



Notice of General Meeting and Explanatory Statement

The General Meeting of

LATAM AUTOS LIMITED

ABN 12 169 063 414

*Will be held at
10.00am (AEDT) on Wednesday 13 January 2016*

At

*The Offices of Grant Thornton,
The Rialto, Level 30, 525 Collins Street, Melbourne, Victoria, 3000*

<p>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</p>

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 the offices of Grant Thornton, Level 30, The Rialto, 525 Collins Street, Melbourne VIC 3000 on Wednesday 13 January 2016 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 to Mr David Berg

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 allotment and issue of 286,487 fully paid ordinary shares in the Company at an issue price of \$0.37 (37.0 cents) per share to Mr David Berg 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 shares to Mr Roberto Garcia Gonzalez

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 allotment and issue of 783,886 fully paid ordinary shares in the Company at an issue price of \$0.345 (34.5 cents) per share to Mr Roberto Garcia Gonzalez 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: Ratification of prior issue of shares to the vendors of Todoautos.com.pe

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 allotment and issue of 1,122,842 fully paid ordinary shares in the Company at an issue price of \$0.3005 (30.05 cents) per share to the vendors of Todoautos.com.pe 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: Ratification of prior issue of shares 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 allotment and issue of 58,064,515 fully paid ordinary shares in the Company at an issue price of \$0.31 (31.0 cents) per share to under a private placement to institutional investors, being investors introduced by Canaccord Genuity (Australia) Limited and Ord Minnett Limited, 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 4.

Resolution 5: Approval for participation in 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 3,225,807 fully paid ordinary in the Company shares at an issue price of \$0.31 (31.0 cents) per share to Michael Fitzpatrick, a Non-Executive 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 – 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 3,225,807 fully paid ordinary shares in the Company at an issue price of \$0.31 (31.0 cents) per share to Simon Clausen, a Non-Executive 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 – 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 483,871 fully paid ordinary shares in the Company at an issue price of \$0.31 (31.0 cents) per share to Colin Galbraith, a Non-Executive 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.

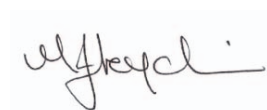
Resolution 8: Grant of performance rights to Alternative Director, Gareth Bannan

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

“That for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act 2001 (Cth) and for all other purposes, shareholders approve the grant to Mr Gareth Bannan (an alternate director of the Company), or his nominee, of 333,334 performance rights under the LAA Equity Incentive Plan, together with the allotment and issue of any ordinary share upon vesting of any such performance rights, 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: 2 December 2015

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 11 January 2016. 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:**

Resolutions 1, 2, 3, 4, 5, 6 and 7

The Company will disregard any votes cast on:

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

Resolution 8

The Company will disregard any votes cast on Resolution 8 by any Director of the Company (including Mr Gareth Bannan (in his capacity as an alternate director of the Company)) and any associate of such Directors.

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.

Further, a vote on Resolution 8 must not be cast (in any capacity) by or on behalf of Mr Bannan or an associate of Mr Bannan, unless such vote:

- (a) is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of Mr Bannan or an associate of Mr Bannan.

LATAM AUTOS LIMITED
ABN 12 169 063 414

EXPLANATORY STATEMENT

This Explanatory Statement accompanies and forms part of the Notice of General Meeting dated 2 December 2015. 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 13 of this Explanatory Statement.

RESOLUTION 1: RATIFICATION OF PRIOR ISSUE OF SHARES TO MR DAVID BERG

General

On 12 May 2015, the Company issued 286,487 Shares to Mr Berg in consideration for termination entitlements which he was entitled to.

The Company is seeking shareholder approval to ratify the previous issue of 286,487 fully paid ordinary shares to Mr Berg.

ASX Listing Rules

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% 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 Shares issued to Mr Berg were within this limitation.

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 Shares to Mr Berg was within the Company's ASX Listing Rule 7.1 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 286,487 Shares to Mr Berg 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 Shares the subject of Resolution 1 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 number of Shares that were issued is 286,487;
- (b) the Shares were issued at a price of \$0.37 (37.0 cents) per Share;
- (c) the Shares rank equally in all respects with the existing Shares on issue in the Company;
- (d) the Shares were allotted and issued to Mr David Berg; and
- (e) the Shares were issued in consideration for termination entitlements payable to Mr Berg which were valued at \$A106,000.

RESOLUTION 2: RATIFICATION OF PRIOR ISSUE OF SHARES TO MR ROBERTO GARCIA GONZALEZ

General

On 6 July 2015, the Company issued 783,886 Shares to Mr Gonzalez in consideration for deferred settlement for Seminuevos business and extension of services agreements.

The Company is seeking shareholder approval to ratify the previous issue of 783,886 fully paid ordinary shares to Mr Gonzalez.

ASX Listing Rules

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% 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 Shares issued to Mr Gonzalez were within this limitation.

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 Shares to Mr Gonzalez was within the Company's ASX Listing Rule 7.1 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 2 is approved, the prior issue of 783,886 Shares to Mr Gonzalez 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 Shares 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 number of Shares that were issued is 783,886;
- (b) the Shares were issued at a price of \$0.345 (34.5 cents) per Share;
- (c) the Shares rank equally in all respects with the existing Shares on issue in the Company;
- (d) the Shares were allotted and issued to Mr Roberto Garcia Gonzalez; and
- (e) the Shares were issued in consideration for deferred settlement for Seminuevos business and extension of services agreements

RESOLUTION 3: RATIFICATION OF PRIOR ISSUE OF SHARES TO THE VENDORS OF TODOAUTOS.COM.PE

General

On 1 October 2015, the Company issued 1,122,842 Shares to the vendors of Todoautos.com.pe Gonzalez in consideration for deferred settlement for the Todoautos.com.pe business.

The Company is seeking shareholder approval to ratify the previous issue of 1,122,842 fully paid ordinary shares to the vendors of Todoautos.com.pe.

ASX Listing Rules

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% 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 Shares issued to the vendors of Todoautos.com.pe were within this limitation.

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 Shares to the vendors of Todoautos.com.pe was within the Company's ASX Listing Rule 7.1 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 3 is approved, the prior issue of 1,122,842 Shares to the vendors of Todoautos.com.pe 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 Shares the subject of Resolution 3 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 number of Shares that were issued is 1,122,842;
- (b) the Shares were issued at a price of \$0.3005 (30.05 cents) per Share;
- (c) the Shares rank equally in all respects with the existing Shares on issue in the Company;
- (d) the Shares were allotted and issued to the vendors of Todoautos.com.pe; and
- (e) the Shares were issued in consideration for deferred settlement for todoautos.com.pe business.

RESOLUTION 4: RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE PLACEMENT

General

On 30 October 2015, the Company announced that it had received commitments for a private placement of 65,000,000 new Shares (**Placement Shares**) at an issue price of \$0.31 per Placement Share to institutional investors in Australia and certain other jurisdictions to raise approximately \$20.2 million (**Placement**). These investors were introduced by the Joint-Lead Managers of the Placement, namely Canaccord Genuity (Australia) Limited and Ord Minnett Limited.

The Placement Shares comprise:

- 58,064,515 Shares, being the maximum number of Shares allowed to be issued under the Company's 25% placement capacity under ASX Listing Rules 7.1 and 7.1A (**Tranche 1 Placement Shares**) which were issued on 5 November 2015; and
- an additional 6,935,485 Shares proposed to be issued to certain Directors of the Company which are subject to shareholder approval (see Resolutions 5, 6 and 7 below).

The Company is now seeking shareholder approval to ratify the previous issue of the Tranche 1 Placement Shares.

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 Tranche 1 Placement Shares issued under the Placement were within this limitation.

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 Tranche 1 Placement Shares was within the Company's ASX Listing Rule 7.1 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 4 is approved, the prior issue of 58,064,515 Shares under the Placement 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 Shares the subject of Resolution 4 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 number of Tranche 1 Placement Shares that were issued is 58,064,515;
- (b) the Tranche 1 Placement Shares were issued at a price of \$0.31 (31.0 cents) per Share;

- (c) the Tranche 1 Placement Shares rank equally in all respects with the existing Shares on issue in the Company;
- (d) the Tranche 1 Placement Shares were allotted and issued to institutional investors in Australia and certain other jurisdictions; and
- (e) the funds raised from the issue of the Tranche 1 Placement Shares will be used to strengthen the Company's balance sheet and to support its ongoing strategy through increased expenditure in marketing, sales and technology in Latin America and to pay the costs associated with undertaking the Placement.

RESOLUTIONS 5, 6 & 7: APPROVAL FOR PARTICIPATION IN PLACEMENT BY DIRECTORS – MICHAEL FITZPATRICK, SIMON CLAUSEN AND COLIN GALBRAITH

General

On 30 October 2015, the Company announced that it had completed the Placement and that certain Directors of the Company would, subject to shareholder approval, participate in the Placement as summarised below:

Resolution #	Director	Number of Shares	Issue price per Share	Funds raised
5	Michael Fitzpatrick	3,225,807	\$0.31	\$1,000,000.10
6	Simon Clausen	3,225,807	\$0.31	\$1,000,000.10
7	Colin Galbraith	483,871	\$0.31	\$150,000.01
Total		6,935,485		\$2,150,000.21

Resolutions 5, 6 and 7 seek Shareholder approval for the purposes of ASX Listing Rule 10.11 and for all other purposes, for the issue of Shares to the above named Directors of the Company.

If Resolutions 5, 6 and 7 are approved, the abovenamed Directors of the Company will participate in the Placement. The willingness of these Directors to subscribe for Shares under the Placement is confirmation of their faith in the Company and its business.

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 of the Company are related parties of the Company and therefore Shareholder approval for the participation of the abovenamed 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 5, 6 and 7:

- (a) the Shares will be issued to the Directors named in the above table (or their nominees);
- (b) the maximum number of Shares to be issued to each Director of the Company is set out in the above table;
- (c) the Shares 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 Shares will be issued at an issue price (payable in cash) of \$0.31 (31.0 cents) per Share;
- (e) the 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 strengthen the Company's balance sheet and to support its ongoing strategy through increased expenditure in marketing, sales and technology in Latin America and to pay the costs associated with undertaking the Placement.

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 Shares the subject of Resolutions 5, 6 & 7 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 of the Company will acquire the Shares are the same terms as the other third party investors who participated in the Placement.

RESOLUTION 8: GRANT OF PERFORMANCE RIGHTS TO ALTERNATIVE DIRECTOR, MR GARETH BANNAN

General

The Company proposes, subject to Shareholder approval, to grant Mr Bannan 333,334 performance rights which upon vesting will result in the issue of 333,334 Shares (**Performance Rights**) under the LAA Equity Incentive Plan (**Plan**).

The remuneration arrangements for Mr Bannan are based on the Company's 'Total Annual Reward' (**TAR**) framework. TAR seeks to provide fair and appropriate rewards, comprised of fixed and 'at risk' elements, designed to attract, retain and motivate employees. The provision of Performance Rights to Mr Bannan under the Plan comprises the majority of his 'at risk' remuneration.

As with all other executives of the Company, the performance of Mr Bannan has been reviewed under the Company's performance review process. That review process has led to a recommendation to seek shareholder approval to grant Performance Rights under the Company's Plan as outlined below.

The Non-executive Directors have concluded that the remuneration package for Mr Bannan (including the proposed grants of Performance Rights) is reasonable and appropriate having regard to the circumstances of the Company and Mr Bannan's duties and responsibilities.

ASX Listing Rules

ASX Listing Rule 10.14 prohibits a listed company from issuing equity securities under an employee incentive scheme to a director without the approval of holders of the company's ordinary shares.

Accordingly, as Mr Bannan is an alternate director of the Company, Resolution 8 seeks Shareholder approval for the purposes of ASX Listing Rule 10.14 for the issue of the Performance Rights to Mr Bannan under the Plan.

In addition, Shareholder approval is sought under section 200E of the Corporations Act for the pro rata vesting of the Performance Rights to be issued to Mr Bannan in the event of cessation of his employment in certain limited circumstances.

ASX Listing Rule 10.15 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rule 10.14 for Resolution 8.

Maximum number of securities which may be acquired under Resolution 8

Resolution 8 seeks Shareholder approval for the issue of 333,334 Performance Rights, which upon vesting will entitle Mr Bannan to receive up to 333,334 Shares.

Price of the securities

The Performance Rights to be granted to Mr Bannan under Resolution 8 (and any securities to be issued upon vesting of those rights) shall be issued for no consideration.

Issues of securities to Directors and their associates under the Plan since last approval of the Plan

The Plan was approved by Shareholders on 8 May 2015.

Since that date, Mr Tim Handley, a director of the Company, has received 541,666 Performance Rights under the Plan for an acquisition price of nil for each Performance Right. The issue of these Performance Rights to Mr Handley was approved by Shareholders at the Company's Annual General Meeting held on 8 May 2015.

Persons referred to under ASX Listing Rule 10.14 entitled to participate in the Plan

The Plan provides that a director of a Group Company (being the Company and any related body corporate) who holds a salaried employment or salaried office in a Group Company is eligible to participate in the Plan (however, the Plan specifically excludes participation by a non-executive director of the Company).

Accordingly, Mr Gareth Bannan (as alternate director for Mr Tim Handley) and Mr Tim Handley are the only current Directors that are entitled to participate in the Plan.

The date by which the securities will be issued

The Performance Rights will be issued to Mr Bannan, or his nominee, within 12 months of the date of Shareholder approval being received for Resolution 8.

Conditions and hurdles for Performance Rights and Service Rights

Performance Rights	
Vesting Date:	31 December 2018
Exercise Price:	Nil
Expiry Date:	30 January 2019, unless lapsed earlier in accordance with the terms of the Plan.
Vesting Conditions:	The vesting of any of the Performance Rights is dependent on Mr Bannan meeting the Service Vesting Condition and LatAm Autos meeting the Performance Vesting Conditions. Collectively these conditions are known as the Vesting Conditions.
Service Vesting Condition:	Continuous employment in Mr Bannan's current position (or equivalent) from Grant Date to Vesting Date.
Performance Condition 1: Up to 50% of the Performance Rights granted (166,667) will vest in the following proportions if the Total Shareholder Return for LatAm Autos Limited (LAA TSR) outperforms the TSR of the constituent companies of 2015 LTI Peer Group over the Measurement Period:	
LAA TSR Result	% of Performance Rights subject to this Performance Condition that will vest
LAA TSR < 50 th percentile	0%
LAA TSR =/> 50 th percentile	50%
LAA TSR > 75 th percentile	100% (Straight line interpolation between 50 th and 75 th percentile)
The 2015 LTI Peer Group consists of eight ASX listed companies that the Board consider to be the most comparable companies in Australia, by industry type and business model, to LatAm Autos.	
Any companies within the 2015 LTI Peer Group that are no longer listed (for any reason) at the end of the Measurement Period shall still be included in the final test with the TSR value as at delisting date used as the final TSR value.	

Performance Condition 2:

Up to 50% of the Performance Rights granted (166,667) will vest in the following proportions if the Total Shareholder Return for LatAm Autos Limited (LAA TSR) outperforms the TSR of the constituent companies of **2015 LTI GICS Group** (Software & Services) over the **Measurement Period**:

LAA TSR Result	% of Performance Rights subject to this Performance Condition that will vest
LAA TSR < 50 th percentile	0%
LAA TSR =/> 50 th percentile	50%
LAA TSR > 75 th percentile	100% (Straight line interpolation between 50 th and 75 th percentile)
The 2015 LTI GICS Group consists of 30 ASX listed companies that share the same GICS (Global Industry Classification Standard) code as LatAm Autos, being 'Software and Services'. The 30 companies were chosen based on their market capitalisation relative to LatAm Autos on 17 December 2014, being the listing date of the Company. The 15 closest companies above and 15 closest companies below LatAm Autos' market capitalisation make up the group.	
Any companies within the 2015 LTI GICS Group (Software & Services) that are no longer listed (for any reason) at the end of the Measurement Period shall still be included in the final test with the TSR value as at delisting date used as the final TSR value.	

- TSR is defined as the total return of a share to an investor (capital gain plus dividends reinvested as at the ex-dividend date).
- For the purposes of calculation of the **LAA TSR Hurdle**:
 - The measurement period will commence on 17 December 2014, being the date of LatAm Autos' Initial Public Offering (**IPO**), and end on the Vesting Date, being 31 December 2018 (the Measurement Period); and
 - the Share price of LatAm Autos at the commencement of the Measurement Period will be deemed to be \$0.30. This was the LAA issue price at the IPO.
- Any Performance Rights which fail to vest on or before the Vesting Date will immediately lapse. The Board's determination will be final.

Other information

- The Company will not apply to the ASX for official quotation of the Performance Rights granted under the Plan. Shares issued pursuant to the vesting of Performance Rights will rank equally with Shares then on issue.
- There is no loan scheme in relation to the Performance Rights or the Plan.
- Mr Bannan is prohibited from hedging the share price exposure in respect of the Performance Rights during the vesting period applicable to those Performance Rights.
- Further detailed information on the Performance Rights granted to Mr Bannan will be provided in the Remuneration Report.

Other required information: section 200E Corporations Act

The value of the Performance Rights that may vest on cessation of employment cannot currently be ascertained.

The circumstances that may affect the calculation of this value include:

- The market price of LAA Shares at the time the employment ceases;
- the performance against the performance hurdles at the time the employment ceases;
- the part of the service period has elapsed at the time the employment ceases; and
- the number of Performance Rights that lapse on cessation of employment.

The Non-Executive Directors recommend that shareholders vote in favour of Resolution 8.

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 11 January 2015.

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;

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

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

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

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

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

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

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

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 Monday 11 January 2016.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/latamgm2016
- 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 security holder 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:

- 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.
- 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 Monday, 11 January 2016.** 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/latamgm2016
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** 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 shareholder) 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 the **Offices of Grant Thornton, The Rialto, Level 30, 525 Collins Street, Melbourne, Victoria, 3000 on Wednesday, 13 January, 2016 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 to Mr David Berg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue of Shares to Mr Roberto Garcia Gonzalez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of Shares to the Vendors of Todoautos.com.pe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of Shares under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for Participation in Placement by Director – Michael Fitzpatrick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for Participation in Placement by Director – Simon Clausen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for Participation in Placement by Director – Colin Galbraith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Grant of Performance Rights to Alternative Director, Mr Gareth Bannan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2015/2016