



Notice of General Meeting and Explanatory Statement

A General Meeting of

LATAM AUTOS LIMITED

ABN 12 169 063 414

*will be held at
10.00am (AEDT) on Friday 9 March 2018*

at

*Collins Square Business Centre
Level 6, Tower 2, 727 Collins Street, Melbourne, VIC 3000*

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

LATAM AUTOS LIMITED

ABN 12 169 063 414

Registered Office: Level 4, 100 Albert Road, South Melbourne VIC 3205

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of shareholders of LatAm Autos Limited (“LatAm Autos” or the “Company”) will be held at Collins Square Business Centre, Level 6, Tower 2, 727 Collins Street, Melbourne, VIC 3000 on Friday 9 March 2018 at 10.00am (AEDT).

AGENDA

The Explanatory Statement and proxy form, which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety before voting on the resolutions set out below.

ORDINARY BUSINESS

Resolution 1: Ratification of prior issue of shares and options under the Placement

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

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the issue of 33,426,114 fully paid ordinary shares in the Company at an issue price of \$0.14 (14.0 cents) per share and up to 32,270,677 free attaching unquoted options (exercisable for 32,270,677 fully paid ordinary Shares) exercisable at \$0.17 (17.0 cents) per option under a private placement to institutional and sophisticated investors (excluding Directors and alternate Directors) in Australia and certain other jurisdictions on the terms and conditions described in the Explanatory Statement”.

Refer to the following notes for the voting exclusions which apply to Resolution 1.

Resolution 2: Ratification of prior issue of options under the SPP

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

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the issue of 11,935,261 unquoted options exercisable at \$0.17 (17.0 cents) which were issued to investors who participated in the Company's recent SPP (details of which were announced to the market on 12 December 2017) on the terms and conditions described in the Explanatory Statement”.

Refer to the following notes for the voting exclusions which apply to Resolution 2.

Resolution 3: Approval for participation in the placement by Director – Michael Fitzpatrick

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve and authorize the Company to issue 3,571,429 fully paid ordinary shares in the Company at an issue price of \$0.14 (14.0 cents) per share and 3,571,429 free attaching unquoted options (exercisable for 3,571,429 fully paid ordinary Shares) exercisable at \$0.17 (17.0 cents) to Michael Fitzpatrick, a Director of the Company, on the terms and conditions described in the Explanatory Statement.”

Refer to the following notes for the voting exclusions which apply to Resolution 3.

Resolution 4: Approval for participation in placement by Director – Simon Clausen

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve and authorize the Company to issue 964,290 fully paid ordinary shares in the Company at an issue price of \$0.14 (14.0 cents) per share and 964,290 free attaching unquoted options (exercisable for 964,290 fully

paid ordinary Shares) exercisable at \$0.17 (17.0 cents) to Simon Clausen, a Director of the Company, on the terms and conditions described in the Explanatory Statement.”

Refer to the following notes for the voting exclusions which apply to Resolution 4.

Resolution 5: Approval for participation in placement by Director – Colin Galbraith

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve and authorize the Company to issue 500,000 fully paid ordinary shares in the Company at an issue price of \$0.14 (14.0 cents) per share and 500,000 free attaching unquoted options (exercisable for 500,000 fully paid ordinary Shares) exercisable at \$0.17 (17.0 cents) to Colin Galbraith, a Director of the Company, on the terms and conditions described in the Explanatory Statement.”

Refer to the following notes for the voting exclusions which apply to Resolution 5.

Resolution 6: Approval for participation in placement by Director – Timothy Handley

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve and authorize the Company to issue 112,782 fully paid ordinary shares in the Company at an issue price of \$0.14 (14.0 cents) per share and 112,782 free attaching unquoted options (exercisable for 112,782 fully paid ordinary Shares) exercisable at \$0.17 (17.0 cents) to Timothy Handley, a Director of the Company, on the terms and conditions described in the Explanatory Statement.”

Refer to the following notes for the voting exclusions which apply to Resolution 6.

Resolution 7: Approval for participation in placement by Director – Jorge Ribadeneira

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve and authorize the Company to issue 187,970 fully paid ordinary shares in the Company at an issue price of \$0.14 (14.0 cents) per share and 187,970 free attaching unquoted options (exercisable for 187,970 fully paid ordinary Shares) exercisable at \$0.17 (17.0 cents) to Jorge Ribadeneira, a Director of the Company, on the terms and conditions described in the Explanatory Statement.”

Refer to the following notes for the voting exclusions which apply to Resolution 7.

Resolution 8: Approval for participation in placement by Alternate Director – Gareth Bannan

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve and authorize the Company to issue 513,905 fully paid ordinary shares in the Company at an issue price of \$0.14 (14.0 cents) per share and 513,905 free attaching unquoted options (exercisable for 513,905 fully paid ordinary Shares) exercisable at \$0.17 (17.0 cents) to Gareth Bannan, an alternate Director of the Company, on the terms and conditions described in the Explanatory Statement.”

Refer to the following notes for the voting exclusions which apply to Resolution 8.

By order of the Board



Melanie Leydin
Company Secretary

Dated: 1 February 2018

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Voting:** The Company has determined that a shareholder's voting entitlement at the General Meeting will be taken to be the entitlement of the persons who are registered as holding the ordinary shares in the Company at 7.00pm AEDT on 7 March 2018. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

3. **Voting Exclusion Statement:**

Resolution 1, 2, 3, 4, 5, 6, 7 and 8

The Company will disregard any votes cast on:

- (i) Resolutions 1, by any person who participated in the issue of shares and options the subject of Resolution 1 and any associates of those persons.
- (ii) Resolution 2, by any person who received options under the SPP the subject of the relevant Resolution and any associates of those persons.
- (iii) Resolutions 3, 4, 5, 6, 7 and 8, by any person who is to receive shares and options the subject of the relevant Resolution and any associates of those persons.

However the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

LATAM AUTOS LIMITED
ABN 12 169 063 414

EXPLANATORY STATEMENT

This Explanatory Statement accompanies and forms part of the Notice of General Meeting dated 1 February 2018. The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonable and required by Shareholders in order to decide how to vote on the resolutions set out in the Notice of Meeting. The Directors recommend that you read this Explanatory Statement, together with the Notice of Meeting, in its entirety, before making a decision on how to vote on the resolutions.

Terms used but not defined in this Explanatory Statement or the Notice of Meeting have the meaning given to them in the Glossary on page 12 of this Explanatory Statement.

RESOLUTION 1: RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS UNDER THE PLACEMENT

General

In accordance with Appendices 3B released on 15 December 2017, 12 January 2018 and 19 January 2018, the Company has issued a total of 33,426,114 new Shares pursuant to a private placement (**Placement Shares**) at an issue price of \$0.14 per Placement Share and 32,270,677 free attaching unquoted Options (with each Option immediately exercisable at an exercise price of \$0.17 and having an expiry date of 31 December 2019 (**Placement Options**), from institutional and sophisticated investors and Directors (including alternate Directors) in Australia and certain other jurisdictions to raise approximately \$5.5 million (**Placement**). The full terms of the Placement Options are set out at Annexure A.

The Placement Shares and Placement Options issued under the Placement comprise:

- 33,426,114 Shares (**Non-Director Placement Shares**) and 32,270,677 Options (**Non-Director Placement Options**) which were issued between 15 December 2017 and 22 January 2018 (together, the **Non-Director Placement Shares and Options**); and
- an additional 5,850,376 Placement Shares and 5,850,376 Placement Options proposed to be issued to certain Directors and alternate Directors of the Company which are subject to shareholder approval (see Resolutions 3 - 8 below).

The Company is now seeking shareholder approval to ratify the previous issue of the Non-Director Placement Shares and Options.

ASX Listing Rules

ASX Listing Rules 7.1 and 7.1A allow the Company to issue new securities up to 25% of the existing capital of the Company in any 12 month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. The issue of the Non-Director Placement Shares and Options under the Placement was within the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rules 7.1 and 7.1A if the issue did not

breach ASX Listing Rules 7.1 and 7.1A at the time and shareholders subsequently approve it. As the issue of the Non-Director Placement Shares and Options was within the Company's ASX Listing Rule 7.1 and 7.1A placement capacity and was not previously approved by Shareholders, the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4.

If Resolution 1 is approved, the prior issue of the 33,426,114 Shares and 32,270,677 Options under the Placement may be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1 and 7.1A. The Company will therefore be able to issue additional equity securities without the Non-Director Placement Shares and Options the subject of Resolution 1 counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1 or the 10% facility limit for the purposes of ASX Listing Rule 7.1A.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total numbers of Non-Director Placement Shares and Options that were issued are 33,426,114 Shares and 32,270,677 Options;
- (b) the Non-Director Placement Shares were issued at a price of \$0.14 (14.0 cents) per Placement Share;
- (c) the Non-Director Placement Shares rank equally in all respects with the existing Shares on issue in the Company;
- (d) the Placement Options the subject of this Resolution 1 are immediately exercisable, have an exercise price of \$0.17 per Placement Option, entitle the holder to receive one Share on exercise of a Placement Option and expire on 31 December 2019;
- (e) the Non-Director Placement Shares and Options were allotted and issued to sophisticated and institutional investors in Australia and certain other jurisdictions, with Vested Equities Pty Ltd acting as the broker facilitating the placement; and
- (f) the funds raised from the issue of the Non-Director Placement Shares and Options will be used to expand the Company's marketing and technology capability, to pay personnel expenses, provide additional working capital and pay the costs associated with undertaking the Placement. The additional working capital will enable continued growth of the Company's upsell products alongside the traditional classified business.

RESOLUTION 2: RATIFICATION OF PRIOR ISSUE OF OPTIONS UNDER THE SPP

General

On 17 January 2018, the Company announced that it had received commitments under the SPP of 11,935,261 new Shares at an issue price of \$0.14 per Share (**SPP Shares**) and one free unquoted Option for each SPP Share issued (**SPP Options**) from Eligible Shareholders to raise approximately \$1,670,950. The SPP Options are immediately exercisable, have an exercise price of \$0.17 per SPP Option and expire on 31 December 2019. The full terms of the SPP Options are set out at Annexure A.

On 8 December 2017, the ASX granted the Company a waiver from ASX Listing Rules 7.1 and 10.11 to the extent necessary to permit the Company to issue the SPP Shares without such issue being deducted from the Company's placement capacity under ASX Listing Rule 7.1 and to permit the Directors to acquire SPP Shares without the requirement for shareholder approval under ASX Listing Rule 10.11 (in a similar manner to Exception 15 of ASX Listing Rule 7.2 and to Exception 8 of ASX Listing Rule 10.12).

The Company is now seeking shareholder approval to ratify the previous issue of the 11,935,261 SPP Options.

ASX Listing Rules

ASX Listing Rules 7.1 and 7.1A allow the Company to issue new securities up to 25% of the existing capital of the Company in any 12 month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. The issue of the 11,935,261 SPP Options was conducted using the Company's available placement capacity under ASX Listing Rules 7.1.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and shareholders subsequently approve it. As the issue of the SPP

Options was within the Company's ASX Listing Rule 7.1 placement capacity and was not previously approved by Shareholders, the Company now seeks Shareholder ratification of the issue of the SPP Options pursuant to ASX Listing Rule 7.4.

If Resolution 2 is approved, the prior issue of 11,935,261 SPP Options may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore be able to issue additional equity securities without the Options the subject of Resolution 2 counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total numbers of SPP Options that were issued is 11,935,261 Options;
- (b) the SPP Options were issued at a price of \$0.00 (zero cents) per SPP Option but have an exercise price of \$0.17 per SPP Option;
- (c) the SPP Options are immediately exercisable, entitled the holder to receive one Share on exercise of an SPP Option and have an expiry date of 31 December 2019;
- (d) Shares issued on exercise of an SPP Option will rank equally in all respects with the existing Shares on issue in the Company as at the date of their issue; and
- (e) the SPP Options issued to Eligible Shareholders.

RESOLUTION 3: APPROVAL FOR PARTICIPATION IN PLACEMENT BY DIRECTOR – MICHAEL FITZPATRICK

Effect on control and voting power

If Resolution 3 is passed by Shareholders, Log Creek Pty Ltd (Log Creek) (an entity of which Michael Fitzpatrick is a director and 50% shareholder) will be issued up to 3,571,429 Placement Shares and 3,571,429 Placement Options. Log Creek may elect to convert the Placement Options issued to it, as well as any of the convertible notes it currently holds, into Shares subject to the terms of the Prospectus, the CN Deed, the Shareholder approval obtained on 19 June 2017 in respect of the convertible notes and subject to the Corporations Act.

Impact on Shares on issue

Assuming that:

- all Placement Options are converted to Shares;
- all convertible notes are converted to Shares based on a conversion price of \$0.16 per convertible note¹;
- 11,935,261 SPP Options are converted to Shares; and
- no additional Shares are issued by the Company,

the indicative capital structure of the Company will be as follows:

Shares on issue	Number of Shares
Total Shares on issue (after the issue of Non-Director Placement Shares and SPP Shares)	358,224,284
Maximum number of Director Placement Shares the subject of approval under this Notice	5,850,376
Maximum number of Shares to be issued on exercise of all Placement Options and SPP Options	50,056,314
Maximum number of Shares to be issued on conversion of all convertible notes	78,641,393 ²
Total	492,772,367

Current and Potential Voting Power of Log Creek

¹ The conversion price may be adjusted in accordance with the terms and conditions of the CN Deed.

² This assumes a conversion price of \$0.16 and that the amount owing on conversion includes capitalised interest.

The table below shows the current and potential voting power of Log Creek in various scenarios assuming the issue of 39,276,490 Placement Shares (including 3,571,429 Placement Shares to Log Creek), and the issue and immediate exercise of 38,121,053 Placement Options (including 3,571,429 Placement Options to Log Creek), and the 11,935,261 SPP Shares to all applicants and the issue and immediate exercise of 11,935,261 SPP Options to all applicants.

Scenario	Number of Shares	Increase in Voting Power	Total Voting Power
Current holding	37,662,845	N/A	10.51%
Holding upon issue of 3,571,429 Placement Shares to Log Creek and exercise of only Placement Options held by Log Creek	44,805,703	1.75%	12.26%
Holding upon issue of 3,571,429 Placement Shares to Log Creek and exercise of all Placement Options and SPP Options held by all subscribers including Log Creek	44,805,703	0.37%	10.88%
Holding upon issue of 3,571,429 Placement Shares to Log Creek and conversion of only convertible notes ³ held by Log Creek	102,176,076	13.66%	24.17%
Holding upon issue of 3,571,429 Placement Shares to Log Creek and conversion of all convertible notes ⁴ held by all subscribers including Log Creek	102,176,076	12.69%	23.20%
Holding upon issue of 3,571,429 Placement Shares to Log Creek, conversion of only convertible notes ⁵ held by Log Creek and exercise of only Placement Options held by Log Creek	105,747,505	14.29%	24.81%
Holding upon issue of 3,571,429 Placement Shares to Log Creek, conversion of all convertible notes ⁶ held by all subscribers and exercise of all Placement Options and SPP Options held by all subscribers	112,890,363	12.50%	23.02%

Corporations Act 2001 (Cth)

³ This assumes a conversion price of \$0.16 and that the amount owed on conversion includes capitalised interest.

⁴ As above.

⁵ As above.

⁶ As above.

Pursuant to section 606(1) of the Corporations Act, a person (and their associates) cannot, in a listed company, acquire more than a 20% relevant interest in issued voting shares unless one of the exceptions to that section apply. Item 9 of section 611 of the Corporations Act provides that an exception is an acquisition by a person if:

- (a) throughout the 6 months before the acquisition that person had voting power in the company of at least 19%; and
- (b) as a result of the acquisition, that person would have voting power in the company of no more than 3 percentage points higher than they had 6 months before the acquisition,
(Creep Exception).

The issue of the Placement Shares to and the exercise of the Placement Options by Log Creek the subject of Resolution 3 may result in Log Creek breaching the 20% threshold under section 606(1) of the Corporations Act, depending in part on the exercise of convertible notes, Placement Options and SPP Options by Log Creek and other subscribers. Log Creek is aware of this potential breach and has informed the Company that it will manage its holdings in the Company to avoid such a breach.

However, it should be noted that, Log Creek will be entitled to increase its voting power in the Company above 20% if it complies with the requirements of the Creep Exception (or another applicable exception).

RESOLUTIONS 3, 4, 5, 6, 7 & 8: APPROVAL FOR PARTICIPATION IN PLACEMENT BY DIRECTORS – MICHAEL FITZPATRICK, SIMON CLAUSEN, COLIN GALBRAITH, TIMOTHY HANDLEY AND JORGE RIBADENEIRA, AND BY ALTERNATE DIRECTOR – GARETH BANNAN

General

On or about 15 December 2017, the Company announced that it had completed the Placement and that certain Directors and alternate Directors of the Company would, subject to shareholder approval, participate in the Placement as summarised below:

Resolution #	Director / Alternate Director	No of Placement Shares	Issue price per Placement Share	No of Placement Options⁷	Funds raised
3	Michael Fitzpatrick	3,571,429	\$0.14	3,571,429	\$500,000.06
4	Simon Clausen	964,290	\$0.14	964,290	\$135,000.60
5	Colin Galbraith	500,000	\$0.14	500,000	\$70,000.00
6	Timothy Handley	112,782	\$0.14	112,782	\$15,789.48
7	Jorge Ribadeneira	187,970	\$0.14	187,970	\$26,315.80
8	Gareth Bannan	513,905	\$0.14	513,905	\$71,946.70
Total		5,850,376		5,850,376	\$819,052.64

Resolutions 3 - 8 seek Shareholder approval for the purposes of ASX Listing Rule 10.11 and for all other purposes, for the issue of Placement Shares and Placement Options to the above named Directors and alternate Directors of the Company.

If Resolutions 3 - 8 are approved, the abovenamed Directors and alternate Directors of the Company will participate in the Placement. The willingness of these Directors and alternate Directors to subscribe for Placement Shares and Placement Options under the Placement is confirmation of their faith in the Company and its business.

⁷ Unquoted options are immediately exercisable at an exercise price of \$0.17 (17.0 cents) per option until the expiry date of 31 December 2019.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without shareholder approval. Directors and alternate Directors of the Company are related parties of the Company and therefore Shareholder approval for the participation of the abovenamed Directors and alternate Directors of the Company in the Placement is required under ASX Listing Rule 10.11.

ASX Listing Rule 10.13 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rule 10.11 for Resolutions 3 - 8:

- (a) the Placement Shares and Placement Options will be issued to the Directors or alternate Directors named in the above table (or their nominees);
- (b) the maximum number of Placement Shares and Placement Options to be issued to each Director or alternate Director of the Company is set out in the above table;
- (c) the Placement Shares and Placement Options will be issued not later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on one date;
- (d) the Placement Shares will be issued at an issue price (payable in cash) of \$0.14 (14.0 cents) per Placement Share;
- (e) the Placement Shares will rank equally in all respects with the existing Shares on issue in the Company; and
- (f) the funds raised will be used to expand the Company's marketing and technology capability, to pay personnel expenses, provide additional working capital and pay the costs associated with undertaking the Placement. The additional working capital will enable continued growth of the Company's upsell products alongside the traditional classified business.

Corporations Act 2001 (Cth)

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a financial benefit to a related party unless one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party. Section 210 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given on arm's length terms, that is on terms that:

- (a) would be reasonable in the circumstances if the public company and the related party were dealing on arm's length terms; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a).

The Company considers that the proposed issue of Placement Shares and Placement Options the subject of Resolutions 3 - 8 will be on arm's length terms and, as such, fall within the exception set out in section 210 of the Corporations Act. The Company has reached this view, as the terms upon which the abovenamed Directors and alternate Directors of the Company will acquire the Placement Shares and Placement Options are the same terms as the other third party investors who participated in the Placement.

PROXY AND VOTING INSTRUCTIONS

1. For the purposes of the Corporations Act, the Company has determined that all Shares of the Company recorded on the Company's share register as at 7.00pm (AEDT) on the date 48 hours before the date of the General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.
2. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
3. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.
4. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
5. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
6. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
7. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice. You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
8. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person excluded from voting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
9. A proxy form is attached. If required it should be completed, signed and returned to Boardroom Pty Limited in accordance with the instructions set out in the proxy form by no later than 10.00am (AEDT) on 7 March 2018.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

"**ASX**" means ASX Limited or the Australian Securities Exchange, as the context requires.

"**AEDT**" means Australian Eastern Daylight Time.

"**Board**" means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors.

"**CN Deed**" means the secured convertible note deed executed by the Company on or about 12 April 2017.

"**Company**" means LatAm Autos Limited ACN 169 063 141.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Director**" means a Director of the Company.

"**Eligible Shareholder**" means a person who:

- (a) was registered as the holder of Shares as at 7.00pm (Sydney time) on 8 December 2017;
- (b) has a registered address in Australia or New Zealand;
- (c) is not a US Person (as defined in Regulation S under the United States Securities Act of 1933 as amended) or acting for the account or benefit of a US Person; and
- (d) does not hold Shares on behalf of another person who resides outside Australia or New Zealand (unless they hold Shares in another eligible capacity).

"**Listing Rules**" means the Listing Rules of the ASX.

"**Notice**" means the Notice of Meeting accompanying this Explanatory Statement.

"**Options**" means the right of the holder to be issued one new Share on payment of the applicable exercise price.

"**Placement**" means the issue of 39,276,490 Shares and 38,121,053 free attaching Options to certain sophisticated and institutional investors and Directors (including alternate Directors) full details of which were announced by the Company to the ASX on 11 December 2017.

"**Placement Options**" has the meaning given to that term on page 5.

"**Placement Shares**" has the meaning given to that term on page 5.

"**Prospectus**" means the prospectus dated 12 December 2017 and lodged with ASIC, including any supplementary or replacement prospectus.

"**Shareholder**" means a holder of Shares in the Company.

"**Shares**" means fully paid ordinary shares in the capital of the Company.

"**SPP**" means the offer of SPP Shares and SPP Options to Eligible Shareholders under the Prospectus.

"**SPP Options**" has the meaning given to that term on page 6.

"**SPP Shares**" has the meaning given to that term on page 6.

ANNEXURE A

Rights and liabilities attaching to the Options

The SPP Options and the Placement Options (each an **Option** for the purposes of this Annexure A) will be issued on the following terms and conditions:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i) below, the amount payable upon exercise of each Option will be \$0.17 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (Sydney time) on 31 December 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate or holding statement (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the latter of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

As soon as practicable after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the options.

(h) **Shares issued on exercise**

Shares issued on exercise of the options will rank equally in all respects with the then issued Shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder of Options are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options and unless Shares have been allotted in respect of the Options before the record date for determining entitlements to the issue.

(k) **Change in Exercise Price**

There will be no change to the Exercise Price of an Option or the number of Shares over which an Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a Bonus Issue).

(l) **Bonus issue**

If, from time to time, before the expiry of the Options, the Company makes a pro rata issue of Shares to Shareholders for no consideration (**Bonus Issue**), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue.

(m) **Voting**

Holders of Options have no voting rights until the Options are exercised and Shares issued upon exercise of those Options in accordance with the ASX Listing Rules.

(n) **Transferability**

While the Options will not be quoted on the ASX, the Options are transferable subject to any restriction imposed by the ASX or under applicable Australian securities laws.

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (AEDT) on Wednesday 7 March 2018.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT www.votingonline.com.au/latamgm2018
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)
- STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.
If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (AEDT) on Wednesday 7 March 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** www.votingonline.com.au/latamgm2018

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **LatAm Autos Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **Collins Square Business Centre, Level 6, Tower 2, 727 Collins Street, Melbourne VIC 3000 on Friday 9 March 2018 at 10:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Ratification of prior issue of shares and options under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of prior issue of options under the SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for participation in the placement by Director – Michael Fitzpatrick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval for participation in placement by Director – Simon Clausen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for participation in placement by Director – Colin Galbraith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for participation in placement by Director – Timothy Handley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for participation in placement by Director – Jorge Ribadeneira	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for participation in placement by Alternate Director – Gareth Bannan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2018