide AP Eagers a draft copy of any material correspondence to be made to the ACCC in relation to the Merger Authorisation Application and provide AP Eagers (or its external legal advisers) a reasonable opportunity to comment and consider in good faith any comments made by AP Eagers (or its external legal advisers);
- (c) promptly provide the ACCC with all information reasonably requested in connection with the Merger Authorisation Application;
- (d) to the extent reasonably practicable and appropriate, not attend any meetings or take part in any substantive communications (including telephone conversations) with the ACCC or another Regulatory Authority in connection with the Merger Authorisation Application process without first offering a reasonable opportunity to, and reasonably allowing, AP Eagers (or its external legal advisers) to be present and participate at any such meetings or communications;
- (e) to the extent reasonably practicable and appropriate and except where any such action is required by law or a failure to take such action would expose that party to legal risk, not take any action that will or is likely to hinder or prevent the procuring of Merger Authorisation; and
- (f) provide all necessary and appropriate assistance to AP Eagers and the ACCC for the purposes of enabling the Merger Authorisation to be obtained,

provided that:

- (g) the obligations set out in clauses 5.4(a), 5.4(b) and 5.4(d) do not apply to information or documents or other things required to be provided to the ACCC pursuant to a notice issued under section 155 of the *Competition and Consumer Act 2010* (Cth);
- (h) AHG may redact or withhold information or documents from the other party if and to the extent:
  - (i) contemplated by the Agreed Competition Law Compliance Protocol; or
  - (ii) they are either confidential to a third party, or commercially sensitive and confidential to that party or subject to legal professional privilege in favour of that party; and
- (i) AHG is not prevented from taking any step (including communicating with, or providing any information to, the ACCC) in connection with the Merger Authorisation Application as a result of AP Eagers having unduly delayed responding under this clause 5.4.

## **5.5 Variation of Takeover Bid**

Subject to the Corporations Act, AP Eagers may:

- (a) vary the terms and conditions of the Offer;
- (b) declare the Takeover Bid to be free from any Bid Condition or extend the Takeover Bid at any time.

## **5.6 Confidentiality obligations**

AP Eagers must:

- (a) not access, use or reproduce the Condition Information for any purpose other than the Permitted Purpose, nor assist or permit any other person to do so;
- (b) not disclose any of the Condition Information except as permitted under this document; and
- (c) ensure that the Condition Information is kept secure from theft, loss, damage or unauthorised access or alteration.

#### **5.7 Permitted disclosures to Authorised Representatives**

- (a) AP Eagers may disclose the Condition Information to any of its officers, employees, agents, contractors, or legal, financial or other professional advisers who need to know that Condition Information for the Permitted Purpose (**Authorised Representatives**) to the extent necessary for such persons to perform their duties and, in the case of AP Eagers' advisers, where such advisers also owe an obligation confidence to AP Eagers.
- (b) Prior to any disclosure of the Condition Information to an Authorised Representative, AP Eagers must inform the Authorised Representative of the confidential nature of that Condition Information and of AP Eagers' obligations in relation to it under this document and ensure that the Authorised Representative agrees to comply with those obligations.

#### **5.8 Disclosures required by law**

- (a) AP Eagers may disclose Condition Information to the extent required to comply with applicable law or an order of any court or tribunal of competent jurisdiction, or by any Government Agency, applicable listing rule of the ASX or other regulatory body.
- (b) AP Eagers must not intentionally do, and must ensure none of its Authorised Representatives intentionally does, anything that results in AP Eagers (or any related body corporate of AP Eagers) becoming obliged to disclose the Condition Information.

#### **5.9 Disclosures in takeover documents**

AP Eagers may disclose the Condition Information in a supplementary bidder's statement in respect of the Offer if:

- (a) AP Eagers believes in good faith that the Condition Information is required by applicable law to be included in a supplementary bidder's statement or to avoid or remedy a declaration by the Takeovers Panel under section 657A of the Corporations Act that unacceptable circumstances exist in relation to AHG; and
- (b) AP Eagers informs AHG of, and provides AHG with a copy of, the proposed disclosure, and AP Eagers consults with AHG in relation to the form, content and context of the proposed disclosure.

#### **5.10 AP Eagers' return or destruction of documents**

- (a) On written request by AHG, AP Eagers must immediately erase or destroy every tangible and electronic records containing, recording or referring to the Condition Information (**Record**), which are in the possession, power or control of AP Eagers and procure that its Authorised Representatives do likewise.
- (b) AP Eagers and its Authorised Representatives may retain Records in electronic storage where it is impracticable to erase or destroy them, but AP Eagers must not, and must

ensure that each of its Authorised Representatives does not, access or use the Records or allow any other person to do so.

## **6 Record date for any dividends approved on APE Shares**

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AP Eagers must ensure that the *record date* (as defined in the Listing Rules) for any dividend approved for payment by the AP Eagers Board and announced to ASX by AP Eagers between the Agreed Announcement Date and the end of the Offer Period (**Future Dividend**) is a date no earlier than the last day on which:

- (a) all of the APE Shares to which AHG Shareholders who accept the Offer (**Accepting Shareholders**) are entitled as a result of their acceptances, have been issued to the Accepting Shareholders, or, in the case of a Foreign Shareholder, to the Nominee; and
- (b) the names of all Accepting Shareholders or the Nominee, as applicable, have been recorded in the register of members for AP Eagers as the holders of the APE Shares which have been issued as a part of the Offer Consideration,

to give effect to the intention that the Accepting Shareholders, or the Nominee, as applicable, will receive the Future Dividend payable in respect of the APE Shares which are issued to them as a consequence of the Offer.

## **7 Reimbursement Fee**

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### **7.1 Reimbursement Fee**

AHG must pay the Reimbursement Fee to AP Eagers without set-off or withholding, if:

- (a) subject to clause 7.2, at any time during the Offer Period, any AHG Director:
  - (i) makes any public statement to the effect that he or she does not support (or no longer supports) the Takeover Bid; or
  - (ii) (without limiting clause 7.1(a)(i)) fails to recommend that AHG Shareholders accept the Offer or, having done so, publicly withdraws or varies his or her favourable recommendation of the Offer (or any part of it);
- (b) at any time during the Offer Period any AHG Director publicly recommends, promotes or otherwise endorses a Competing Proposal; or
- (c) AHG breaches a term of this document and that breach results in a valid termination of this document by AP Eagers.

### **7.2 No payment in certain circumstances**

Despite any other provision of this document, the restrictions in clause 7.1(a) do not apply, and no Reimbursement Fee is payable by AHG to AP Eagers, in circumstances where the Independent Expert concludes, at any time after the dispatch by AHG of its target's statement to AHG Shareholders but before the date a breach of the Bid Condition 5 (No Material Adverse Change) has occurred, that the Offer is neither fair nor reasonable to non-associated AHG Shareholders and the reason for that change in conclusion is a matter, event or circumstance affecting AP Eagers or APE Shares.

### 7.3 Acknowledgment

AHG confirms that the AHG Board:

- (a) has received external legal advice in relation to this document and the operation of this clause 7; and
- (b) having taken advice from its external legal advisers and financial advisers, believes that the Takeover Bid will provide benefits to AHG and AHG Shareholders and that it is appropriate for AHG to agree to the payments referred to in this clause 7 in order to secure AP Eagers' participation in the Takeover Bid.

### 7.4 Timing of payment of Reimbursement Fee

- (a) A demand by AP Eagers for payment of the Reimbursement Fee under this clause 7 must:
  - (i) be in writing;
  - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
  - (iii) state the circumstances which give rise to the demand; and
  - (iv) nominate an account in the name of AP Eagers into which AHG is to pay the Reimbursement Fee.
- (b) AHG must pay the Reimbursement Fee into the account nominated by AP Eagers, without set-off or withholding, within five Business Days after receiving a demand for payment where AP Eagers is entitled under clause 7.1 to the Reimbursement Fee.

### 7.5 No payment if termination or Takeover Bid is successful

Despite any other provision of this document, if AP Eagers acquires a Relevant Interest in at least 90% of the AHG Shares and the Offer becomes or is declared unconditional, then:

- (a) the Reimbursement Fee is not payable by AHG to AP Eagers; and
- (b) if the Reimbursement Fee or any part of it has already been paid by AHG to AP Eagers it must be refunded by AP Eagers within five Business Days after a written demand for payment is provided by AHG to AP Eagers.

### 7.6 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a court that all or any part of the Reimbursement Fee (**Impugned Amount**):

- (a) would, if paid, be unlawful for any reason;
- (b) involves a breach of the fiduciary or statutory duties of the AHG Board; or
- (c) constitutes 'unacceptable circumstances' within the meaning of the Corporations Act or breaches an order of the Takeovers Panel,

then



- (d) the requirement to pay the Reimbursement Fee does not apply to the extent of the Impugned Amount; and
- (e) if AP Eagers has received the Impugned Amount, it must refund it within five Business Days of the final determination being made.

### **7.7 Exclusive remedy**

- (a) AP Eagers acknowledges and agrees that the Reimbursement Fee payable to it under clause 7.1 is the sole and exclusive remedy in respect of the matter giving rise to the payment and otherwise in respect of, or in connection with, this document, and no further damages, fees, expenses or reimbursements of any kind will be payable by AHG in respect of such matter, or in connection with, this document.
- (b) The maximum aggregate amount that AHG is required to pay to AP Eagers in respect of, or in connection with, this document is the amount of the Reimbursement Fee and in no event will the aggregate liability of AHG to AP Eagers in respect of, or in connection with, this document exceed the amount of the Reimbursement Fee.
- (c) If an amount is paid under clause 7.1, that amount is received in complete settlement of any and all claims that AP Eagers may have against AHG in respect of, or in connection with this, document, whether known (actually or constructively) or unknown to AP Eagers or any of its related entities at the date of receipt.
- (d) If the Reimbursement Fee is paid to AP Eagers under this document, AP Eagers cannot make any claim against AHG or any related entity of AHG (including any director of AHG) in relation to any matter, event or occurrence in relation to this document.

## **8 Termination**

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### **8.1 Termination rights**

Without prejudice to any other rights of termination under this document, either party may terminate this document by written notice to the other party:

- (a) if:
  - (i) the other party is in material breach of any provision of this document;
  - (ii) the party wishing to terminate has given written notice to the other party setting out the relevant circumstances and stating an intention to terminate; and
  - (iii) the relevant circumstances continue to exist five Business Days from the time the notice is given;
- (b) if AP Eagers withdraws the Offer for any reason, including non-satisfaction of a Bid Condition; and
- (c) if a court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Takeover Bid.

## **8.2 Termination by AP Eagers**

Without prejudice to any other rights of termination under this document, this document may be terminated by AP Eagers by notice in writing to AHG if:

- (a) a Superior Proposal is made or publicly announced for AHG by a third party;
- (b) any AHG Director does not recommend the Takeover Bid be accepted by AHG Shareholders or having recommended the Takeover Bid, withdraws or adversely modifies his or her recommendation of the Takeover Bid; or
- (c) a person (other than AP Eagers) or WFM Motors Pty Ltd (and its associates) has a Relevant Interest in more than 15% of the AHG Shares on issue.

## **8.3 Effect of termination**

If this document is terminated under this clause 8:

- (a) this document becomes void and has no effect (other than the provisions of this clause 8 and of clauses 1, 7.7, 9 and 10, which will remain in force after termination); and
- (b) no party has any rights against or obligations to the other party under this document except to the extent that those rights and obligations accrued before termination.

## **8.4 Terminable in writing**

This document is terminable if agreed to in writing by the parties.

# **9 GST**

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## **9.1 Definitions**

Any terms capitalised in clause 9 and not already defined in clause 1.1 have the same meaning given to those terms in the GST Act.

## **9.2 GST exclusive**

Except under clause 9, the consideration for a Supply made under or in connection with this document does not include GST.

## **9.3 Taxable Supply**

If a Supply made under or in connection with this document is a Taxable Supply, then at or before the time any part of the consideration for the Supply is payable:

- (a) the Recipient must pay the Supplier an amount equal to the total GST for the Supply, in addition to and in the same manner as the consideration otherwise payable under this document for that Supply; and
- (b) the Supplier must give the Recipient a Tax Invoice for the Supply.

#### **9.4 Later GST change**

For clarity, the GST payable under clause 9.3 is correspondingly increased or decreased by any subsequent adjustment to the amount of GST for the Supply for which the Supplier is liable, however caused.

#### **9.5 Reimbursement**

If either party has the right under this document to be reimbursed or indemnified by another party for a cost incurred in connection with this document, that reimbursement excludes any GST component of that cost for which an Input Tax Credit may be claimed by the party being reimbursed or indemnified, or by its Representative Member, Joint Venture Operator or other similar person entitled to the Input Tax Credit (if any).

#### **9.6 Warranty that Tax Invoice is issued regarding a Taxable Supply**

Where a Tax Invoice is given by the Supplier, the Supplier warrants that the Supply to which the Tax Invoice relates is a Taxable Supply and that it will remit the GST (as stated on the Tax Invoice) to the Australian Taxation Office.

#### **9.7 Progressive or Periodic Supplies**

Where a Supply made under or in connection with this document is a Progressive or Periodic Supply, clause 9.3 applies to each component of the Progressive or Periodic Supply as if it were a separate Supply.

### **10 General**

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#### **10.1 No representation or reliance**

Each party acknowledges that:

- (a) no party (nor any person acting on its behalf) has made any representation, warranty or other inducement to it to enter into this document, except for representations, warranties or inducements expressly set out in this document;
- (b) it does not enter into this document in reliance on any representation, warranty or other inducement by or on behalf of any other party, except for any representation, warranty or inducement expressly set out in this document; and
- (c) clauses 10.1(a) and 10.1(b) do not prejudice any rights a party may have in relation to information which has been filed by the other party with any Regulatory Authority.

#### **10.2 Amendments**

This document may only be amended by written agreement between all parties.

#### **10.3 Assignment**

A party may only assign this document or a right under this document with the written consent of the other party.

#### **10.4 Counterparts**

This document may be signed in any number of counterparts. All counterparts together make one instrument.

#### **10.5 No merger**

The rights and obligations of the parties under this document do not merge on completion of any transaction contemplated by this document.

#### **10.6 Entire agreement**

- (a) This document supersedes all previous agreements about its subject matter. This document embodies the entire agreement between the parties.
- (b) To the extent permitted by law, any statement, representation or promise made in any negotiation or discussion, is withdrawn and has no effect except to the extent expressly set out or incorporated by reference in this document.
- (c) Each party acknowledges and agrees that it does not rely on any prior conduct or representation by the other party in entering into this document.

#### **10.7 Further assurances**

Each party must do all things reasonably necessary to give effect to this document and the transactions contemplated by it.

#### **10.8 No waiver**

- (a) The failure of a party to require full or partial performance of a provision of this document does not affect the right of that party to require performance subsequently.
- (b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.
- (c) A right under this document may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

#### **10.9 Costs and expenses**

Except as otherwise provided in this document, each party must pay its own costs and expenses in connection with the negotiation, preparation, signing and performance of this document and the proposed, attempted or actual implementation of the Offer.

#### **10.10 Governing law and jurisdiction**

- (a) Queensland law governs this document.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

### 10.11 Severability

A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.

### 10.12 Approval and consent

Where under this document the doing of any thing by a party is dependent on the consent or approval of another party, that consent or approval may not be unreasonably withheld nor unduly delayed, unless expressly provided otherwise.

### 10.13 Valuable consideration

Each party acknowledges entering into this document and incurring obligations and giving rights under this document for valuable consideration received from each other party.

## 11 Notice

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### 11.1 Method of giving notice

A notice, consent or communication under this document is only effective if it is:

- (a) in writing;
- (b) addressed to the person to whom it is to be given; and
- (c) given as follows:
  - (i) delivered by hand to that person's address;
  - (ii) sent to that person's address by prepaid mail or by prepaid airmail, if the address is overseas;
  - (iii) sent by fax to that person's fax number where the sender receives a transmission confirmation report from the despatching machine indicating the transmission has been made without error and showing the relevant number of pages and the correct destination fax number or name of recipient; or
  - (iv) sent by email to that person's email address unless the sender receives a computer generated report that the email was not successfully sent, within two hours after the email being sent.

### 11.2 When is notice given

A notice, consent or communication given under clause 11.1(a) is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

If a notice is	It is given and received on
Delivered by hand or sent by fax or email	(a) that day, if delivered or sent by 5.00pm on a Business Day; or (b) the next Business Day, in any other case.

<b>If a notice is</b>	<b>It is given and received on</b>
Sent by post	(a) three Business Days after posting, if sent within Australia; or (b) seven Business Days after posting, if sent to or from a place outside Australia.

### 11.3 Address for notices

A person's address, fax number and email address are those set out below, or as the person notifies the sender:

<b>Name</b>	AP Eagers
<b>Attention</b>	Denis Stark, Company Secretary
<b>Address</b>	5 Edmund Street, Newstead, Queensland 4006
<b>Fax</b>	+61 7 3608 7111
<b>Email address</b>	<a href="mailto:dstark@apeagers.com.au">dstark@apeagers.com.au</a> copy to <a href="mailto:jpeterson@mccullough.com.au">jpeterson@mccullough.com.au</a>

<b>Name</b>	AHG
<b>Attention</b>	David Rowland, Company Secretary and General Counsel
<b>Address</b>	21 Old Aberdeen Place, West Perth, Western Australia 6005
<b>Fax</b>	+61 8 9422 7686
<b>Email address</b>	<a href="mailto:drowland@ahg.com.au">drowland@ahg.com.au</a>


## Execution

Executed as a deed.

Signed sealed and delivered  
by  
A.P. Eagers Limited ACN 009 680 013 by:

  
^ \_\_\_\_\_  
Director

**Martin Andrew Ward**  
^ \_\_\_\_\_  
Full name of Director

  
^ \_\_\_\_\_  
Director/Secretary

**Denis Gerard Stark**  
^ \_\_\_\_\_  
Full name of Director/Secretary

Signed sealed and delivered  
by  
Automotive Holdings Group Limited ACN 111 470  
038 by:

  
^ \_\_\_\_\_  
Director

Richard England  
^ \_\_\_\_\_  
Full name of Director

  
^ \_\_\_\_\_  
Director/Secretary

David Rowland  
^ \_\_\_\_\_  
Full name of Director/Secretary

## Annexure A

Joint ASX announcement (clause 2.1)

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