
AUTOMOTIVE TECHNOLOGY GROUP LIMITED

ACN 106 337 599

NOTICE OF ANNUAL GENERAL MEETING

TIME: 12:00 noon (WST)

DATE: 30 November 2010

PLACE: QV1 Conference Centre
Level 2
250 St Georges Terrace
PERTH WA 6000

The Automotive Technology Group Limited 2010 Annual Report is available online at
www.ATGgroup.com.au.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 6468 0388.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Automotive Technology Group Limited to which this Notice of Meeting relates will be held at 12:00 noon (WST) on 30 November 2010 at:

QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth WA 6000

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting at the time on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form:

- (a) by post to Automotive Technology Group Limited, PO Box 35, North Perth WA 6906;
- (b) by facsimile to the Company on facsimile number (08) 9228 0704; or

so that it is received not later than 12:00 noon (WST) on 28 November 2010.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Automotive Technology Group Limited will be held at 12:00 noon (WST) on 30 November 2010 at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth WA 6000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at the close of business on 28 November 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Reports and Accounts

To receive and consider the annual financial report of the Company for the year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and auditor's report.

1. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's annual financial report for the year ended 30 June 2010.”

Short Explanation: The vote on this resolution is advisory only and does not bind the Directors or the Company.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RICHARD SIEMENS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 15.4 of the Constitution and for all other purposes, Mr Richard Siemens, a Director, retires by rotation and, being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – ISSUE OF SECURITIES TO MR RICHARD O'BRIEN – SHORTFALL ISSUE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 1,577,391 Shares and 394,348 Options to Richard O'Brien and/or his nominee/s and otherwise on the terms of the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Richard O'Brien, his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 28 October 2010

BY ORDER OF THE BOARD

**JAY STEPHENSON
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth WA 6000 at 12:00 noon (WST) on 30 November 2010.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND DIRECTORS' REPORTS

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of directors and auditors for the year ended 30 June 2010.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on the Company's website at www.ATGgroup.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is set out in the Directors' Report in the Company's 2010 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders.

However, Shareholders should note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RICHARD SIEMENS

Clause 15.4 of the Constitution requires that one-third of the Directors (other than the Managing Director) must retire at every annual general meeting of the Company.

The Company currently has four (4) Directors and accordingly one (1) must retire.

Mr Richard Siemens the Director longest in office since his last rotation will retire in accordance with clause 15.4 of the Constitution and seek re-election.

4. RESOLUTION 3 – ISSUE OF SECURITIES TO MR RICHARD O'BRIEN – SHORTFALL ISSUE

4.1 General

On 13 October 2010, the Company lodged an Entitlement Issue Prospectus for a pro-rata non-renounceable entitlement issue of 1 Share for every 1 Share held by Shareholders at an issue price of \$0.03 per Share together with 1 new free Option for every 4 new Shares issued exercisable at \$0.08 on or before 30 June 2012.

The Company has disclosed in the Entitlement Issue Prospectus and has agreed that upon receipt of a valid application from Mr O'Brien, and upon receiving Shareholder Approval, it will allot 1,577,391 Shortfall Shares and 394,348 Shortfall Options at an exercise price of \$0.08 and a 30 June 2012 expiry date to that Mr Richard O'Brien (**Related Party**) pursuant to the Entitlement Prospectus dated 13 October 2010 and on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Securities to the Related Parties requires the Company to obtain Shareholder approval because the grant of Securities constitutes giving a financial benefit and as a Director, Mr Richard O'Brien is a related party of the Company.

The Board of Directors have resolved that the issue of the Director Options constitutes reasonable remuneration in accordance with Section 211 of the Corporations Act. Accordingly, Shareholder approval is not sought for the grant of the Director Options to Mr Riekie under Chapter 2E.

4.2 Shareholder Approval (Listing Rule 10.11)

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Securities:

- (a) the related party is Mr Richard O'Brien and he is a related party by virtue of being a Director;
- (b) the maximum number of Securities (being the nature of the financial benefit being provided) to be granted to the Related Party are:
 - (i) 1,577,391 Shares (**Shortfall Shares**); and
 - (ii) 394,348 Options (**Shortfall Options**);
- (c) the Securities will be granted to the Related Party no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) the Shortfall Shares will be issued for \$0.03 each under the terms of the Entitlement Issue Prospectus dated 13 October 2010 and the Company intends to use the funds for working capital purposes;
- (e) the Shortfall Options will be issued for nil cash consideration (under the terms of the Entitlement Issue Prospectus dated 13 October 2010), accordingly no funds will be raised;
- (f) the Shortfall Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the terms and conditions of the Shortfall Options are set out in Schedule 1;

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RECOMMENDATION

The Board believes that the resolutions to be proposed at the Company's Annual General Meeting are in the best interests of the Company and (except where otherwise stated) unanimously recommend that shareholders vote in favour of each resolution.

6. ENQUIRIES

Shareholders are requested to contact Jay Stephenson on (08) 6468 0388 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Automotive Technology Group (ACN 106 337 599).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option or Director Option as the context requires.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF SHORTFALL OPTIONS

The Shortfall Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Shortfall Option gives the Optionholder the right to subscribe for one Share.
- (b) The Shortfall Options will expire at 5.00pm (WST) on 30 June 2012 (**Expiry Date**). Any Shortfall Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Shortfall Option will be \$0.03 (**Exercise Price**).
- (d) The Shortfall Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Shortfall Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Shortfall Options specifying the number of Shortfall Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Shortfall Options being exercised;

(Exercise Notice).

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Shortfall Options specified in the Exercise Notice.
- (h) The Shortfall Options are not transferable.
- (i) All Shares allotted upon the exercise of Shortfall Options will upon allotment rank *pari passu* in all respects with other Shares.
- (j) The Company will not apply for quotation of the Shortfall Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Shortfall Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Shortfall Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Shortfall Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Shortfall Options prior to the date for determining entitlements to participate in any such issue.
- (m) A Shortfall Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Shortfall Option can be exercised.

PROXY FORM

**APPOINTMENT OF PROXY
AUTOMOTIVE TECHNOLOGY GROUP LIMITED
ACN 106 337 599**

ANNUAL GENERAL MEETING

I/We

being a Shareholder of Automotive Technology Group Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

OR

Mark this box if you wish to appoint the Chairman of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 12:00 noon (WST), on 30 November 2010 at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth WA 6000 and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all the resolutions.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr Richard Siemens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of Securities to Mr Richard O'Brien – Shortfall Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signed this _____ day of _____ 2010

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

AUTOMOTIVE TECHNOLOGY GROUP LIMITED
ACN 106 337 599

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

post to PO Box 35, North Perth WA 6906; or

facsimile to the Company on facsimile number (08) 9228 0704.

so that it is received not later than 12 noon (WST) on 28 November 2010.

Proxy forms received later than this time will be invalid.