

NOTICE OF ANNUAL GENERAL MEETING

2020

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of A.P. Eagers Limited (**Company**) will be held on Wednesday, 29 July 2020 at 9.00 am (Brisbane time). In accordance with the government's guidance and restrictions on travel and public gatherings, the meeting will be held as a virtual meeting by electronic means.

Shareholders may be present online and vote through the online webcasting platform provided by the Company's share registry at <https://web.lumiagm.com/331518644> on their smartphone, tablet or computer. Further information regarding online attendance at the meeting (including how to vote and ask questions virtually during the meeting) is set out in the Company's Online Meeting Guide, which is attached to this Notice of Meeting and available on the Company's website www.apeagers.com.au under the Shareholders tab.

ORDINARY BUSINESS

1. Financial Reports

To receive and consider the financial report, directors' report and independent auditor's report for the Company and its controlled entities for the year ended 31 December 2019.

(Refer to Item 1 of the Explanatory Notes.)

2. Re-election of Directors

(a) Re-election of Director – Mr Marcus John Birrell

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

"That Mr Marcus John Birrell, who retires by rotation in accordance with the Company's constitution, and being eligible, be re-elected as a director of the Company."

(Refer to Item 2 of the Explanatory Notes.)

(b) Re-election of Director – Mr Tim Crommelin

BCom FSIA, FLSE

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

"That Mr Tim Crommelin, who retires by rotation in accordance with the Company's constitution, and being eligible, be re-elected as a director of the Company."

(Refer to Item 2 of the Explanatory Notes.)

(c) Re-election of Director – Ms Sophie Alexandra Moore

BBus, CA, FFIn

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

"That Ms Sophie Alexandra Moore, who retires by rotation in accordance with the Company's constitution, and being eligible, be re-elected as a director of the Company."

(Refer to Item 2 of the Explanatory Notes.)

3. Election of Directors Who were Appointed by the Board

(a) Election of Director – Mr David Scott Blackhall

BCom, MBA, FAICD

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

"That Mr David Scott Blackhall, who having been appointed by the board since the last Annual General Meeting, retires and, being eligible, offers himself for election in accordance with the Company's constitution, be elected as a director of the Company."

(Refer to Item 3 of the Explanatory Notes.)

(b) Election of Director – Mr Gregory James Duncan

OAM, BEc, FCA

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

"That Mr Gregory James Duncan, who having been appointed by the board since the last Annual General Meeting, retires and, being eligible, offers himself for election in accordance with the Company's constitution, be elected as a director of the Company."

(Refer to Item 3 of the Explanatory Notes.)

(c) Election of Director – Ms Michelle Victoria Prater

BBus, CPA, ACIS, AICD

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

"That Ms Michelle Prater, who having been appointed by the board since the last Annual General Meeting, retires and, being eligible, offers herself for election in accordance with the Company's constitution, be elected as a director of the Company."

(Refer to Item 3 of the Explanatory Notes.)

4. Non-executive Directors' Fee Cap

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

"That, for the purpose of ASX Listing Rule 10.17 and Article 50(a) of the Company's constitution, the maximum aggregate amount of fees that may be paid each year to the Company's non-executive directors is increased by \$250,000 from \$750,000 to \$1,000,000."

Voting Restriction: The Company will disregard any votes cast on resolution 4 by or on behalf of a director of the Company or any associate of such a director. However, this does not apply to a vote cast in favour of the resolution by:

- > a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- > the Chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the Chairman to vote on the resolution as the Chairman decides; or
- > a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- > the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- > the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, if the person is either a member of the Company's key management personnel or their closely related parties (in each case as defined in the *Corporations Act*) and the appointment does not specify the way the proxy is to vote, unless the vote is cast by the Chairman of the meeting where the proxy appointment expressly authorises the Chairman to exercise the proxy even though the resolution is connected with the remuneration of members of the Company's key management personnel.

(Refer to Item 4 of the Explanatory Notes.)

5. Remuneration Report

To consider and, if thought fit, pass the following resolution as an advisory resolution under section 250R(2) *Corporations Act 2001* (Cth):

"That the remuneration report for the year ended 31 December 2019 be adopted."

Voting Restriction: Members of the Company's key management personnel whose remuneration details are included in the remuneration report and their closely related parties (in each case as defined in the *Corporations Act*) are not entitled to vote on this resolution in any capacity. However, any such person may vote as a proxy for another person who is entitled to vote on this resolution if the proxy form directs the proxy how to vote on this resolution. In addition, this prohibition does not apply to the Chairman of the meeting acting as proxy for a person entitled to vote where the proxy appointment expressly authorises the Chairman to exercise an undirected proxy even though the resolution is connected with the remuneration of members of the Company's key management personnel.

(Refer to Item 5 of the Explanatory Notes.)

SPECIAL BUSINESS

6. Change of Company Name to Eagers Automotive Limited

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

"That, for the purposes of section 157(1) of the Corporations Act 2001 (Cth) and all other purposes, the Company's name be changed to Eagers Automotive Limited."

Note: This resolution must be approved by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

(Refer to Item 6 of the Explanatory Notes.)

7. Renewal of Proportional Takeover Provisions of Constitution

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

"That the proportional takeover provisions contained in Article 80 and Article 81 of the Company's constitution be renewed for a period of three years from the date this resolution is passed."

Note: This resolution must be approved by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

(Refer to Item 7 of the Explanatory Notes.)

ONLINE VOTING PROCEDURE

Shareholders and proxies may participate in the meeting online from their computers, smartphone or tablet by entering the following URL into their browser: <https://web.lumiagm.com/331518644>. The latest versions of Chrome, Safari, Internet Explorer 11, Edge and Firefox is required.

Detailed instructions on how to log in to, vote and ask questions during, the meeting are set out in the attached Online Meeting Guide.

POLL

In accordance with Article 40 of the Company's constitution and in compliance with the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 made by the Treasurer on 5 May 2020, the Chairman intends to call a poll on each of the resolutions proposed at the meeting.

The online webcasting platform will allow for online voting in real time at the meeting. The results of the voting on resolutions requiring a shareholder vote at the meeting will be announced to the ASX promptly after the meeting.

ENTITLEMENT TO VOTE

You will be eligible to vote at the meeting if you are a registered holder of ordinary shares in the Company as at 7.00 pm (Brisbane time) on Monday, 27 July 2020.

DIRECT VOTING

In accordance with Article 37(b) of the Company's constitution, the board has determined that shareholders entitled to attend and vote at the meeting may do so without attending the meeting or appointing a proxy (and voting in this manner is referred to as direct voting).

To vote by direct vote, mark Box A on the enclosed Voting Form. You must complete the voting directions in Step 2 of that form by marking "For" or "Against" and return your completed and signed Voting Form to the Company's share registry at least 48 hours before the meeting commences (ie. no later than 9.00 am (Brisbane time) on Monday, 27 July 2020) for your vote to be counted.

The share registry's online and other contact details are listed below.

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PROXIES

If you are a shareholder entitled to attend and vote at the meeting, you may appoint a proxy to attend and vote on your behalf. You may direct the proxy how to vote.

To appoint a proxy, you must do either of the following:

- > appoint the proxy online at the online address of the Company's share registry; or
- > complete the enclosed proxy form and ensure it is received by the share registry by post or facsimile,

at least 48 hours before the meeting commences (ie. no later than 9.00 am (Brisbane time) on Monday, 27 July 2020).

The share registry's online and other contact details are listed below.

If a proxy is appointed by a shareholder under power of attorney, the original or a certified copy of the power of attorney must also be received by the share registry at least 48 hours before the meeting commences (ie. no later than 9.00 am (Brisbane time) on Monday, 27 July 2020).

If you are entitled to cast two or more votes, you may appoint either one or two proxies. To appoint a second proxy, follow the instructions on the enclosed proxy form.

A proxy may be an individual or a body corporate but need not be a shareholder of the Company.

A body corporate that is a shareholder, or that has been appointed as a proxy, is entitled to appoint any person to act as its representative at the meeting. The body corporate or representative must provide a "certificate of appointment of corporate representative" prior to the representative's admission to the meeting confirming its authority to act as the body corporate's representative. The share registry can provide a form of the certificate on request.

UNDIRECTED PROXIES

An undirected proxy for any resolution may be voted as the proxy chooses, subject to the following:

- > An undirected proxy in relation to resolution 4 or 5 that is given to a member of key management personnel (other than the Chairman of the meeting) or any of their closely related parties will not be voted. To allow such a proxy to vote, the shareholder must direct the proxy how to vote by marking the relevant 'For', 'Against' or 'Abstain' box on the proxy form.
- > If a shareholder appoints the Chairman as proxy, or if the Chairman is appointed as proxy by default, in relation to resolution 4 or 5, and the shareholder does not mark the 'For', 'Against' or 'Abstain' box opposite the relevant item on the proxy form, by signing the proxy form the shareholder will be authorising the Chairman to vote in favour of the resolution, and the Chairman will vote in this way, even though those resolutions are connected directly with the remuneration of members of the Company's key management personnel. If a shareholder wishes to

appoint the Chairman as proxy to vote against or abstain from voting on resolution 4 or 5, the shareholder must mark the relevant 'Against' or 'Abstain' box on the proxy form.

The Chairman intends to vote all available proxies in favour of each resolution.

SHARE REGISTRY'S CONTACT DETAILS

Lodge your vote by:

Mail: Computershare Investor Services Pty Limited
GPO Box 242, Melbourne
Victoria 3001 Australia

Fax: (within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

Online: www.investorvote.com.au

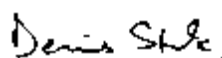
Intermediary Online subscribers only:
www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

By Order of the Board

26 June 2020



Denis Stark
Company Secretary

EXPLANATORY NOTES

These notes form part of the Notice of Annual General Meeting (**AGM**) and are intended to provide shareholders of the Company with an explanation of the business of the meeting and proposed resolutions and assist shareholders in determining how to vote on each proposed resolution.

ORDINARY BUSINESS

ITEM 1 – FINANCIAL REPORTS

The *Corporations Act* requires the financial report, directors' report and independent auditor's report to be laid before the AGM each year.

The financial report has been approved by the directors and audited by the independent auditor.

Whilst there is no requirement for the reports to be approved by shareholders, shareholders as a whole will have a reasonable opportunity at the meeting to ask questions about and make comments on the reports and management of the Company.

Shareholders will also have a reasonable opportunity to ask the auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

Shareholders may also address written questions to the Chairman about the management of the Company or to the auditor if the question is relevant to the contents of the auditor's report or the conduct of the audit of the financial report to be considered at the meeting. In accordance with section 250PA(1) of the *Corporations Act*, written questions for the auditor, Deloitte Touche Tohmatsu, must be submitted to the Company by no later than the fifth business day before the day on which the AGM is held (ie. by no later than Wednesday, 22 July 2020) to the address listed on the proxy form.

ITEM 2 – RE-ELECTION OF DIRECTORS

a) Re-election of Director – Mr Marcus John Birrell

The Company's constitution requires directors (other than the Managing Director and any alternate directors) to retire from office no later than the longer of the third AGM of the Company or 3 years, following their last election or appointment.

Having been initially appointed as a non-executive director of the Company in July 2016, Mr Birrell was last re-elected to the board at the Company's AGM in May 2017.

Mr Birrell retires by rotation and, being eligible, offers himself for re-election as a director of the Company at the AGM in accordance with the Company's constitution.

The board considers Mr Birrell is now an independent director. This change in status follows the expiry of the deferred consideration period in respect of the Company's

acquisition of the Birrell Motors Group in March 2016 and the sale by entities associated with Mr Birrell of a number of the properties which were leased by subsidiaries of the Company. As a consequence, the board considers that Mr Birrell's ongoing business relationships with the Company and its subsidiaries are neither material nor would they interfere with his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Company as a whole and shareholders generally.

Mr Birrell is a member of the Company's Audit, Risk & Remuneration Committee, having been appointed to the committee in March 2017.

Mr Birrell has had a distinguished career in the automotive industry, including 38 years at manufacturer, financier and retail level and 21 years as Executive Chairman of Birrell Motors Group, before that group was acquired by the Company in March 2016.

Mr Birrell was a director of Australian Automotive Dealer Association Limited from 2014 to 2017.

Further information about Mr Birrell is set out in the Company's 2019 annual report.

Directors' Recommendation

The directors (with Mr Birrell abstaining) recommend that shareholders vote in favour of the resolution for the election of Mr Birrell as a director.

(b) Re-election of Director – Mr Tim Crommelin BCom, FSIA, FLSE

The Company's constitution requires directors (other than the Managing Director and any alternate directors) to retire from office no later than the longer of the third AGM of the Company or 3 years, following their last election or appointment.

Having been initially appointed as a non-executive director of the Company in February 2011, Mr Crommelin was last re-elected to the board at the Company's AGM in May 2017.

Mr Crommelin retires by rotation and, being eligible, offers himself for re-election as a director of the Company at the AGM in accordance with the Company's constitution.

The board considers Mr Crommelin to be an independent director in that he is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in any material respect his capacity to bring independent judgement to bear on issues before the board and act in the best interests of the Company and shareholders generally.

As an independent non-executive director, Mr Crommelin chairs the Company's board and is a member of the Audit, Risk & Remuneration Committee.

Mr Crommelin has broad knowledge of corporate finance, risk management and acquisitions and over 40 years' experience in the stockbroking and property industry. He

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is Executive Chairman of Morgans Holdings (Australia) Limited and a director of Senex Energy Ltd (2010 to present) and Australian Cancer Research Foundation. He is a member of the University of Queensland Senate. He was previously the Deputy Chairman of Queensland Gas Company Limited and CS Energy Limited.

Further information about Mr Crommelin is set out in the Company's 2019 annual report.

Directors' Recommendation

The directors (with Mr Crommelin abstaining) recommend that shareholders vote in favour of the resolution for the re-election of Mr Crommelin as a director.

(c) Re-election of Director – Ms Sophie Alexandra Moore BBus, CA, FFin

The Company's constitution requires directors (other than the Managing Director and any alternate directors) to retire from office no later than the longer of the third AGM of the Company or 3 years, following their last election or appointment.

Having been initially appointed as an executive director of the Company in March 2017, Ms Moore was last re-elected to the board at the Company's AGM in May 2017.

Ms Moore retires by rotation and, being eligible, offers herself for re-election as a director of the Company at the AGM in accordance with the Company's constitution.

Ms Moore commenced with the Company as its Chief Financial Officer in August 2015. She continues in that role, with executive responsibility for the Company's accounting, taxation, internal audit and treasury functions. Ms Moore is therefore not considered to be an independent director of the Company.

Ms Moore has previously held senior finance roles with PricewaterhouseCoopers and Flight Centre Travel Group Limited. She was admitted as a chartered accountant in 1997.

Further information about Ms Moore is set out in the Company's 2019 annual report.

Directors' Recommendation

The directors (with Ms Moore abstaining) recommend that shareholders vote in favour of the resolution for the election of Ms Moore as a director.

ITEM 3 – ELECTION OF DIRECTORS WHO WERE APPOINTED BY THE BOARD

(a) Election of Director – Mr David Scott Blackhall BCom, MBA, FAICD

The Company's constitution requires that a director appointed by the board must retire at the next AGM and is eligible for election.

Mr Blackhall was appointed by the board as a non-executive director in December 2019. He offers himself for election at the AGM in accordance with the constitution.

The board considers Mr Blackhall to be an independent director in that he is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in any material respect his capacity to bring independent judgement to bear on issues before the board and act in the best interests of the Company and shareholders generally.

Mr Blackhall has over half a century of automotive industry experience with manufacturers, including at Managing Director level, as dealer principal and owner of various automotive franchises.

Mr Blackhall was the Chief Executive of Australian Automotive Dealer Association Limited from 2016 to 2019 and was a director of Automotive Holdings Group Ltd in 2019.

Mr Blackhall is the Managing Director of corporate advisory firm Raglan Ridge Advisors.

The Company conducted checks into Mr Blackhall's background prior to his appointment to the board in 2019 and no information of any concern was revealed.

Further information about Mr Blackhall is set out in the Company's 2019 annual report.

Directors' Recommendation

The directors (with Mr Blackhall abstaining) recommend that shareholders vote in favour of the resolution for the election of Mr Blackhall as a director.

(b) Election of Director – Mr Gregory James Duncan OAM, BEc, FCA

The Company's constitution requires that a director appointed by the board must retire at the next AGM and is eligible for election.

Mr Duncan was appointed by the board as a non-executive director in December 2019. He offers himself for election at the AGM in accordance with the constitution.

The board considers Mr Duncan to be an independent director in that he is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in any material respect his capacity to bring independent judgement to bear on issues before the board and act in the best interests of the Company and shareholders generally.

Mr Duncan has been Chairman of Cox Automotive Australia Board of Management since 2016 and a director of advisory and investment firm JWT Bespoke Pty Ltd since 2013.

Mr Duncan is a former owner and Executive Chairman of Trivett Automotive Group, Australia's largest prestige automotive business. He was a director of Automotive Holdings Group Limited from 2015 to 2019.

The Company conducted checks into Mr Duncan's background prior to his appointment to the board in 2019 and no information of any concern was revealed.

Further information about Mr Duncan is set out in the Company's 2019 annual report.

Directors' Recommendation

The directors (with Mr Duncan abstaining) recommend that shareholders vote in favour of the resolution for the election of Mr Duncan as a director.

(c) Election of Director – Ms Michelle Victoria Prater BBus, CPA, ACIS, AICD

The Company's constitution requires that a director appointed by the board must retire at the next AGM and is eligible for election.

Ms Prater was appointed by the board as a non-executive director in February 2020. She offers herself for election at the AGM in accordance with the constitution.

Ms Prater has been the Executive Chairman of APPL Group since 2004, a property development and investment group with an extensive automotive property portfolio including significant properties leased to the Company's operations in Western Australia. Ms Prater is therefore not considered to be an independent director of the Company.

Ms Prater held executive roles at corporate and operational levels with Automotive Holdings Group Limited from 1993 to 2004, including as an executive director from 2002 to 2004.

The Company conducted checks into Ms Prater's background prior to her appointment to the board in 2020 and no information of any concern was revealed.

Further information about Ms Prater is set out in the Company's 2019 annual report.

Directors' Recommendation

The directors (with Ms Prater abstaining) recommend that shareholders vote in favour of the resolution for the election of Ms Prater as a director.

ITEM 4 – NON-EXECUTIVE DIRECTORS' FEE CAP

Shareholders determine the maximum aggregate amount per annum that may be paid as fees to non-executive directors (**Fee Cap**). The determination of the Fee Cap is made in accordance with ASX Listing Rule 10.17 and Article 50(a) of the Company's constitution.

The current Fee Cap of \$750,000 was approved by shareholders at the 2015 AGM.

Shareholder approval is now sought to increase the Fee Cap by \$250,000 to \$1,000,000.

The board is seeking shareholder approval to increase the Fee Cap for the following reasons:

- > Since the current Fee Cap was approved by shareholders in 2015, the number of non-executive directors on the board has increased from five to eight, reflecting the Company's geographic expansion and growth by revenue and number of dealerships in that period;
- > The increased Fee Cap will ensure the Company maintains the ability to pay competitive fees and attract and retain high calibre non-executive directors; and

- > The increased Fee Cap will provide the Company with the flexibility to ensure that a high calibre board of appropriate size, expertise and experience is maintained to serve the Company and its shareholders effectively.

The level of fees paid to individual non-executive directors is reviewed annually for alignment with market practice. Details of the fees for 2019 are included in the remuneration report.

If the proposed increase is approved by shareholders, the board does not intend to distribute all of the increase or raise the fees for individual directors in the current year.

It is also noted that:

- > Directors do not receive additional fees for serving on any board committee, other than the Chairman of the Audit, Risk & Remuneration Committee, as noted in the Company's remuneration report;
- > There is no retirement benefits plan for non-executive directors; and
- > No securities have been issued to non-executive directors at any time within the last three years under ASX listing rule 10.11 or 10.14.

For the reasons outlined above, the board believes the proposed Fee Cap increase is appropriate.

A voting restriction applies to this resolution, as set out in the Notice of Annual General Meeting.

ITEM 5 – REMUNERATION REPORT

The purpose of this motion is to consider whether to adopt the Company's remuneration report for 2019. The proposed resolution is required to be put to shareholders in accordance with the *Corporations Act*.

The remuneration report is set out on pages 13 to 21 of the Company's 2019 annual report, which is available at www.apeagers.com.au.

The remuneration report:

- > Describes the Company's remuneration arrangements for non-executive directors, executive directors (including the Chief Executive Officer) and other key management personnel;
- > Explains the relationship between remuneration and the Company's performance; and
- > Details the performance hurdles which have been set for executives.

The board believes the remuneration arrangements, as outlined in the remuneration report, are consistent with good practice, appropriate for the Company given its size and business objectives, and helping to drive the Company's performance for the benefit of shareholders.

95.1% of proxies received for the Company's AGM last year were in favour of the remuneration report or at the Chairman's discretion, with the resolution passed on a show of hands.

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Although the shareholders' resolution on this motion will be advisory only and not binding on the Company, if 25% or more of the votes cast are against the adoption of the remuneration report, the remuneration report for the following year must address any comments received from shareholders or explain why no action has been taken in response to those comments.

Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on the remuneration report.

A voting restriction applies to this resolution, as set out in the Notice of Annual General Meeting. For the purpose of the voting exclusion:

- > Members of the key management personnel comprise directors (both executive and non-executive) and executives whose remuneration is listed in the remuneration report.
- > A closely related party of a member of key management personnel is (a) a company the member controls, (b) the member's spouse, child or dependant (or a child or dependant of the member's spouse) or (c) anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company.

SPECIAL BUSINESS

ITEM 6 – CHANGE OF COMPANY NAME TO EAGERS AUTOMOTIVE LIMITED

Following the Company's successful acquisition for Automotive Holdings Group Limited by an off-market takeover bid last year, and in accordance with the Company's bidder's statement, it is proposed that the Company change its name to "Eagers Automotive Limited".

Section 157 of the *Corporations Act* provides that the Company may change its name if the Company passes a special resolution of shareholders to adopt the new name. A special resolution must be passed by at least 75% of the votes cast by shareholders present (whether in person, or by proxy, attorney or representative) and entitled to vote on the resolution.

If this resolution is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the meeting in order to effect the change. The change of name will take effect from when ASIC alters the details of the Company's registration.

Directors' Recommendation

The directors unanimously recommend that shareholders approve the change of name and vote in favour of the resolution.

ITEM 7 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS OF CONSTITUTION

a) Background

The Company's constitution includes, at Articles 80 and 81, proportional takeover approval provisions that enable the

Company to refuse to register shares subject to acquisition under a proportional takeover bid, unless the bid is approved by a resolution passed by shareholders in general meeting.

Articles 80 and 81 were renewed by shareholders in accordance with the *Corporations Act* at the AGM on 24 May 2017. In accordance with the constitution and the *Corporations Act*, those Articles ceased to have effect on 23 May 2020 and will have no further effect unless they are renewed for a further three-year period by a special resolution of shareholders.

b) Proportional takeover bids

In a proportional takeover bid, the bidder offers to buy only a proportion of each shareholder's shares in the target company.

This means that control of the target company may pass without shareholders having the chance to sell all their shares to the bidder, and that the bidder may take control of the target company without paying an adequate premium for gaining control.

To deal with this possibility, the *Corporations Act* allows a company to provide in its constitution that if a proportional takeover bid is made for shares in the company, shareholders must vote on whether to accept or reject the offer and that decision will be binding on all shareholders.

Such a provision allows shareholders to decide collectively whether the proportional takeover bid is acceptable in principle, and may ensure that the bid is appropriately priced.

c) The effect of the proportional takeover provisions in the constitution

The effect of Articles 80 and 81 of the constitution is that if a proportional takeover bid is made for A.P. Eagers Limited, the Company must refuse to register a transfer of shares giving effect to any acceptance of the bid unless the takeover bid is approved by shareholders in a general meeting.

The directors must convene a meeting of shareholders to vote on a resolution to approve the proportional takeover bid. For the resolution to be approved, it must be passed by a simple majority of votes at the meeting, excluding votes of the bidder and its associates.

If no such resolution is voted on before the fourteenth day before the last day of the takeover bid period, the resolution will be deemed to have been approved. This effectively means that shareholders as a body may only prohibit a proportional takeover bid from being made by rejecting such a resolution.

If the resolution is approved or deemed to have been approved, transfers of shares under the proportional takeover bid (provided they are in all other respects in order for registration) must be registered. Note that approval of the bid does not compel any shareholder to accept the bid – the decision to accept or reject a proportional takeover offer continues to be one for each individual shareholder.

If the resolution is rejected, registration of any transfer of shares resulting from that proportional takeover bid is prohibited and the offer is deemed by the *Corporations Act* to have been withdrawn.

If Articles 80 and 81 are renewed, they will expire three years after their renewal unless they are again renewed by a further special resolution of shareholders.

Proportional takeover provisions do not apply to full takeover bids.

d) Reasons for proposing the resolution

The directors consider that shareholders should have the opportunity to vote on a proposed proportional takeover bid for the Company. A proportional takeover bid may result in effective control of the Company changing hands without shareholders having the opportunity of disposing of all their shares. A proportional takeover bid could result in shareholders being at risk of control of the Company passing to the bidder without payment of an adequate control premium for their shares, while also leaving them as part of a minority interest in the Company.

Articles 80 and 81 can prevent this occurring by giving shareholders the opportunity to decide whether a proportional takeover bid is acceptable and should be permitted to proceed for consideration by individual shareholders.

e) Presently proposed acquisitions

As at the date of these Explanatory Notes, no director of the Company is aware of any proposal by any person to acquire or increase the extent of a substantial interest in the Company.

f) Potential advantages and disadvantages for Directors

While the renewal of Articles 80 and 81 will allow the directors to ascertain shareholders' views on a proportional takeover bid, it does not otherwise offer any advantage or disadvantage to the directors who will remain free to make their own recommendation as to whether any proportional takeover bid should be accepted.

g) Potential advantages and disadvantages for shareholders

The directors consider that there are potential advantages associated with shareholders having the opportunity to consider and vote upon any proposed proportional takeover bid. For a proportional takeover bid to be approved, it must be approved by more than half of the shares voted at the meeting excluding the shares of the bidder and its associates, and accordingly the existence of Articles 80 and 81:

- > is likely to cause an intending bidder to formulate its offer in a way that would be attractive to the holders of a majority of shares, including appropriate pricing;
- > may have the effect of not allowing control of the Company to pass without payment of a control premium;

- > should assist shareholders to avoid being locked in as minority shareholders; and
- > will help individual shareholders assess the likely outcome of a proportional takeover bid when determining whether to accept or reject the bid.

The potential disadvantages for shareholders renewing Articles 80 and 81 include:

- > proportional takeover bids for the Company may be discouraged;
- > any speculative element in the market price of the Company's shares arising from the possibility of a proportional takeover offer being made may be reduced; and
- > the provisions may be considered to constitute an unwarranted additional restriction of the right of individual shareholders to freely deal with their shares as they see fit.

There have been no full or proportional takeover bids for the Company during the time Articles 80 and 81 have been in effect. Accordingly, there has not been any example against which to review the advantages or disadvantages of the provisions for the directors and shareholders, respectively, during this period.

Directors' Recommendation

The directors consider that the potential advantages for shareholders of the proportional takeover provisions outweigh the potential disadvantages. Accordingly, the directors unanimously recommend that shareholders approve the renewal of Articles 80 and 81 of the constitution and vote in favour of the resolution.



AP EAGERS

ABN 87 009 680 013



Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact

APE

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00 am (AEST)**
Monday 27 July 2020.

Voting Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

VOTE DIRECTLY

Voting 100% of your holding: Mark either the For, Against or Abstain box opposite each item of business. Your vote will be invalid on an item if you do not mark any box OR you mark more than one box for that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the number of securities 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.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. 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 an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities 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%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged 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, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Lodge your Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Voting Form

Please mark ☒ to indicate your directions

Step 1

Indicate How Your Vote Will Be Cast *Select one option only*

XX

At the Annual General Meeting of A.P. Eagers Limited to be held virtually at <https://web.lumiagm.com/331518644> on Wednesday 29 July 2020 at 9:00 am (AEST) and at any adjournment or postponement of that meeting, I/We being member/s of A.P. Eagers Limited direct the following:

A Vote Directly ☐ Record my/our votes strictly in accordance with directions in Step 2. **PLEASE NOTE:** A Direct Vote will take priority over the appointment of a Proxy. For a valid Direct Vote to be recorded you must mark FOR, AGAINST, or ABSTAIN on each item.

OR

B Appoint a proxy to vote on your behalf ☐ I/We hereby appoint: **The Chairman of the Meeting** OR **PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).
or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit).

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 4 & 5** (except where I/we have indicated a different voting intention in step 2) even though **Items 4 & 5** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 4 & 5** by marking the appropriate box in step 2.

Step 2

Items of Business

PLEASE NOTE: If you have appointed a proxy and you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority. If you are directly voting and you mark the **Abstain** box for an item, it will be treated as though no vote has been cast on that item and no vote will be counted in computing the required majority.

ORDINARY BUSINESS		For	Against	Abstain	SPECIAL BUSINESS		For	Against	Abstain
2a	Re-election of Director – Mr Marcus John Birrell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6	Change of Company Name to Eagers Automotive Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2b	Re-election of Director – Mr Tim Crommelin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	Renewal of Proportional Takeover Provisions of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2c	Re-election of Director – Ms Sophie Alexandra Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
3a	Election of Director – Mr David Scott Blackhall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
3b	Election of Director – Mr Gregory James Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
3c	Election of Director – Ms Michelle Victoria Prater	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
4	Non-executive Directors' Fee Cap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
5	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. 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.

Step 3

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

A P E

2 6 0 4 4 5 A



Computershare



Online Meeting Guide

Getting Started

If you choose to participate online you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your votes in real time and you will need to either:

- a) Visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge and Firefox. Please ensure your browser is compatible; or
- b) Download the Lumi AGM app from the Apple App or Google Play Stores by searching for Lumi AGM.

Meeting ID: 331-518-644

To log in, you must have the following information:

Australian Residents

Username (SRN or HIN) and Password (postcode of your registered address)

Overseas Residents

Username (SRN or HIN) and Password (three-character country code) e.g. New Zealand - NZL; United Kingdom - GBR; United States of America - USA; Canada - CAN. A full list is provided at the end of this guide.

Appointed Proxy

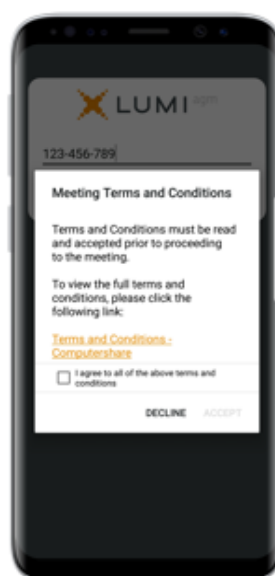
To receive your username and password, please contact Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

Online registration will open 1 hour before the start of the meeting

1 To participate in the meeting, you will be required to enter the unique 9 digit Meeting ID provided above.



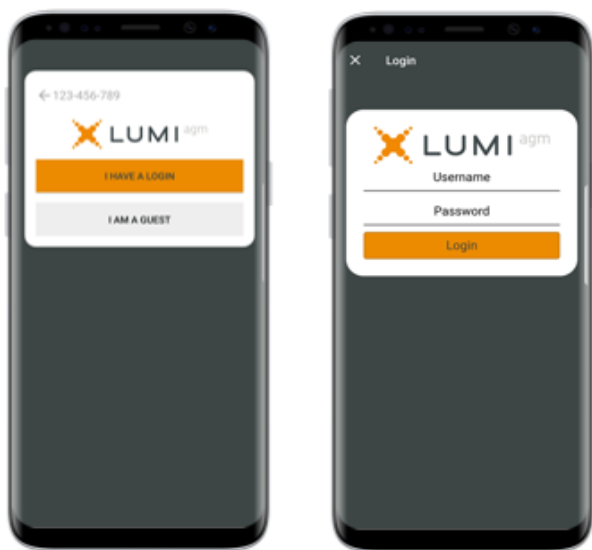
2 To proceed into the meeting, you will need to read and accept the Terms and Conditions.



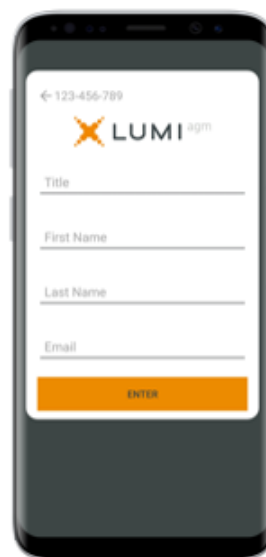
OR



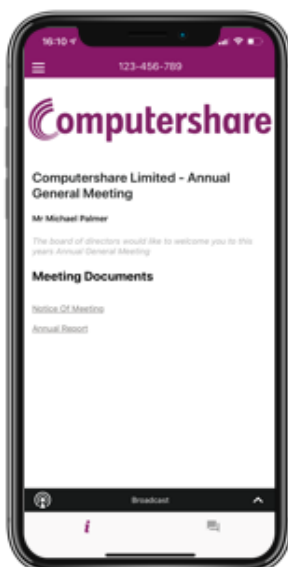
3 To register as a securityholder, select 'I have a login' and enter your username (SRN or HIN) and password (postcode or country code).





3a If you are a visitor, select 'I am a guest' and enter your name and email details. Please note, visitors will not be able to ask questions or vote at the meeting.



4 Once logged in, you will see the home page, which displays the meeting documents and information on the meeting. Icons will be displayed in different areas, depending on the device you are using.



5 View the webcast

To view proceedings you must tap the broadcast arrow  on your screen. Video and/or slides of the meeting will appear after approx. 30 seconds*. Toggle between the up or down arrow  to view another screen.

(*Dependant on the speed of your internet)



The broadcast bar allows you to view and listen to the proceedings



Home page icon, displays meeting information




Questions icon, used to ask questions



Voting icon, used to vote. Only visible when the chairman opens poll

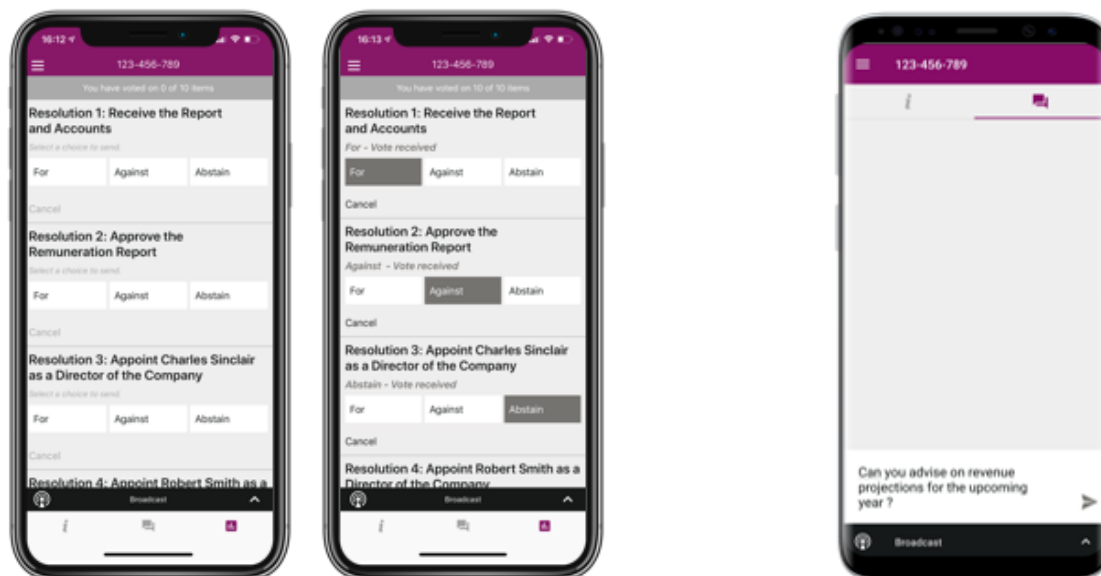
6 To Vote

When the Chairman declares the poll open:

- A voting icon  will appear on your device and the Meeting Resolutions will be displayed.
- To vote tap one of the voting options. Your response will be highlighted.
- To change your vote, simply press a different option to override.

The number of items you have voted or yet to vote on, is displayed at the top of the screen.

Votes may be changed up to the time the chairman closes the poll.





On some devices, to vote, you may need to minimise the webcast by selecting the arrow in the broadcast bar, audio will still be available. To return to the webcast after voting, select the arrow again.

For Assistance

If you require assistance prior to or during the Meeting, please call +61 3 9415 4024



7 To Ask Questions

Tap on the Questions icon  to submit a question, type your question in the chat box at the bottom of the screen and then select the send icon .

Confirmation that your message has been received will appear.

COUNTRY CODES

Select your country code from the list below and enter it into the **password** field.

ABW ARUBA	CPV CAPE VERDE	ISM BRITISH ISLES	NPL NEPAL	TKM TURKMENISTAN
AFG AFGHANISTAN	CRI COSTA RICA	ISR ISRAEL	NRU NAURU	TLS EAST TIMOR
AGO ANGOLA	CUB CUBA	ITA ITALY	NZL NEW ZEALAND	DEMOCRATIC REP OF
AIA ANGUILLA	CXR CHRISTMAS ISLAND	JAM JAMAICA	OMN OMAN	TMP EAST TIMOR
ALA ALAND ISLANDS	CYM CAYMAN ISLANDS	JEY JERSEY	PAK PAKISTAN	TON TONGA
ALB ALBANIA	CYP CYPRUS	JOR JORDAN	PAN PANAMA	TTO TRINIDAD & TOBAGO
AND ANDORRA	CZE CZECH REPUBLIC	JPN JAPAN	PCN PITCAIRN ISLANDS	TUN TUNISIA
ANT NETHERLANDS ANTILLES	DEU GERMANY	KAZ KAZAKHSTAN	PER PERU	TUR TURKEY
ARE UNITED ARAB EMIRATES	DJI DJIBOUTI	KEN KENYA	PHL PHILIPPINES	TUV TUVALU
ARG ARGENTINA	DMA DOMINICA	KGZ KYRGYZSTAN	PLW PALAU	TWN TAIWAN
ARM ARMENIA	DNK DENMARK	KHM CAMBODIA	PNG PAPUA NEW GUINEA	TZA TANZANIA UNITED REPUBLIC OF
ASM AMERICAN SAMOA	DOM DOMINICAN REPUBLIC	KIR KIRIBATI	POL POLAND	UGA UGANDA
ATA ANTARCTICA	DZA ALGERIA	KNA ST KITTS AND NEVIS	PRI PUERTO RICO	UKR UKRAINE
ATF FRENCH SOUTHERN TERRITORIES	ECU ECUADOR	KOR KOREA REPUBLIC OF	PRK KOREA DEM PEOPLES REPUBLIC OF	UMI UNITED STATES MINOR OUTLYING
ATG ANTIGUA AND BARBUDA	EGY EGYPT	KWT KUWAIT	PRT PORTUGAL	URY URUGUAY
AUS AUSTRALIA	ERI ERITREA	LAO LAO PDR	PRY PARAGUAY	USA UNITED STATES OF AMERICA
AUT AUSTRIA	ESH WESTERN SAHARA	LBN LEBANON	PSE PALESTINIAN TERRITORY OCCUPIED	UZB UZBEKISTAN
AZE AZERBAIJAN	ESP SPAIN	LBR LIBERIA	PYF FRENCH POLYNESIA	VAT HOLY SEE (VATICAN CITY STATE)
BDI BURUNDI	EST ESTONIA	LBY LIBYAN ARAB JAMAHIRIYA	QAT QATAR	VCT ST VINCENT & THE GRENADINES
BEL BELGIUM	ETH ETHIOPIA	LCA ST LUCIA	REU REUNION	VEN VENEZUELA
BEN BENIN	FIN FINLAND	LIE LIECHTENSTEIN	ROU ROMANIA	VGB BRITISH VIRGIN ISLANDS
BFA BURKINA FASO	FJI FIJI	LKA SRI LANKA	RUS RUSSIAN FEDERATION	VIR US VIRGIN ISLANDS
BGD BANGLADESH	FLK FALKLAND ISLANDS (MALVINAS)	LSO LESOTHO	RWA RWANDA	VNM VIETNAM
BGR BULGARIA	FRA FRANCE	LTU LITHUANIA	SAU SAUDI ARABIA KINGDOM OF	VUT VANUATU
BHR BAHRAIN	FRO FAROE ISLANDS	LUX LUXEMBOURG	SCG SERBIA AND MONTENEGRO	WLF WALLIS AND FUTUNA
BHS BAHAMAS	FSM MICRONESIA	LVA LATVIA	SDN SUDAN	WSM SAMOA
BIH BOSNIA & HERZEGOVINA	GAB GABON	MAC MACAO	SEN SENEGAL	YEM YEMEN
BLM ST BARTHELEMY	GBR UNITED KINGDOM	MAF ST MARTIN	SGP SINGAPORE	YMD YEMEN DEMOCRATIC
BLR BELARUS	GEO GEORGIA	MAR MOROCCO	SGS STH GEORGIA & STH SANDWICH ISL	YUG YUGOSLAVIA SOCIALIST FED REP
BLZ BELIZE	GGY GUERNSEY	MCO MONACO	SHN ST HELENA	ZAF SOUTH AFRICA
BMU BERMUDA	GHA GHANA	MDA MOLDOVA REPUBLIC OF	SJM SVALBARD & JAN MAYEN	ZAR ZAIRE
BOL BOLIVIA	GIB GIBRALTAR	MDG MADAGASCAR	SLB SOLOMON ISLANDS	ZMB ZAMBIA
BRA BRAZIL	GIN GUINEA	MDV MALDIVES	SLE SIERRA LEONE	ZWE ZIMBABWE
BRB BARBADOS	GLP GUADELOUPE	MEX MEXICO	SLV EL SALVADOR	
BRN BRUNEI DARUSSALAM	GMB GAMBIA	MHL MARSHALL ISLANDS	SMR SAN MARINO	
BTN BHUTAN	GNB GUINEA-BISSAU	MKD MACEDONIA FORMER YUGOSLAV REP	SOM SOMALIA	
BUR BURMA	GNQ EQUATORIAL GUINEA	MLI MALI	SPM ST PIERRE AND MIQUELON	
BVT BOUVET ISLAND	GRC GREECE	MLT MALTA	SRB SERBIA	
BWA BOTSWANA	GRD GRENADA	MMR MYANMAR	STP SAO TOME AND PRINCIPE	
BLR BELARUS	GRL GREENLAND	MNE MONTENEGRO	SUR SURINAME	
CAF CENTRAL AFRICAN REPUBLIC	GTM GUATEMALA	MNG MONGOLIA	SVK SLOVAKIA	
CAN CANADA	GUF FRENCH GUIANA	MNP NORTHERN MARIANA ISLANDS	SVN SLOVENIA	
CCK COCOS (KEELING) ISLANDS	GUM GUAM	MOZ MOZAMBIQUE	SWE SWEDEN	
CHE SWITZERLAND	GUY GUYANA	MRT MAURITANIA	SWZ SWAZILAND	
CHL CHILE	HKG HONG KONG	MSR MONTSERRAT	SYC SEYCHELLES	
CHN CHINA	HMD HEARD AND MCDONALD ISLANDS	MTQ MARTINIQUE	SYR SYRIAN ARAB REPUBLIC	
CIV COTE D'IVOIRE	HND HONDURAS	MUS MAURITIUS	TCA TURKS AND CAICOS ISLANDS	
CMR CAMEROON	HRV CROATIA	MWI MALAWI	TCD CHAD	
COD CONGO DEMOCRATIC REPUBLIC OF	HTI HAITI	MYS MALAYSIA	TGO TOGO	
COG CONGO PEOPLES REPUBLIC OF	HUN HUNGARY	MYT MAYOTTE	THA THAILAND	
COK COOK ISLANDS	IDN INDONESIA	NAM NAMIBIA	TJK TAJIKISTAN	
COL COLOMBIA	IMN ISLE OF MAN	NCL NEW CALEDONIA	TKL TOKELAU	
COM COMOROS	IND INDIA	NER NIGER		
	IOT BRITISH INDIAN OCEAN TERRITORY	NFK NORFOLK ISLAND		
	IRL IRELAND	NGA NIGERIA		
	IRN IRAN ISLAMIC REPUBLIC OF	NIC NICARAGUA		
	IRQ IRAQ	NIU NIUE		
	ISL ICELAND	NLD NETHERLANDS		
		NOR NORWAY		