24 February 2021

Company Announcements Office
ASX Limited

Eagers Automotive CEO Succession

- Keith Thornton appointed CEO effective today
- Martin Ward to step down as CEO and Managing Director and take up role as Advisor to the Board and CEO

Eagers Automotive Limited (ASX:APE) is pleased to announce the commencement of an orderly leadership succession.

Current Chief Operating Officer Mr Keith Thornton has been appointed Chief Executive Officer, effective today. Mr Thornton has been with the company for 18 years, including as its Chief Operating Officer since 2017.

After 16 years as CEO, Mr Martin Ward will transition from his current position to a new role as Advisor to the Board and CEO. In his new role, he will have responsibility for the company's $470m[1] portfolio of owned properties, its substantial portfolio of leased real estate and strategic investments such as the Brisbane Airport Auto Mall development. Mr Ward will continue to play a valuable role advising the Board and providing counsel to Keith, ensuring a smooth handover, while retaining a major shareholding.

Eagers Automotive Chairman, Mr Tim Crommelin, said:

"The Board places the utmost importance on managing succession, particularly at the CEO level, and has great confidence that this model will protect the interests of shareholders and support the continued trajectory of the business over the long term.

"In Keith we have appointed a proven leader with an unrivalled understanding of the business, its strategy and a clear vision for the future. He is incredibly well respected across both the company and industry alike, and importantly, has played a pivotal role in shaping and executing the company's strategy over many years.

"On behalf of the Board, I would like to sincerely thank Martin Ward for his outstanding contribution as both CEO and Managing Director over 16 years. Under Martin's exemplary leadership, he has built Eagers Automotive into a true powerhouse of automotive retail. In the last 18 months alone, Martin has led a transformational merger, navigated a once in 100-year pandemic and steered the company through major structural and cyclical headwinds, all while delivering remarkable shareholder returns. As demonstrated by today's financial results, he leaves the CEO role with our business in a formidable position and with a highly experienced leadership team."

Incoming CEO Keith Thornton said:

"I am honoured to have the opportunity to lead this iconic 108 year old Queensland company. I've had the privilege of working closely with Martin since 2005 – he is someone I admire enormously as a leader, mentor and colleague and we are fortunate that he will continue with Eagers in an advisory capacity. I look forward to building on the strong relationships we have with our stakeholders and accelerating our current momentum in executing our Next100 strategy. We remain committed to leading the industry during a time of great transformation and utilising our unique size, scale and position to ensure we can continue to outperform for all of our stakeholders in a sustainable way."

Outgoing CEO Martin Ward said:

"Keith has played a pivotal role in Eagers' growth over almost two decades, joining in 2002. As COO he has been one of the key architects and drivers of our Next100 strategy and I am delighted to pass over the reins to such a hard-working and capable leader whom I respect greatly. I look forward to continuing to unlock value for our shareholders, especially within the Eagers property portfolio and in my new advisory role."

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Authorised for release by the Board.

Summary of material contract terms

<table>
<tr><td>Commencement Date</td><td>The appointment as CEO will commence on 24 February 2021</td></tr>
<tr><td>Term</td><td>The appointment is ongoing with no fixed term</td></tr>
<tr><td>Remuneration</td><td>
(a) Fixed Remuneration

$1.2 million per annum, plus superannuation capped at $25,000
Subject to annual review

(b) Short-term Incentive (STI)

Performance is measured annually over a 4-year period (2021 to 2024)
Non-financial hurdles

Maximum annual opportunity is one-third of fixed remuneration by way of cash bonus
50% is subject to achieving strategic performance hurdles
50% is subject to achieving sustainability performance hurdles

Financial hurdles

Maximum annual opportunity is two-thirds of fixed remuneration by a mix of cash bonus and allocation of performance rights
Performance is measured at the end of each year in the 4-year period
2 financial hurdles:
(1) Interest cover ratio; and
(2) Compound annual growth in Earnings Per Share (EPS) above a baseline being the underlying EPS for FY20

At 7.0% EPS growth, $200,000 in cash and $200,000 of performance rights will vest
At 7.5% EPS growth, a further $200,000 of performance rights will vest
At 8.0% EPS growth, a further $200,000 of performance rights will vest

If performance rights vest, they will convert to ordinary shares subject to holding lock for 4 years from initial grant
Performance rights for the 4-year period will be allocated on the initial grant date, with the number of rights to be determined using ‘fair value’ methodology

(c) Long-term Incentive (LTI)

Maximum opportunity is 50% of fixed remuneration per annum for 4 years (2021 to 2024) by an allocation of options
Performance is measured only at the end of the 4-year period

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	○ 2 financial hurdles: (1) Interest cover ratio; and (2) Compound annual growth in EPS above a baseline being the underlying EPS for FY20 ➢ 50% of options will vest at 9.0% EPS growth over the 4-year period ➢ 100% of options will vest at 10.0% EPS growth over the 4-year period ○ If options vest at the end of the 4-year period, and are exercised, they will convert to ordinary shares with no holding lock ○ Options for the 4-year period will be allocated on the initial grant date, with the number of options to be determined using 'fair value' methodology (d) **General** ○ There will be no retesting under the STI or LTI if a hurdle is not achieved ○ The STI and LTI include 'change-in-control' and 'clawback' provisions in line with market practice ○ If employment ceases during the 4-year period, all unvested rights and options will lapse, subject to board discretion
Termination	○ 12 months' notice by either the company or the CEO ○ The company may terminate for cause without notice, in which case no severance benefits would be payable
Restraints	○ Up to 12 months following termination