

3 October 2016

Ben Secrett

Senior Adviser

ASX Listings Compliance (Perth)

ASX Compliance Pty Limited

Level 40, Central Park

152-158 St George's Terrace

PERTH WA 6000

By email: ben.secrett@asx.com.au

Dear Ben

Automotive Holdings Group Limited (ASX Code: AHG) (AHG or the Company): Change of Director's Interest Notice

We refer to your letter dated 29 September 2016 regarding the Company's lodgement of an Appendix 3Y *Change of Director's Interest Notice* on 16 September 2016.

Our response to the questions set out in your letter is as follows:

1. ***Please explain why the Appendix 3Y was lodged late.***

The Appendix 3Y was lodged late due to an administrative oversight within Mr Duncan's Sydney office, as a result of which the AHG company secretarial department in Perth was not notified that the relevant securities had been acquired by the director promptly enough to enable compliance with Listing Rule 3.19A.2. As soon as the trade was notified to AHG the ASX form 3Y was lodged.

2. ***What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?***

The Company has arrangements in place to ensure that it and its directors are aware of their obligations under Listing Rules 3.19A and 3.19B, so as to enable the directors and the Company to meet their respective disclosure obligations. In particular, the Company notes the following:

- (a) AHG's policy titled *Corporate Governance Policy – Securities Trading – Directors (Directors Securities Trading Policy)* specifically contemplates Listing Rules 3.19A and 3.19B, in addition to section 205G of the *Corporations Act 2001* (Cth) (**Corporations Act**). To that end, the Directors Securities Trading Policy provides that directors must notify the Chairman before acquiring or disposing of a relevant interest in any securities of the Company. The Chairman will then notify the company secretarial team to prepare and lodge the ASX notice.

The Directors Securities Trading Policy has been adopted by the board of directors of the Company (**Board**).

- (b) Under the terms of the letters of appointment between each director and the Company, the directors agree to comply with the Company's policies and charters, which include the Directors Securities Trading Policy. Each director appointed to the Board is also issued an induction pack, which contains the Company's corporate governance policies, including the Directors Securities Trading Policy.
 - (c) AHG's board of directors are all experienced directors of ASX listed companies and as such are well aware of their personal responsibilities under the Directors Securities Trading Policy and of the obligation to notify ASX of any trading in relevant company shares.
 - (d) Directors are also reminded from time to time of their reporting obligations at Board meetings.
3. ***If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?***

The Company considers that its current arrangements in place with its directors are adequate, and does not expect any future instances of late lodgement of any Appendix 3Y.

However, in the interests of good governance and continuing compliance with the Listing Rules, since receipt of your letter, AHG has sent to all of its directors a reminder of the disclosure obligations on individual directors and the Company under Listing Rules 3.19A and 3.19B and section 205G of the Corporations Act.

The Company also notes that AHG directors (and the Company) have a strong track record of compliance with ASX Listing Rules 3.19B and (as far as I am aware since joining AHG in 2011) in all previous instances Appendix 3Ys have been lodged within the required timeframe.

Yours faithfully



David Rowland
General Counsel and Company Secretary



29 September 2016

David Rowland
Automotive Holdings Group Limited
21 Old Aberdeen Place
WEST PERTH WA 6005

By email

Dear Mr Rowland

AUTOMOTIVE HOLDINGS GROUP LIMITED (THE "COMPANY")

We refer to the following.

1. The Company's announcement lodged with ASX Limited ("ASX") on 16 September 2016 regarding a Change of Director's Interest Notice for Mr Gregory James Duncan ("Appendix 3Y").
2. ASX Listing rule 3.19A which requires an entity to tell ASX the following.

3.19A.1 *The ⁺notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*

- *On the date that the entity is admitted to the ⁺official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 *A change to a ⁺notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a ⁺closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19B *An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.*

3. Listing rule 3.19B which reads as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z



within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The ASX Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3Y indicates a change in the notifiable interest held by Mr Duncan occurred on 2 September 2016, the Appendix 3Y should have been lodged with the ASX no later than 9 September 2016. As the Appendix 3Y was lodged on 16 September 2016 it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed entities for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances, ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and ASX Listing Rules *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities – Obligations of Listed Entities*, we ask that you answer each of the following questions.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and in any event, not later than 4.00pm AWST on Tuesday, 4 October 2016.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under listing rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by email to ben.secrett@asx.com.au. It should **not** be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Please contact me immediately if you have any queries or concerns about any of the above.

Yours sincerely

[sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance