

NOTICE OF
ANNUAL
GENERAL
MEETING
2014



AUTOMOTIVE HOLDINGS GROUP

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AUTOMOTIVE HOLDINGS GROUP LIMITED ABN 35 111 470 038

Notice is given that the 2014 Annual General Meeting (**Annual General Meeting** or **Meeting**) of Shareholders of Automotive Holdings Group Limited (**AHG** or **Company**) will be held at:

Venue: **Botanical 3, Lower Level, Crown Convention Centre**
Great Eastern Highway, Burswood, Western Australia

Date: **Friday, 14 November 2014**

Time: **10.00 am (Perth time)**

This notice of meeting (**Notice**) should be read in conjunction with the Explanatory Notes accompanying this Notice.

ORDINARY BUSINESS OF THE MEETING

Annual report

To receive and consider the financial report of the Company, the Directors' report (including the remuneration report) and the auditor's report for the financial year ended 30 June 2014.

Resolution 1.1 – Election of Mr Howard Critchley

To consider and, if thought fit, pass the following as an **ordinary** resolution:

"That Mr Howard Critchley, who retires as a Director of the Company in accordance with the Company's constitution, be elected as a Director of the Company."

Resolution 1.2 – Re-election of Mr Giovanni (John) Groppoli

To consider and, if thought fit, pass the following as an **ordinary** resolution:

"That Mr Giovanni (John) Groppoli, who retires as a Director of the Company in accordance with the Company's constitution, be re-elected as a Director of the Company."

Resolution 2 – Grant of performance rights to Mr Bronte Howson

To consider and, if thought fit, pass the following as an **ordinary** resolution:

"That for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, the grant of up to 219,298 performance rights by the Company to Mr Bronte Howson and either the issue or transfer of ordinary shares in the Company to Mr Howson upon the vesting and exercise of those performance rights, under and in accordance with the AHG Performance Rights Plan and otherwise on the terms and conditions set out in the Explanatory Notes that accompany this Notice, be approved."

Please note that voting exclusions apply to this Resolution. Details of the voting exclusions applicable to this Resolution are set out in the "Voting Exclusions" section on pages 5 and 6 below.

Resolution 3 – Adoption of remuneration report

To consider and, if thought fit, pass the following as an **ordinary** resolution:

"That the remuneration report, which forms part of the Directors' report for the financial year ended 30 June 2014, be adopted."

A vote on this Resolution is advisory only and does not bind the Directors or the Company.

Please note that voting exclusions apply to this Resolution. Details of the voting exclusions applicable to this Resolution are set out in the "Voting Exclusions" section on pages 5 and 6 below.

SPECIAL BUSINESS OF THE MEETING

Resolution 4 – Financial assistance

To consider, and if thought fit, to pass the following resolution as a **special** resolution:

"That, for the purposes of sections 260A and 260B(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for:

- (a) Sabalan Pty Ltd;
- (b) Cardiff Car City Pty Limited;
- (c) Widevalley Pty. Ltd.;
- (d) NSW Vehicle Wholesale Pty Limited;
- (e) Maitland City Motor Group Pty Ltd;
- (f) Bradstreet Motors Pty Limited;
- (g) Bradstreet Properties Pty Limited; and
- (h) Altheo Investments Pty Limited,

*(each a wholly owned subsidiary of AHG, and together the **Acquired Companies**),*

to provide financial assistance to AHG in connection with the acquisition by AHG of all of the ordinary shares in the Acquired Companies, as further described in the Explanatory Notes that accompany that Notice."

Please refer to the Explanatory Notes, prepared in accordance with section 260B(4) of the Corporations Act 2001 (Cth), which forms part of this Notice.

CONTINGENT BUSINESS OF THE MEETING

Resolution 5 - Board Spill Meeting (contingent resolution)

Note – the following Resolution will only be put to the Meeting if at least 25% of votes cast on Resolution 3 (to adopt the remuneration report) are "against" that Resolution. If less than 25% of the votes cast on Resolution 3 are against that Resolution, then there will be no second strike and Resolution 5 will not be put to the Meeting.

If put, the Meeting is to consider the following as an **ordinary** resolution:

"That, as required by Division 9 of Part 2G.2 of the Corporations Act 2001 (Cth):

- (a) a meeting of the Company's members be held within 90 days of the date of this meeting (the **Spill Meeting**);
- (b) all of the Directors in office when the Board resolution to approve the directors' report for the financial year ended 30 June 2014 was passed (excluding the Managing Director, Mr Bronte Howson), and who remain in office as Directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."

Please note that, if this Resolution is put to the Meeting, voting exclusions will apply. Details of the voting exclusions applicable to this Resolution are set out in the "Voting Exclusions" section on pages 5 and 6 below.

NOTES

These Notes form part of the Notice.

ENTITLEMENT TO ATTEND AND VOTE

The Company has determined that persons who are registered holders of fully paid ordinary shares of the Company (**Shares**) at 4.00pm (Perth time) on Wednesday, 12 November 2014 will be entitled to attend and vote at the Annual General Meeting.

HOW TO VOTE

Voting in person

Shareholders who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded.

Corporate representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative will need to bring to the Meeting the appropriate appointment document, including any authority under which the appointment is signed, which will need to be produced prior to admission to the Meeting. A form of appointment may be obtained by telephoning the Company's share registry (1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia)) or at <https://www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html> by downloading the form "Appointment of Corporate Representative".

Voting by proxy

Each Shareholder entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Annual General Meeting. A proxy need not be a Shareholder of the Company and may be an individual or a body corporate.

A Shareholder entitled to cast 2 or more votes may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify this proportion, each proxy may exercise half the votes. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry (1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia)).

Sections 250BB and 250BC of the *Corporations Act 2001* (Cth) (**Corporations Act**) apply to voting by proxy. Generally, these sections mean that if proxy holders vote, they must cast all directed proxies as directed, and any directed proxies that are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed. If the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands.

To be effective, a proxy appointment (and any power of attorney under which it is signed, or a certified copy of that authority) must be received by one of the methods below no later than 48 hours before the commencement of the Meeting. Any proxy form received after that time will not be valid for the scheduled Meeting.

In person	Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138
By mail	Link Market Services Limited Locked Bag A14 Sydney South NSW 1235
By fax	(02) 9287 0309 (within Australia) +61 2 9287 0309 (outside Australia)
Online	Shareholders may submit their proxy instructions electronically online to the Company's share registry by visiting www.linkmarketservices.com.au . Select 'Investor & Employee Login'. Refer to "Single Holding" and enter Automotive Holdings Group Limited or the ASX code (AHE) in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select 'Vote' under the 'Action' header and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

Voting by attorney

A Shareholder may appoint an attorney to attend and vote on its behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or one of the addresses listed above for the receipt of proxy appointments at least 48 hours prior to the commencement of the Meeting.

Chairman as proxy and intentions of Chairman

The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies **in favour of** Resolutions 1.1, 1.2, 2, 3 and 4. If Resolution 5 is considered the Chairman will vote all available undirected proxies **against** Resolution 5.

If you appoint the Chairman as your proxy and you do not provide a direction you will be taken to have directed the Chairman to cast your votes in accordance with his expressed intention described above, even if the Resolution is connected directly or indirectly with the remuneration of a member of KMP.

If you appoint the Chairman as your proxy and wish to direct him how to vote, you can do so by marking the boxes for the relevant Resolution (ie by directing him to vote "for", "against" or "abstain").

Other member of KMP as proxy

If you appoint a member of KMP and their closely related parties (such as close family members and any controlled companies) as your proxy and do not direct them how to vote on Resolution 2 (grant of performance rights to Mr Bronte Howson), Resolution 3 (adoption of remuneration report) and, if

considered, Resolution 5 (Spill Meeting), such a person will not vote your proxy on that item of business.

The remuneration report, which is set out on pages 59 to 80 of the Company's 2014 Annual Report, identifies the KMP for the financial year to 30 June 2014.

Prohibition on KMP voting

KMP and their closely related parties are prohibited under the Corporations Act from voting in a manner contrary to the Voting Exclusions for Resolutions 2, 3 and 5.

VOTING EXCLUSIONS

The Corporations Act and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by or on behalf of certain persons, on three of the six resolutions to be considered at the Annual General Meeting and, if considered, the contingent resolution. These voting exclusions are described below.

Resolution 2

The following persons may not vote and the Company will disregard any votes cast on Resolution 2 by, or on behalf of:

- (a) Any Director of the Company who is eligible to participate in the AHG Performance Rights Plan and their associates. However, the Company need not disregard a vote if:
 - (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (ii) it is cast by the Chairman of 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.
- (b) A member of KMP (and any closely related party of such a KMP) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on the resolution, unless:
 - (i) the proxy is the Chairman of the Meeting; and
 - (ii) the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP.
- (c) Mr Bronte Howson or his associates, unless it is cast by a person as a proxy appointed by writing that specifies how that person is to vote on the resolution and it is not cast on behalf of Mr Howson or his associates.

Resolution 3 and (if considered) Resolution 5

The following persons may not vote, and the Company will disregard any votes cast by the following persons, on Resolution 3 and, if considered, Resolution 5:

- (a) Any KMP of the Company's consolidated group whose remuneration details are included in the remuneration report (and any closely related party of such a KMP, and any person voting on behalf of such a KMP or closely related party), unless the person does so as a proxy and:
 - (i) the vote is not cast on behalf of any KMP whose remuneration details are included in the remuneration report (or any closely related party of such KMP); and
 - (ii) either:
 - (A) that person is appointed as a proxy by writing that specifies how the proxy is to vote on the resolution; or
 - (B) that person is the Chairman of the Meeting, the proxy appointment does not specify the way the proxy is to vote on the resolution and the proxy expressly authorises the Chairman to exercise the proxy even if that

resolution is connected directly or indirectly with the remuneration of a KMP.

- (b) Any KMP whose remuneration details are not included in the remuneration report (and any closely related party of such a KMP) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on the resolution, unless:
- (i) the proxy is the Chairman of the Meeting; and
 - (ii) the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP.

For the purposes of these voting exclusions:

- (a) The KMP are those persons having authority and responsibility for planning, directing or controlling the activities of the Company's consolidated group, either directly or indirectly including any director (executive and non-executive) of the Company.
- (b) The term "closely related party" is defined in the Corporations Act and includes a KMP's spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

QUESTIONS FROM SHAREHOLDERS

The Chairman will allow a reasonable opportunity for Shareholders to ask questions and make comments about the management of the Company and the remuneration report at the Meeting.

Mr Glyn O'Brien of BDO Kendalls Audit and Assurance (WA) Pty Ltd (or his representative) will attend the Meeting as the auditor responsible for preparing the auditor's report for the year ended 30 June 2014. The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask the auditor questions at the Meeting about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the board of directors of the Company (**Board**) and the auditor of the Company in responding to any questions you may have, please submit questions in the manner described below by no later than 5.00pm (Perth time) on Friday, 7 November 2014.

By mail Link Market Services Limited

Locked Bag A14

Sydney South NSW 1235

By fax (02) 9287 0309 (within Australia) +61 2 9287 0309 (outside Australia)

Online Shareholders may submit their questions electronically online to the Company's share registry by visiting www.linkmarketservices.com.au. Select 'Investor & Employee Login'. Refer to 'Single Holding' and enter Automotive Holdings Group Limited or the ASX code (AHE) in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select 'Ask Question' under the 'Action' header and then follow the prompts to submit your question online.

The Company and the auditor will attempt to respond to as many of the more frequently asked questions as possible. Due to the large number of questions that may be received, the Company and the auditor will not reply on an individual basis.

By order of the Board

A handwritten signature in black ink, appearing to read 'D. Rowland', is displayed within a light gray rectangular box.

David Rowland

Company Secretary

Automotive Holdings Group Limited

13 October 2014

EXPLANATORY NOTES

These Explanatory Notes provide Shareholders with an explanation of, and information about, the proposed Resolutions set out in the Notice to assist Shareholders decide how they wish to vote on those proposed Resolutions. These Explanatory Notes form part of, and should be read together with, the Notice.

ORDINARY BUSINESS

Annual report

The Corporations Act requires the Directors of the Company to lay before the Annual General Meeting the financial report, the Directors' report (including the remuneration report) and the auditor's report for the last financial year that ended before the Annual General Meeting.

A copy of the Company's 2014 Annual Report, including the financial report, the Directors' report (including the remuneration report) and the auditor's report for the year ended 30 June 2014 is available on the "Reports" page of the Company's investor relations website at www.ahgir.com.au and on ASX's website www.asx.com.au.

There is no requirement for Shareholders to approve these reports. Shareholders will be given a reasonable opportunity to ask questions or make comments about these reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Company's auditor questions about the conduct of the audit and the presentation and content of the auditor's report.

Resolutions 1.1 and 1.2 – Re-election of Directors

Rule 8.2 of the Company's constitution requires that any director (other than the Managing Director) appointed by the Board pursuant to rule 8.1 of the Company's constitution holds office only until the termination of the next annual general meeting, and, is eligible for election at that annual general meeting.

Mr Howard Critchley was appointed to the Board on 3 April 2014 and in accordance with rule 8.2 of the Company's constitution, Mr Critchley will retire at the Annual General Meeting and offer himself for election at the Meeting.

In accordance with rule 5.1 of the Company's constitution a director must retire from office at the third annual general meeting after the director was elected or last re-elected.

Rule 5.4 of the Company's constitution provides that a retiring Director is eligible for re-election without the necessity of giving any previous notice of his or her intention to submit him or herself for re-election.

In accordance with rule 5.1 of the Company's constitution, Mr Giovanni (John) Groppoli (who was last re-elected at the Company's 2011 annual general meeting) will retire by rotation and offer himself for re-election at the Annual General Meeting.

The order of candidates in this Notice is alphabetical by surname, which is consistent with the required order that such names must appear on a ballot required by the Company's constitution.

Resolutions 1.1 and 1.2 are separate resolutions. More information about Mr Critchley and Mr Groppoli is set out below.

Resolution 1.1 – Election of Mr Howard Critchley

Mr Howard Critchley was appointed as a non-executive Director on 3 April 2014.

Mr Critchley has more than 25 years of experience in the logistics and Fast Moving Consumer Goods sectors and was formerly managing director (Australia, Asia and China) for CEVA Logistics (formerly

TNT). He is a Fellow of the Australian Institute of Company Directors and holds a Bachelor of Commerce (Economics) degree and a Master of Business Administration from Monash University.

Previously he has been a non-executive director with Boom Logistics Ltd. He is currently a non-executive director and member of the Advisory Committee of TVS Logistics, a global logistics business privately owned by an Indian conglomerate, chairs the steering committee of the private company Allsons Transport, and also sits on the boards of SecondBite and Y-Gap in the not-for-profit sector.

Mr Critchley's executive career culminated in ten years of CEO roles in CEVA Logistics, the world's second largest integrated logistics company, with responsibility for the Asia Pacific region, turnover of \$850-million and more than 10,000 staff.

Mr Critchley is a member of the Refrigerated Logistics Committee. He directly or indirectly holds 6,500 Shares. Further information about Mr Critchley is set out on page 53 of the Company's 2014 Annual Report.

Directors' recommendation: The Board, other than Mr Critchley whose election is the subject of the Resolution, is of the view that it has benefited and will continue to benefit from the skills, knowledge and experience that Mr Critchley brings to the Company and recommends that Shareholders vote in favour of Resolution 1.1.

Resolution 1.2 – Re-election of Mr Giovanni (John) Groppoli

Mr Groppoli was appointed to the Board on 4 July 2006.

Mr Groppoli was a partner of national law firm Deacons (now known as Norton Rose Fullbright) from 1987 to 2004 where he specialised in franchising (wholesale and retail distribution networks), mergers and acquisitions, and corporate governance. He was Managing Partner of the Perth office of Deacons from 1998 to 2002.

Mr Groppoli left private practice in 2004 and is currently Managing Director of RGM Equity whose business operations consist of the marketing and distribution of premium homewares (Milners Brand Marketing), optical products and accessories (Aviva Optical and Mann Optics), occupational health and safety products (Australian Workplace Services) and the provision of niche third party logistics/warehousing (Supply Chain Link).

Mr Groppoli is also a director of the Senses Foundation and public unlisted entities Retravisio (WA) Limited and Electcom Limited.

Mr Groppoli is a member of the Board's Remuneration and Nomination Committee. He directly or indirectly holds 45,898 Shares. Further information about Mr Groppoli is set out on page 54 of the Company's 2014 Annual Report.

Directors' recommendation: The Board, other than Mr Groppoli whose re-election is the subject of the Resolution, is of the view that it has benefited and will continue to benefit from the skills, knowledge and experience that Mr Groppoli brings to the Company and recommends that Shareholders vote **in favour** of Resolution 1.2.

Resolution 2 – Grant of performance rights to Mr Bronte Howson

Resolution 2 seeks Shareholder approval for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, for the grant of the performance rights described below (**Performance Rights**) to, and the acquisition (whether by issue or transfer) of Shares on vesting and exercise of those Performance Rights by, Mr Bronte Howson, the Company's Managing Director, under and in accordance with the AHG Performance Rights Plan (**Plan**) and on the terms and conditions described below. A summary of the terms and conditions of the Plan is contained in Schedule 1 to this Notice.

If Shareholders approve Resolution 2, it is proposed that 219,298 Performance Rights (**FY2015 LTI Performance Rights**) be granted to Mr Howson shortly after the Meeting. These FY2015 LTI

Performance Rights form part of the long term incentive (**LTI**) component of Mr Howson's remuneration package for the financial year ending 30 June 2015 (**FY2015**).

A Performance Right is a right to acquire an ordinary fully paid share in the Company at nil cost (i.e. nil exercise price), subject to meeting the applicable performance conditions. Upon exercise, each Performance Right entitles Mr Howson to one Share which will rank equally with Shares in the same class. Mr Howson is not required to pay any amount on grant of the Performance Rights, nor on their vesting and exercise.

Further details in relation to those FY2015 LTI Performance Rights are outlined below.

FY2015 LTI Performance Rights

The above FY2015 LTI Performance Rights are proposed to be granted as the LTI component of Mr Howson's remuneration package for FY2015 under his executive services contract.

Mr Howson's remuneration package for FY2015 is structurally consistent with his package for FY2014 with adjustments being made to his total annual remuneration and the mix between fixed remuneration, short term incentive (**STI**) and LTI and appropriate revisions of the targets for achievement of STI. LTI performance targets remain the same for FY2015, although the peer group is adjusted each financial year in accordance with advice from PricewaterhouseCoopers (**PwC**). The proposed grant of FY2015 LTI Performance Rights is consistent with the grant of LTI Performance Rights for the financial year ended 30 June 2014 (**FY2014**) previously approved by Shareholders at the Company's 2013 annual general meeting.

Mr Howson's remuneration under this contract comprises:

- fixed annual remuneration (being a base salary);
- variable remuneration (being performance based financial and non-financial STI); and
- LTI by way of performance rights.

The details of Mr Howson's remuneration package for FY2015 are disclosed in the remuneration report set out on pages 64 to 66 of the Company's 2014 Annual Report.

Performance criteria applicable to the FY2015 LTI Performance Rights

The Board has determined that the performance criteria described below will apply to the FY2015 LTI Performance Rights. These criteria reflect advice received from PwC following its 2012 review of the Company's remuneration practices, and were applied in FY2013 and FY2014. Further details of that review are provided in the Company's 2014 remuneration report (refer to pages 65 to 66 of the Company's 2014 Annual Report). The Board has determined it is appropriate to carry forward these performance criteria into FY2015 subject to ongoing monitoring, assessment and reviews undertaken in conjunction with feedback received from Shareholders.

The FY2015 LTI Performance Rights proposed to be granted to Mr Howson will be subject to two separate performance criteria, each assessed over a three year performance period:

- 50% of the FY2015 LTI Performance Rights will be subject to the Company's total shareholder return (**TSR**) performance (broadly speaking, the growth in share price plus the value of dividends and distributions), measured against a comparator peer group of companies recommended by PwC; and
- 50% of the FY2015 LTI Performance Rights will be subject to the Company achieving its specific earnings per share (**EPS**) target.

The TSR portion of Mr Howson's FY2015 LTI Performance Rights will vest and be capable of being exercised if the Company's relative TSR performance is equal to or greater than the median of the comparator peer group of companies (subject to changes as may be approved by the Board after consultation with PwC given changes to the peer group companies) at the end of the three year performance period. Vesting will occur on the following basis:

AHG's TSR ranking in the comparator group	Vesting outcome of TSR portion of the FY2015 LTI Performance Rights
Below 50th percentile	None vest
At 50th percentile	25% vest
Between 50th percentile and 75th percentile	Progressive/pro-rata from 25% to 100% vest
At or above 75th percentile	100% vest

The comparator group is set out in the Company's remuneration report (on page 66 of the Company's 2014 Annual Report). This comparator group was updated from the FY2013 comparator group on the recommendation of PwC.

The EPS portion of Mr Howson's FY2015 LTI Performance Rights will vest and be capable of being exercised if the Company achieves its target operating EPS compound annual growth rate for the performance period. Vesting will occur on the following basis:

Compound annual EPS growth performance ¹	Vesting outcome of the EPS portion of the FY2015 LTI Performance Rights
Below 7% per annum	None vest
At 7% per annum	25% vest
7% up to 10% per annum	Progressive/pro-rata basis from 25% to 100% vest
At or above 10% per annum	100% vest

¹ The baseline operating EPS for the performance period is set at the reported operating EPS for FY2014 (being 29.0 cents).

STI payment

In the event that Mr Howson's performance target was achieved for FY2014, 50% of the amount of stretch performance (being any amount above 100% of target performance) would have, subject to shareholder approval, been deferred through the issue of Performance Rights (**STI Performance Rights**) rather than cash. Any STI Performance Rights issued would have been subject to a 12 month retention condition. No other performance conditions apply, other than Mr Howson remaining employed by AHG or its subsidiaries (the **AHG Group**) for 12 months after their grant, to exercise those STI Performance Rights. The number of STI Performance Rights to be granted is determined by dividing the relevant dollar value to be deferred by the Company's share price at the time of the award.

As disclosed in the Company's 2014 remuneration report, AHG Group's operating profit for FY2014 did not exceed the target set by the Board (refer to page 69 of the Company's 2014 Annual Report) and therefore Mr Howson did not achieve any entitlement to remuneration in relation to stretch performance for the Financial STI for FY2014.

For FY2014, Mr Howson is entitled to a STI payment (in cash) of \$935,833 (being the achievement of \$240,000 of non-financial STI and \$695,833 on achieving threshold performance of financial STI).

Under Mr Howson's FY2015 remuneration package, he may become entitled to a grant of STI Performance Rights if the AHG Group's operating profit for FY2015 exceeds the target set by the Board for FY2015. This will be assessed following the completion of the FY2015 results and, if

required, shareholder approval for the grant of FY2015 STI Performance Rights will be sought next year at the Company's 2015 annual general meeting.

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval prior to the issue of securities under an employee incentive scheme to a Director of a company or his or her associates. As Mr Howson is a Director of the Company, approval is being sought for the purposes of ASX Listing Rule 10.14, and for all other purposes, to make the grant the FY2015 LTI Performance Rights to Mr Howson (and the issue or transfer of any Shares on vesting and exercise of these Performance Rights) in accordance with the terms and conditions of the Plan.

Approval under ASX Listing Rule 10.14 is an exception to the prohibition on a Company issuing shares to related parties without member approval under ASX Listing Rule 10.11, and is an exception to the Company's 15% placement capacity in ASX Listing Rule 7.1.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act also regulates the provision of "financial benefits" to "related parties" by a public company. For the purposes of Chapter 2E, Mr Howson, being the Managing Director, is a "related party" of the Company and the grant of Performance Rights pursuant to the Plan will constitute the giving of "financial benefits".

The Board (other than Mr Howson, because of his interest in this Resolution 2) considers that the grant of Performance Rights to Mr Howson is an appropriate and reasonable component of his remuneration, and that the financial benefit represented by the grant of the Performance Rights falls within the "reasonable remuneration" exception in section 211 of the Corporations Act. For this reason, it is unnecessary to seek specific member approval of Resolution 2 for the purposes of Chapter 2E of the Corporations Act (as mentioned above, approval is being sought under ASX Listing Rule 10.14).

Sections 200B and 200E of the Corporations Act.

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a "managerial or executive office" in the Company or its related bodies corporate if it is approved by Shareholders or an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limits set out in the Corporations Act, including where the aggregate benefits do not exceed one year's average base salary).

The term "benefit" is open to a wide operation and may include the early vesting or retention of Performance Rights under the Plan. As outlined in the summary of the Plan in Schedule 1 to this Notice, the Board has the discretion under the Plan to permit early vesting of Performance Rights in limited circumstances (including death or permanent disability, or resignation, retirement or redundancy). So, if Mr Howson ceases employment with the Company, he may be entitled to retain Performance Rights granted to him under the Plan, subject to compliance with the terms of his executive service agreement (including non-compete restrictions).

Early vesting of Mr Howson's Performance Rights may amount to the giving of a termination benefit requiring shareholder approval in accordance with the Corporations Act. Accordingly, shareholder approval is also sought for any such benefit which Mr Howson may receive under the Plan on cessation of his employment with the Company.

If Shareholders approve Resolution 2, the maximum aggregate number of FY2015 LTI Performance Rights that may vest and be exercised upon cessation of Mr Howson's employment will be 219,298. However, the actual number that may vest upon cessation of employment (if any) will depend on a range of factors. Accordingly, the value of any consequent termination benefit that may be received as a result of early vesting upon cessation of employment cannot be ascertained at the present time.

Apart from the future share price being unknown, the following are matters which will or are likely to affect the value of the benefit:

- the number of unvested Performance Rights held by Mr Howson prior to the cessation of employment;
- the extent to which the relevant performance criteria are met at the time;
- the period that has elapsed at that time since the effective grant date of the Performance Rights;
- the reasons for cessation of employment;
- the number of Performance Rights that vest; and
- the exercise of the Directors' discretion at the relevant time.

The Company will calculate the value of the benefit as being equal to the value of the number of Performance Rights that vest early, where that value is determined on the basis of the prevailing share price of the Company at the time.

Specific information required of ASX Listing Rules

The following information is provided in relation to Resolution 2 in accordance with ASX Listing Rule 10.15A:

- Mr Howson is the Managing Director of the Company.
- The maximum number of securities to be issued by the Company to Mr Howson is 219,298 FY2015 LTI Performance Rights (which upon vesting and exercise will result in the issue or transfer to Mr Howson of up to 219,298 Shares). The number of FY2015 LTI Performance Rights to be granted was determined based on Mr Howson's maximum LTI opportunity for FY2015 (being \$666,667 divided by the fair value of the LTI Performance Right as at 1 July 2014). The fair value of a FY2015 LTI Performance Right at that date, as determined independently by PwC using Black-Scholes methodology, is \$3.04.
- Each Performance Right will be granted to Mr Howson for nil cash consideration and Mr Howson will not be required to pay any amount on the grant of the Performance Right or on its vesting or exercise.
- Since the last approval given by Shareholders under ASX Listing Rule 10.14 at the 2013 annual general meeting:
 - no LTI Performance Rights or other securities have been granted to Mr Bronte Howson and no Shares have been issued or transferred) to him; and
 - no other person referred to in ASX Listing Rule 10.14 has been issued any LTI Performance Rights or securities under the Plan.
- Mr Howson is the only person of the kind referred to in ASX Listing Rule 10.14 who is entitled to participate in the Plan.
- No loan has been or will be given to Mr Howson relating to the grant of Performance Rights under the Plan. Because the Performance Rights will be granted to Mr Howson for nil cash consideration and Mr Howson will not be required to pay any amount on the grant of the Performance Right or on its vesting or exercise, no funds will be raised by the issue of the Performance Rights and no loan exists in relation to the acquisition.
- Details of any Performance Rights issued under the Plan will be published in each annual report relating to a period in which Performance Rights have been issued, and that approval for the issue of Performance Rights was obtained, if required, under ASX Listing Rule 10.14.
- Any additional people who become entitled to participate in the Plan after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained, if required, under ASX Listing Rule 10.14.
- Should Resolution 2 be passed, the FY2015 LTI Performance Rights will be granted to Mr Howson as soon as possible after the date of the Meeting, and in any event no later than 3 years after the date of the Meeting. The FY2015 LTI Performance Rights will be granted in one instalment.

Directors' recommendation: The Directors (other than Mr Howson because of his interest in the outcome of the Resolution), recommend that Shareholders vote **in favour** of Resolution 2.

Resolution 3 – Adoption of remuneration report

The Corporations Act requires that a resolution that the remuneration report be adopted must be put to the vote at the Company's annual general meeting.

The remuneration report is set out on pages 59 to 80 of the Company's 2014 Annual Report, which may be accessed by visiting the "Reports" section of the Company's investor relations website at www.ahgir.com.au, or from ASX's website at www.asx.com.au. The remuneration report contains:

- details of the voting on the Company's remuneration report at the last annual general meeting;
- a summary of the independent review of the Company's remuneration policies and PwC recommendations from that review;
- details of the Company's executive remuneration structure for FY2014;
- details of the renegotiated executive service contract for the Managing Director;
- information about the Board's policy for determining the nature and amount of remuneration of Directors and senior executives of the Company;
- details of the remuneration of, and options held by, Directors and senior executives of the Company; and
- a summary of the terms of any contract under which any Director or senior executive is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

Shareholders will be provided with a reasonable opportunity to ask questions about, or make comments on, the remuneration report.

Section 250R(3) of the Corporations Act notes that the vote on the adoption of the remuneration report is advisory only and does not bind the Directors or the Company.

If at least 25% of the votes cast on the adoption of the remuneration report at two consecutive annual general meetings are against adopting the remuneration report, and a resolution was not put to the vote at the first of those consecutive annual general meetings under a prior application of the two strikes rule, then Shareholders will have the opportunity to vote on a "spill resolution".

At last year's annual general meeting, approximately 38.11% of the votes cast on the resolution to adopt the remuneration report were cast against adopting the report, and so the Company received a "first strike" at that meeting. As a result, if at least 25% of the votes cast on Resolution 3 are cast against adopting the remuneration report at the Meeting, Resolution 5 will be put to the Meeting and voted on as required by section 250V of the Corporations Act (the **Spill Resolution**).

The Company acknowledged and respected the outcome from last year's annual general meeting, and committed to consulting with Shareholders to understand their comments and concerns in respect of the Company's remuneration structure. In 2012 the Company engaged PwC as an independent consultant to review the Company's remuneration policies and provide recommendations on the Company's ongoing remuneration strategy. Further details about the independent review and PwC's recommendations are set out in the company's remuneration report (see specifically pages 60 to 61 of the 2014 Annual Report).

Following this review and the independent advice obtained from PwC, the Board identified and agreed a new remuneration structure which was implemented from the beginning of FY2013, retained in FY2014 with minor amendment due to ongoing monitoring, assessments and review and is intended to continue in FY2015. The objective of the Company's executive reward structure is to ensure reward for performance is competitive and appropriate for the results delivered. The structure aligns executive rewards with achievement of the Company's strategic objectives and the creation of value for Shareholders, and reflects current market practice for delivery of reward. The Board aims to ensure that executive reward practices are aligned with the key criteria for good governance practices, such that executive remuneration is:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the Company's strategic and business objectives, and the creation of Shareholder value;
- transparent;
- acceptable to Shareholders; and
- aids in meeting the Company's capital management needs.

It is the Company's view that this remuneration structure provides stronger linkage between the generation of Shareholder value and the remuneration earned by employees, compared to a structure that contains a higher fixed remuneration component.

Further details about the Company's remuneration structure are described in the Company's remuneration report (see specifically pages 60 to 61 of the 2014 Annual Report).

Board Recommendation: Because Resolution 3 deals with remuneration of key management personnel, and in light of the provisions in the Corporations Act relating to voting by KMP and their closely related parties on such remuneration related resolutions, the Board does not make a recommendation about how Shareholders should vote on this item of business.

SPECIAL BUSINESS

Resolution 4 – Financial Assistance

Background

AHG and the majority of its subsidiaries are parties to:

- Common Terms Deed dated 15 December 2011 between among others, CBA Corporate Services (NSW) Pty Ltd ACN 072 765 434 as security trustee of the AHG Security Trust and AHG (CTD);
- Security Trust Deed dated 15 December 2011 between, among others, CBA Corporate Services (NSW) Pty Ltd ACN 072 765 434 and AHG; and
- other finance and security trust documents required by, or referred to in, the documents listed above,

(together the **Finance Documents**), which form the documents underlying AHG's club debt facility with Australia and New Zealand Banking Group Ltd ABN 11 005 357 522, Commonwealth Bank of Australia ABN 48 123 123 124, CBFC Ltd ABN 26 008 519 462 and the Bank of Tokyo-Mitsubishi UFJ, Ltd ABN 75 103 418 882 (**Facility**).

The terms of the Facility, including in relation to interest charges, events of default, representations and warranties (from AHG and certain members of its group) are customary for facilities of this nature.

The CTD requires AHG to ensure certain subsidiaries, including wholly owned subsidiaries or any subsidiary who individually or as part of the AHG Group satisfies the prescribed earnings or assets tests (the **Subsidiary Tests**), become a 'Transaction Party' to the Finance Documents (**Transaction Party**) by executing a Transaction Party Accession Deed Poll (**Accession Deed Poll**). By doing so, each subsidiary will be providing financial assistance of the kinds described below, under the heading 'The proposed financial assistance, in detail'.

Transaction Parties are required to, among other things, provide security over all their assets in favour of CBA Corporate Services (NSW) Pty Ltd ACN 072 765 434 as security trustee of the AHG Security Trust (**Securities**), and irrevocably and unconditionally guarantee to the financiers under the Finance Documents the payment of the secured moneys on terms contained in the Finance Documents.

On 19 August 2014, AHG acquired all of the ordinary shares in certain entities as part of the acquisition of Bradstreet Motor Group so that the following companies became wholly owned subsidiaries of AHG:

- (a) Sabalan Pty Ltd;
 - (b) Cardiff Car City Pty Limited;
 - (c) Widevalley Pty. Ltd.;
 - (d) NSW Vehicle Wholesale Pty Limited;
 - (e) Maitland City Motor Group Pty Ltd;
 - (f) Bradstreet Motors Pty Limited;
 - (g) Bradstreet Properties Pty Limited; and
 - (h) Altheo Investments Pty Limited,
- (together the **Acquired Companies**).

Funds drawn under the Finance Documents were used in part to fund the purchase of the Acquired Companies.

Accession to the Finance Documents

In accordance with the Subsidiary Tests in the Finance Documents, AHG is now required to ensure that each Acquired Company becomes a Transaction Party to the Finance Documents by executing an Accession Deed Poll.

The financial assistance rules

Section 260A(1) of the Corporations Act provides that a company may financially assist a person to acquire shares in the company or a holding company of the company only in certain circumstances, including where the giving of the assistance does not materially prejudice the interests of the company or its shareholders or the company's ability to pay its creditors, or where the assistance is approved by shareholders under section 260B of the Corporations Act.

Financial assistance is broadly interpreted and may be the provision of anything needed in order to carry out a transaction, including giving security over assets or giving a guarantee or indemnity in respect of another person's liability.

The directors of each of the Acquired Companies and the Board have not formed the view that the accession to the Finance Documents by the Acquired Companies will have the effect of materially prejudicing the interests of creditors or the shareholders of the Acquired Companies. However, due to uncertainty surrounding the expression "material prejudice" and the fact that, on the face of it, acceding to the Finance Documents does to some extent prejudice the Acquired Companies' freedom to operate its businesses, the directors of the Acquired Companies and the Board believe it is prudent to obtain the approval of their shareholders under section 260B of the Corporations Act.

Between the date of this Notice and the Annual General Meeting, the shareholders of each Acquired Company (being either AHG or an Acquired Company which is the holding company of another Acquired Company) will be asked to give approval for the giving of financial assistance by that Acquired Company to AHG. Under section 260B(2) of the Corporations Act, if immediately after the acquisition, the company giving financial assistance will be a subsidiary of another corporation which is listed in Australia, that listed domestic corporation must also obtain shareholder approval for the financial assistance at a general meeting. As AHG is the listed holding company of each of the Acquired Companies, this Resolution 4 seeks the approval of Shareholders, pursuant to section 260B(2) of the Corporations Act, for financial assistance to be provided by the Acquired Companies.

In compliance with section 260B(4) of the Corporations Act, Shareholders are advised of the information below.

Reason for financial assistance

The reason for the giving of the financial assistance described above is to enable AHG to comply with its obligations under the Finance Documents.

If approval for financial assistance is not provided, AHG will need to investigate the possibility of undertaking corporate restructuring to move all or substantially all of the assets in the Acquired Companies to entities which are existing Transaction Parties under the Finance Documents. There is no guarantee that any such restructuring would be successful or efficient. Restructuring will incur additional costs for AHG which would not otherwise be incurred if Resolution 4 is approved.

In addition, if shareholder approval is not provided and AHG is not able to complete any such corporate restructuring by 31 May 2015:

- (a) AHG will be in breach of undertakings which will result in the occurrence of an 'Event of Default' and a 'Review Event' enabling AHG's financiers to exercise rights under the Finance Documents such as demanding repayment of all money owing under the Finance Documents, and/or repricing AHG's debt under the Facility; and
- (b) AHG may be forced to negotiate alternative financing and incur break costs and additional transaction fees.

The proposed financial assistance, in detail

By executing the Accession Deed Poll and granting the Securities, each of the Acquired Companies will provide the following financial assistance to AHG:

- (a) it will unconditionally and irrevocably guarantee the repayment of any secured money under the Finance Documents;
- (b) it will provide AHG's financiers with security over the Acquired Company's assets on the terms of the Finance Documents; and
- (c) it will give the indemnities, undertakings, representations and warranties to which AHG and each other Transaction Party has provided and continues to provide to the financiers. The undertakings and representations may restrict various corporate actions the Acquired Companies could otherwise undertake.

The Directors of AHG do not currently believe that AHG, any existing Transaction Party or any Acquired Company is likely to be in default in relation to its obligations under the Finance Documents.

Advantages

The advantage to AHG of the proposed Resolution 4 is that the Acquired Companies will be able to execute an Accession Deed Poll and grant the Securities and allow AHG to meet the Subsidiary Tests under the Finance Documents and avoid the occurrence of an 'Event of Default' and a 'Review Event' under the Finance Documents. In addition, AHG would not be required to incur the additional cost of corporate restructuring, and the risk that it may not be able to complete the corporate restructuring by 31 May 2015. The effect of failure to complete the corporate restructuring by 31 May 2015 is set out above under "Reason for financial assistance".

The Directors of AHG believe that the utilisation and extension of its existing corporate facilities to finance, in part, the acquisition of Bradstreet Motor Group was the most efficient form of financing available.

The principal advantage of the proposed Resolution 4 to the Acquired Companies is that they will benefit from remaining subsidiaries of AHG. The Directors of AHG and the Directors of the Acquired Companies believe that this is in the interests of the Acquired Companies because the Acquired Companies will:

- (a) have greater access to funding as a result of integration in the AHG Group;
- (b) benefit from synergies, cost savings and greater growth potential through that integration with the AHG Group; and
- (c) have access to new management expertise provided by AHG and its affiliates.

In addition, if approval of financial assistance is not provided, and AHG is not able to complete the corporate restructuring by 31 May 2015, AHG's financiers may require immediate repayment of the amounts owing under the Finance Documents, and this may have a material impact on the operations of the Acquired Companies.

The Directors of AHG believe that approving the financial assistance described above is in the interests of AHG.

Disadvantages

The Board does not believe there are any disadvantages for AHG as a result of the proposed resolution as AHG is already a Transaction Party to the Finance Documents.

The disadvantages of the proposed resolution for the Acquired Companies include the following:

- (a) the Acquired Companies will become liable for amounts due under the Finance Documents and the Acquired Companies' assets may become subject to enforcement action by the financiers in the event of any 'Event of Default' and any 'Review Event' under the Finance Documents;
- (b) an Acquired Company becoming a Transaction Party under the Finance Documents may impact on its ability to borrow in the future;
- (c) the corporate actions of the Acquired Companies will be restricted by the terms of the Finance Documents; and
- (d) although the Board does not currently believe there is or will likely be any prospect of default, a member of the AHG Group may, in the future, default under the Finance Documents which will result in the financiers having various rights under the Finance Documents including making a demand under a guarantee or indemnity provided by an Acquired Company requiring immediate repayment of amounts due under the Finance Documents.

Prior notice to ASIC

Copies of the Notice of Annual General Meeting and these Explanatory Notes were lodged with the Australian Securities and Investments Commission before being sent to Shareholders in accordance with section 260B(5) of the Corporations Act.

Disclosure

The Board considers that the Notice and these Explanatory Notes contain all information known to AHG that would be material to Shareholders in deciding how to vote on Resolution 4 other than information which it would be unreasonable to require AHG to include because it has been previously disclosed to Shareholders.

Passing Resolution 4

Resolution 4 is a special resolution and will be passed if 75% of the votes cast by Shareholders are in favour of the Resolution.

Directors' recommendation: The Board unanimously recommends that Shareholders vote **in favour** of Resolution 4.

CONTINGENT BUSINESS

Resolution 5 – Spill Meeting (Contingent Resolution)

Resolution 5 (the **Spill Resolution**) is a contingent resolution and will only be put to the Meeting and voted on if 25% or more of the votes cast on Resolution 3 are cast against the adoption of the 2014 remuneration report, which means the Company would receive a “second strike”. If less than 25% of votes cast are against the Remuneration Report at this Annual General Meeting, then there will be no “second strike” and Resolution 5 will not be put to the Meeting.

If put, the Spill Resolution will be considered as an ordinary resolution. If this Spill Resolution is passed and becomes effective, then it will be necessary for the Board to convene a further general meeting of Shareholders (the **Spill Meeting**), within 90 days of this Meeting in order to consider the composition of the Board.

Mechanics of the potential Spill Meeting

Shareholders should note the following if the Spill Resolution is approved and a Spill Meeting is required to be held by the Company.

- (a) All of the Directors who remain in office as Directors at the time of the Spill Meeting and were in office when the Board resolution to approve the directors’ report for the financial year ended 30 June 2014 was passed (but excluding the Managing Director), being each of:

- (i) Mr David Griffiths;
- (ii) Mr Giovanni (John) Groppoli;
- (iii) Ms Tracey Horton;
- (iv) Mr Robert McEniry;
- (v) Mr Michael Smith;
- (vi) Mr Peter Stancliffe; and
- (vii) Mr Howard Critchley,

(the **Relevant Directors**), will automatically vacate their office immediately before the end of the Spill Meeting unless they are willing to stand for re-election and are re-elected at the Spill Meeting. For the avoidance of doubt, this includes Mr Giovanni (John) Groppoli and Mr Howard Critchley despite those Directors already being subject to re-election at this Meeting.

- (b) No voting exclusions will apply to any resolutions appointing Directors at a Spill Meeting. Accordingly there is no barrier for any Shareholder exercising their voting rights to support the re-appointment of the existing Directors at the subsequent Spill Meeting. If the Spill Resolution is passed, each of the Relevant Directors intends to stand for re-election at the Spill Meeting and if such Spill Meeting is held, may vote their own shares in support of their re-appointment.
- (c) Shareholders will be able to put forward their own nominees for consideration and potential election at the Spill Meeting.

The Corporations Act requires the Company to have a minimum of three directors. If, following the Spill Meeting, the Company has fewer than three directors (including the Managing Director), then the persons with the highest percentage of votes in favour of their election at the Spill Meeting are taken to be appointed, even if less than half the votes cast on the resolution were in favour of their appointment. If two or more persons have the same percentage of votes in favour of their appointment, the other Directors will choose one of those persons as the appointed Director.

The 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations recommend that a listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively. The Board also should be large enough to comprise a variety of perspectives and skills, and to represent the best interests of the Company as a whole. The skills and experience matrix of the current members of the Board may not be reflected in the Board elected as a result of the Spill Meeting.

Consequences of voting “for” the Spill Resolution

The impact of the Spill Resolution on the composition of the Board should be considered carefully by Shareholders.

If the Spill Resolution is put to the Meeting and passes:

- (a) The Company will need to incur expenses (including legal, printing, mail out and registry costs) which the Board estimates will be in excess of \$100,000.
- (b) The Spill Meeting is likely to disrupt the Board and the Company's focus away from core business operations due to the necessary diversion of resources and time towards organising the Spill Meeting.
- (c) There will be uncertainty as to the composition and continuity of the Board until the Spill Meeting is held. Such uncertainty may create instability within the Company and may have a negative effect on the Company's share price, and potentially on its operations.

Board Comment and Recommendation:

If Resolution 5 is put to Shareholders and you support your current Directors and wish them to continue as Directors, you should vote **against** the Spill Resolution (Resolution 5).

If it is required to be put to the Meeting, the Board unanimously recommends that Shareholders vote **against** Resolution 5.

**SCHEDULE 1: SUMMARY OF THE TERMS AND CONDITIONS OF THE AHG
PERFORMANCE RIGHTS PLAN**

1.	Purpose of the Plan	<p>The purpose of the Plan is to provide eligible employees with an opportunity to share in the growth in value of the Company's shares and to encourage those employees to improve the performance of the Company and its return to shareholders.</p> <p>It is intended that the Plan will enable the AHG Group to retain and attract skilled and experienced employees and provide them with the motivation to make the AHG Group more successful.</p>
2.	Term of the Plan	<p>The Plan was last approved by shareholders on 29 November 2007.</p> <p>The Board may terminate or suspend the operation of the Plan at its discretion at any time. However, the rules of the Plan will continue to operate with respect to any Performance Rights or shares already granted or acquired, respectively.</p>
3.	Type of Plan	<p>Participants under the Plan may be issued Performance Rights.</p> <p>Each Performance Right entitles a participant in the Plan to one fully paid ordinary share of the Company, subject to the satisfaction of specified Performance Criteria.</p>
4.	Eligibility and participation	<p>The Board may invite employees of the Group that they determine eligible, to participate in the Plan. The Board will provide an application form to each eligible employee, together with an invitation to participate in the Plan setting out the terms of issue (Invitation).</p> <p>An eligible employee who wishes to participate in the Plan must complete and return the application form. On acceptance of the application by the Board and after obtaining shareholder approval when required, the Board will grant Performance Rights to that employee as a participant in the Plan (Participant).</p>
5.	Terms of grant	<p>Performance Rights are granted at no cost. A Participant is able to exercise his or her Performance Rights on the date provided for in the Invitation, subject to, amongst other things, satisfying the Performance Criteria.</p> <p>The Company has no obligation to quote the Performance Rights on ASX. Unless the Board determines otherwise, a Participant cannot dispose of any Performance Rights granted to them under the Plan.</p> <p>Subject to the ASX Listing Rules, the number of shares over which a Performance Right is exercisable will be increased if there is a bonus issue. Participants are also entitled, subject to the ASX Listing Rules, to participate in rights issues to the same extent as other shareholders. Shareholders should be aware of the overriding application of Chapter 6 of the ASX Listing Rules in this regard, and ASX Listing Rule 6.20 in particular.</p> <p>Each share acquired under the Plan ranks equally with other shares on issue at the time.</p>
6.	Purchase price	<p>Generally, no exercise price or other consideration is payable by a Participant for shares acquired pursuant to the exercise of Performance Rights following vesting under the Plan. However, the Board has the discretion under the Plan to determine any amount payable.</p>

7.	Exercise of Performance Rights	To exercise their Performance Rights, Participants must deliver an exercise notice to the Company within the relevant exercise period. In the normal course, the exact number of Performance Rights that a Participant can exercise will be determined by reference to whether the Performance Criteria have been achieved.
8.	Performance Criteria	Performance Criteria are determined by the Board at its discretion. Refer to the Explanatory Notes concerning Resolution 2 for further information about Performance Criteria proposed to be applied to Performance Rights granted under the Plan.
9.	Cessation of Employment	<p>The Board retains discretion under the Plan to permit early vesting of Performance Rights in some limited circumstances.</p> <p>For example, if a Participant ceases to be employed by any member of the Group due to their resignation, retirement, redundancy, or permanent disability, all Performance Rights granted to that Participant will lapse unless the Board determines otherwise. In these circumstances, the Board may, in its discretion, assess the Performance Criteria at the time that the Participant's employment ceases, and vest a pro rata number of the Participant's Performance Rights to reflect the proportion of the performance period served. Where Performance Criteria applicable to the Performance Rights have been achieved as at the date of cessation, the Participant can still exercise these Performance Rights for up to 30 days.</p> <p>If a Participant ceases to be employed by any member of the Group due to their death, all Performance Rights granted to that Participant will lapse unless the Board determines otherwise. In these circumstances, the Board may similarly, in its discretion, vest a pro rata number of the Participant's rights to reflect the proportion of the performance period served. Where Performance Criteria applicable to the Performance Rights have been achieved as at the date of death, the legal personal representative of the Participant's estate can still exercise these Performance Rights for up to three months.</p>
10.	Restrictions on Share Disposal	Unless the Board determines otherwise, a Participant may be restricted from disposing of any shares that they acquire under the Plan for a period of up to three years.
11.	Cap	The aggregate number of shares subject to outstanding Performance Rights (ie Performance Rights that have not yet been exercised and that have not lapsed) that have been awarded under all of the Company's equity incentive plans (including the Plan) will not exceed 5% of the issued share capital of the Company.
12.	Administration of the Plan	The Board has broad powers of management in connection with the Plan. Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, the Board may amend or supplement the rules of the Plan by Board resolution at any time. However, any amendment or supplementation to the rules will not apply to any Rights or shares already granted or acquired, respectively, under the Plan unless an express resolution of the Board states otherwise.



AUTOMOTIVE HOLDINGS GROUP



AUTOMOTIVE HOLDINGS GROUP

Automotive Holdings Group Limited
ABN 35 111 470 038

LODGE YOUR VOTE



ONLINE >

www.linkmarketservices.com.au



By mail:

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C/- Link Market Services Limited
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Sydney South NSW 1235
Australia



By fax: +61 2 9287 0309



By hand:

Link Market Services Limited
1A Homebush Bay Drive,
Rhodes NSW 2138



All enquiries to: Telephone: +61 1300 554 474

HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

Voting 100% of your holding

You may direct your proxy how to vote by marking one of the boxes opposite each resolution. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on a resolution your vote will be invalid on that resolution.

Voting a portion of your holding

You may indicate a portion of your voting rights by inserting the percentage or number of shares you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00 am (Perth time) on Wednesday, 12 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE >

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**

AHE PRX401R



PROXY FORM

I/We being a member(s) of Automotive Holdings Group Limited (the Company) and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐

the Chairman
of the Meeting
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy.

If the person or body corporate named does not attend the Meeting, or if no person or body corporate is named, the Chairman of the Meeting is appointed as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the directions set out below (or if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **10:00 am (Perth time) on Friday, 14 November 2014 at Botanical 3, Lower Level, Crown Convention Centre, Great Eastern Highway, Burswood, WA** (the Meeting) and at any postponement or adjournment of the Meeting.

By completing and returning this form, in respect of Resolutions 2, 3 and 5, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy (except where I/we have indicated a different voting intention below) even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting (where appropriately authorised) intends to vote eligible undirected proxies in favour of all resolutions other than Resolution 5 where undirected proxies will be voted against the resolution (if it is put to the Meeting). In exceptional circumstances the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

STEP 2

VOTING DIRECTIONS

Please Note: to fully inform shareholders in exercising their right to vote, please be aware that if the Chairman of the Meeting is appointed as your proxy (or becomes your proxy by default), the Chairman of the Meeting intends to vote available proxies in the manner set out beside each resolution. This reflects the Board's recommendation.

ORDINARY BUSINESS

Resolution 1.1 Election of Mr Howard Critchley

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FOR

Resolution 1.2 Re-election of Mr Giovanni (John) Groppoli

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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FOR

Resolution 2 Grant of performance rights to Mr Bronte Howson

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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FOR

Resolution 3 Adoption of remuneration report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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FOR

SPECIAL BUSINESS

Resolution 4 Financial assistance

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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FOR

CONTINGENT BUSINESS

Note: Resolution 5 will only be considered at the meeting if 25% or more of votes cast on Resolution 3 are "against" that Resolution. If you mark the "FOR" box to vote for Resolution 5, you are directing your proxy to vote for the holding of a special meeting of members to consider the spill of the whole of the Company's Board other than the Managing Director.

Resolution 5 Board Spill Meeting (contingent resolution)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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AGAINST

i * If you mark the Abstain box for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

AHE PRX401R