
NOTICE OF ANNUAL GENERAL MEETING 2013



AUTOMOTIVE HOLDINGS GROUP

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AUTOMOTIVE HOLDINGS GROUP LIMITED ABN 35 111 470 038

Notice is given that the 2013 Annual General Meeting (**Annual General Meeting** or **Meeting**) of Shareholders of Automotive Holdings Group Limited (**AHG** or **Company**) will be held at:

Venue: **Botanical 3, Lower Level, Crown Convention Centre
Great Eastern Highway, Burswood, Western Australia**
Date: **Friday, 15 November 2013**
Time: **10.00 am (Perth time)**

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

BUSINESS OF THE MEETING

Annual report

To receive and consider the financial report of the Company, the Directors' report (including the remuneration report) and the auditor's report for the financial year ended 30 June 2013.

Re-election of Directors

Resolution 1.1 – Re-election of Mr David Griffiths

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

"That Mr David Griffiths, who retires as a Director of the Company in accordance with the Company's constitution and being eligible offers himself for re-election, be re-elected as a Director of the Company."

Resolution 1.2 – Re-election of Mr Peter William Stancliffe

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

"That Mr Peter William Stancliffe, who retires as a Director of the Company in accordance with the Company's constitution and being eligible offers himself for re-election, be re-elected as a Director of the Company."

Resolution 2 – Adoption of remuneration report

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

"That the remuneration report, which forms part of the Directors' report for the financial year ended 30 June 2013, be adopted."

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 2 (in any capacity) by or on behalf of a member of key management personnel of the Company's consolidated group (at the date of the Meeting or whose remuneration is disclosed in the remuneration report) (**KMP**) and their closely related parties (such as close family members and any controlled companies), unless the vote is cast:

- (a) by a person as proxy for a person entitled to vote in accordance with a direction on the proxy appointment; or
- (b) by the Chairman of the Meeting as proxy for a person entitled to vote and the proxy appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of KMP.

Resolution 3 – Approval for increase to non-executive Directors' remuneration cap

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

"That, for the purposes of rules 38.2 and 42.1 of the Company's constitution, ASX Listing Rule 10.17 and for all other purposes, the maximum annual aggregate amount of remuneration that non-executive Directors of the Company are entitled to be paid for their services as Directors out of the funds of the Company, in respect of each financial year of the Company commencing on or after 1 July 2013, be increased by \$150,000 from \$750,000 to \$900,000."

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 3 by, or on behalf of:

- (a) the Directors of the Company and their associates; and
- (b) a member of KMP (and their closely related parties) acting as a proxy,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy appointment, or by the Chairman of the Meeting as proxy for a person entitled to vote and the proxy appointment expressly authorises the Chairman of the Meeting to vote undirected proxies as the Chairman sees fit and exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of KMP.

Resolution 4 – Grant of performance rights to Mr Bronte Howson

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

"That for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, the grant of up to 250,053 performance rights by the Company to Mr Bronte Howson and either the issue or transfer of ordinary shares in the Company to Mr Howson upon the vesting and exercise of those performance rights, under and in accordance with the AHG Performance Rights Plan and on the terms and conditions set out in the Explanatory Statement that accompany this Notice be approved."

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 4 by, or on behalf of:

- (a) Mr Bronte Howson and any other Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and their associates; and
- (b) a member of KMP (and their closely related parties) acting as a proxy,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy appointment, or by the Chairman of the Meeting as proxy for a person entitled to vote and the proxy appointment expressly authorises the Chairman of the Meeting to vote undirected proxies as the Chairman sees fit and exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of KMP.

PROPOSED AMENDMENTS TO THE COMPANY'S CONSTITUTION

Resolution 5 – Adoption of proportional takeover provisions

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

"That, with effect from the close of the Meeting and in accordance with sections 136 and 648D of the Corporations Act, the constitution of the Company be modified by inserting and adopting as rule 162 of the constitution of the Company, the proportional takeover approval provisions in the form set out in Schedule 2 to this Notice."

Resolutions 6.1, 6.2 and 6.3 – Other amendments to the Company's constitution

Resolution 6.1 – Amendments to reflect changes to the Corporations Act in relation to dividends

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

"That, with effect from the close of the Meeting and in accordance with section 136 of the Corporations Act, the Company modifies its constitution by:

(a) deleting the words in rule 122.1 and inserting the following words in their place:

"The directors may direct payment of a dividend from any available source permitted by law, including, unless prevented by the Listing Rules, to particular members wholly or partly out of any particular fund or reserve or out of profits derived from any particular source, and to the other members wholly or partly out of any other particular fund or reserve or out of profits derived from any other particular source."; and

(b) deleting the words in rule 129.1 and inserting the following words in their place:

"The Company does not incur a debt merely by fixing the amount or time for payment of a dividend. A debt arises only when the time fixed for payment arrives. The directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment."

Resolution 6.2 – Amendments to reflect changes to ASX entities and rules

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

"That, with effect from the close of the Meeting and in accordance with section 136 of the Corporations Act, the Company modifies its constitution by:

(a) deleting in its entirety the definitions of "ASTC" and "ASTC Settlement Rules" in rule 2.1;

(b) inserting directly after the definition of "ASX" in rule 2.1 the following new definition:

"ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532;"

(c) inserting directly after the new definition of "ASX Settlement" in rule 2.1 the following new definition:

"ASX Settlement Rules" means the operating rules of ASX Settlement and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited ACN 001 314 503";

- (d) *replacing all references to "ASTC Settlement Rules" where used throughout the Constitution with "ASX Settlement Rules";*
- (e) *replacing all references to "ASTC" where used throughout the constitution with "ASX Settlement"; and*
- (f) *inserting the following words as a new rule 2.2(5):*

"A reference to:

- (1) legislation (including subordinate legislation), the Listing Rules or the ASX Settlement Rules is to that legislation or those rules as:
 - (a) amended, modified or waived in relation to the Company; or
 - (b) re-enacted, amended or replaced,
 - (c) and includes any subordinate legislation or rules issued under that legislation or those rules;
- (2) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
- (3) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
- (4) anything (including a right, obligation or concept) includes each part of it."

Resolution 6.3 – Amendments to Director rotation provisions to align them with ASX Listing Rule requirements

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

"That, with effect from the close of the Meeting and in accordance with section 136 of the Corporations Act, the Company modifies its constitution by:

- (a) *deleting the words in rule 5.1 and inserting the following words in their place:*

"A director must retire from office at the third annual general meeting after the director was elected or last re-elected. An election of directors must be held at each annual general meeting. If no election of directors is scheduled to occur at an annual general meeting under this rule or rule 8.2, then one director must retire from office at the annual general meeting."; *and*

- (b) *deleting the words "but is not taken into account in determining the number of directors who must retire by rotation at that meeting" from rule 8.2."*

NOTES

These Notes form part of the Notice.

ENTITLEMENT TO ATTEND AND VOTE

The Company has determined that persons who are registered holders of fully paid ordinary shares of the Company (**Shares**) at 4.00pm (Perth time) on Wednesday, 13 November 2013 will be entitled to attend and vote at the Annual General Meeting.

HOW TO VOTE

Voting in person

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

Corporate representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative will need to bring to the Meeting the appropriate appointment document, including any authority under which the appointment is signed, which will need to be produced prior to admission to the Meeting. A form of appointment may be obtained by telephoning the Company's share registry (1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia)) or at www.computershare.com by downloading the form "Appointment of Corporate Representative".

Voting by proxy

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

A Shareholder entitled to cast 2 or more votes may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify this proportion, each proxy may exercise half the votes. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry (1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia)) or at www.computershare.com or you may copy the enclosed proxy form.

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

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

In person	21 Old Aberdeen Place, West Perth WA 6005, Australia
By mail	Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia
By fax	(within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555
Online	Shareholders may submit their proxy instructions electronically online to the Company's Share Registry by visiting www.investorvote.com.au . For Intermediary

Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

The enclosed proxy form provides further details on appointing proxies and lodging the proxy forms.

Voting by attorney

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

Chairman as proxy and intentions of Chairman

The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in favour of all Resolutions.

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

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

Other member of KMP as proxy

If you appoint a member of KMP and their closely related parties (such as close family members and any controlled companies) as your proxy and do not direct them how to vote on Resolution 2 (adoption of remuneration report), Resolution 3 (approval for increase to non-executive Directors' remuneration cap) and Resolution 4 (grant of performance rights to Mr Bronte Howson) such a person will not vote your proxy on that item of business.

The remuneration report, which is set out on pages 59 to 78 of the Company's 2013 Annual Report, identifies the KMP for the financial year to 30 June 2013. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

Prohibition on KMP voting

KMP and their closely related parties are prohibited under the Corporations Act from voting in a manner contrary to the Voting Exclusion Statements for Resolutions 2, 3 and 4.

QUESTIONS FROM SHAREHOLDERS

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

Mr Glyn O'Brien of BDO Kendalls Audit and Assurance (WA) Pty Ltd (or his representative) will attend the Meeting as the auditor responsible for preparing the auditor's report for the year ended 30 June 2013. The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask the auditor questions at the Meeting about:

- the conduct of the audit;
- the preparation and content of the auditor's report;

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

To assist the board of Directors of the Company (**Board**) and the auditor of the Company in responding to any questions you may have, please submit questions to one of the addresses or to the facsimile number below by no later than 5.00pm (Perth time) on Friday, 8 November 2013.

In person 21 Old Aberdeen Place,
West Perth WA 6005, Australia

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

By fax (within Australia) 1800 783 447 (outside Australia) +61 3 473 2555

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

By order of the Board

David Rowland
Company Secretary
Automotive Holdings Group Limited
14 October 2013

EXPLANATORY NOTES

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

Annual report

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

A copy of the Company's 2013 Annual Report, including the financial report, the Directors' report (including the remuneration report) and the auditor's report for the year ended 30 June 2013, is available on the "Reports" page of the Company's investor relations website at www.ahgir.com.au and on ASX's website www.asx.com.au.

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

Resolutions 1.1 and 1.2 – Re-election of Directors

In accordance with rule 5.1 of the Company's constitution, at each annual general meeting of the Company, one third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one third, retire from office but no Director may retain office for more than three years without submitting himself or herself for re-election even though the submission results in more than one third of the Directors retiring from office. Rule 5.4 of the Company's constitution provides that a retiring Director is eligible for re-election without the necessity of giving any previous notice of his or her intention to submit him or herself for re-election.

In accordance with rule 5.1 of the Company's constitution, Mr David Griffiths and Mr Peter William Stancliffe will retire by rotation and offer themselves for re-election at the Annual General Meeting under rule 5.4 of the Company's constitution.

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

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

Resolution 1.1 – Re-election of Mr David Griffiths

Mr David Griffiths joined the Board as a non-executive Director in February 2007. He was made Deputy Chairman in April 2008 and Chairman in November 2010. Mr Griffiths retires at the Annual General Meeting by rotation as required by rule 5.1 of the Company's constitution, and being eligible, offers himself for re-election as a Director of the Company.

Mr Griffiths (B Econ (Honours) UWA, Master of Economics ANU, Hon.Ec UWA, FAICD) has held a range of senior financial executive positions and has extensive experience in equity capital markets, mergers and acquisitions, and the corporate advisory sector. Mr Griffiths is deputy chairman of ThinkSmart Limited and deputy chairman of Perth International Arts Festival. He is a former divisional director of

Macquarie Bank Limited and former executive chairman of Porter Western Limited and a former chairman of Arc Energy Limited, Antaria Limited, Great Southern Limited and Northern Iron Limited.

Mr Griffiths is chairman of the Board's Remuneration and Nomination Committee and a member of the Audit and Risk Management Committee. Further information about Mr Griffiths is set out on page 54 of the Company's 2013 Annual Report.

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

Resolution 1.2 – Re-election of Mr Peter William Stancliffe

Mr Peter Stancliffe was appointed as a non-executive Director in November 2005. Mr Stancliffe retires at the Annual General Meeting by rotation as required by rule 5.1 of the Company's constitution, and being eligible, offers himself for re-election as a Director of the Company.

Mr Stancliffe (BE (Civil), FAICD) has over 40 years' experience in the management of large industrial companies both in Australia and overseas and has held various senior management positions, including in the role as a chief executive officer. He has extensive experience in strategy development and a detailed knowledge of modern company management practices. Mr Stancliffe is a graduate of the MIT Senior Management Program and the AICD Company Directors Course.

Mr Stancliffe holds directorships in Hills Industries Limited and Korvest Ltd (both ASX listed companies). He was a former director of Harris Scarfe Pty Ltd.

Mr Stancliffe is a member of the Board's Audit & Risk Management Committee. Further information about Mr Stancliffe is set out on page 56 of the Company's 2013 Annual Report.

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

Resolution 2 – Adoption of remuneration report

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

The remuneration report is set out on pages 59 to 78 of the Company's 2013 Annual Report, which may be accessed by visiting the "Reports" section of the Company's investor relations website at www.ahgir.com.au, or from ASX's website at www.asx.com.au. The remuneration report contains:

- information about the Board's policy for determining the nature and amount of remuneration of Directors and senior executives of the Company;
- details of the remuneration of, and options held by, Directors and senior executives of the Company; and
- a summary of the terms of any contract under which any Director or senior executive is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

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

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

Directors' recommendation: Because Resolution 2 deals with remuneration of key management personnel, and in light of the provisions in the Corporations Act relating to voting by KMP and their closely related parties on such remuneration related resolutions, the Board does not make a recommendation about how to vote on this Resolution.

Resolution 3 – Approval for increase to non-executive Directors' remuneration cap

In accordance with ASX Listing Rule 10.17 and the Company's constitution, the maximum annual aggregate amount of remuneration that may be provided to all non-executive Directors for their services as Directors is the amount determined by Shareholders.

ASX Listing Rule 10.17 provides that an entity must not increase the total amount of directors' fees payable by it or any of its controlled entities without the approval of holders of its ordinary securities. The rule does not apply to the salary of an executive Director (including the Managing Director). A similar requirement is contained in rule 42.1 of the Company's constitution.

Resolution 3 seeks Shareholder approval for the purposes of ASX Listing Rule 10.17, rules 38.2 and 42.1 of the Company's constitution, and for all other purposes, to authorise the Company to increase the maximum annual aggregate amount of remuneration that non-executive Directors are entitled to be paid by the Company for their services as Directors.

Currently, the maximum annual aggregate amount that non-executive Directors are entitled to be paid out of the funds of the Company is \$750,000, which was approved by Shareholders at the Company's annual general meeting held on 19 November 2010.

Shareholder approval is being sought to increase the maximum annual aggregate remuneration of non-executive Directors by \$150,000, from \$750,000 to \$900,000 per annum. The current cap for non-executive Directors fees was approved by Shareholders at the Company's 2010 annual general meeting.

The total remuneration (including superannuation) provided to each non-executive Director for the financial year ended 30 June 2013 is detailed in the remuneration report. The remuneration report is set out on pages 59 to 78 of the Company's 2013 Annual Report, which may be accessed by visiting the "Reports" section of the Company's investor relations website at www.ahgir.com.au or from ASX's website at www.asx.com.au.

As at the date of this Notice, there are six non-executive Directors. The total amount of Directors' fees and superannuation paid to those six non-executive Directors during the financial year ended 30 June 2013 was \$714,779 in aggregate. The allocation between the non-executive Directors is outlined in the tables on pages 75 to 76 of the Company's 2013 Annual Report.

The Board believes that the proposed increase in the maximum annual aggregate amount payable to non-executive Directors will provide scope for increasing the size and composition of the Board, given that the current allowed maximum annual amount is insufficient to provide the base non-executive director fee for an additional Director. In this regard, the Board is currently considering the appointment of one additional non-executive Director with specific transport and logistics industry expertise. The approval of Resolution 3 will enable such an appointment to be made should an appropriate candidate be identified.

It is noted that the Board currently intends to separately increase the fees payable to non-executive Directors for the financial year ending 30 June 2014 by 4%. This was the first increase in fees paid to non-executive Directors since the year ended 30 June 2010. The amount of this increase is within the

existing maximum annual aggregate amount of \$750,000 that non-executive Directors may be paid and is not affected by Resolution 3.

Directors' recommendation: For the reasons noted above, the Directors recommend that Shareholders vote in favour of Resolution 3.

Resolution 4 – Grant of performance rights to Mr Bronte Howson

Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, for the grant of the performance rights described below (**Performance Rights**) to, and the acquisition (whether by issue or transfer) of Shares on vesting and exercise of those Performance Rights by, Mr Bronte Howson, the Company's Managing Director, under and in accordance with the AHG Performance Rights Plan (**Plan**) and on the terms and conditions described below. A summary of the terms and conditions of the Plan is contained in Schedule 1 to this Notice.

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

It is proposed that the following two tranches of Performance Rights be granted to Mr Howson shortly after the Meeting if Shareholders approve Resolution 4:

- 243,407 Performance Rights under the Plan as part of the long term incentive (**LTI**) component of Mr Howson's remuneration package for FY2014 (**FY2014 LTI Performance Rights**); and
- 6,646 Performance Rights under the Plan shortly after the Meeting to satisfy the deferred component of the short term financial incentive (**STI**) payment earned by Mr Howson in respect of the financial year ended 30 June 2013 (**FY2013**) as a result of the Company exceeding applicable financial STI targets for FY2013 (**FY2013 STI Performance Rights**).

Further details of each tranche of Performance Rights are outlined below.

FY2014 LTI Performance Rights

The above FY2014 LTI Performance Rights are proposed to be granted as the long term incentive component of Mr Howson's remuneration package for FY2014 under his executive services contract.

Mr Howson's remuneration package for FY2014 has not yet been finalised, however it is expected it will be structurally consistent with his package for FY2013 subject to appropriate revisions of the specific STI and LTI performance targets. The proposed grant of FY2014 LTI Performance Rights is consistent with the grant of LTI Performance Rights for FY2013 previously approved by Shareholders at the Company's 2012 AGM.

Mr Howson's remuneration package, was the outcome of negotiation between the Company and Mr Howson in 2012 following a remuneration review undertaken by the Board in 2012 in conjunction with PricewaterhouseCoopers.

Mr Howson's remuneration under this contract comprises:

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

The details of Mr Howson's remuneration package for financial year ending 30 June 2014 (**FY2014**) are disclosed in the remuneration report set out on pages 65 to 67 of the Company's 2013 Annual Report.

Performance criteria applicable to the FY2014 LTI Performance Rights

The Board has determined that the performance criteria described below will apply to the FY2014 LTI Performance Rights. This criteria reflects advice received from PricewaterhouseCoopers following its 2012 review of the Company's remuneration practices. Further details of that review are provided in the Company's 2012 remuneration report (set out on pages 41 to 58 of the Company's 2012 Annual Report). The Board has determined it is appropriate to carry forward this performance criteria into FY2014.

The FY2014 LTI Performance Rights proposed to be granted to Mr Howson will be subject to two separate performance criteria, each assessed over a three year performance period:

- 50% of the FY2014 LTI Performance Rights will be subject to the Company's total shareholder return (**TSR**) performance (broadly speaking, the growth in share price plus the value of dividends and distributions), measured against a comparator peer group of companies recommended by PricewaterhouseCoopers; and
- 50% of the FY2014 LTI Performance Rights will be subject to the Company achieving its specific earnings per share (**EPS**) target.

The TSR portion of Mr Howson's FY2014 LTI Performance Rights will vest and be capable of being exercised if the Company's relative TSR performance is equal to or greater than the median of the comparator peer group of companies (subject to changes as may be approved by the Board in consultation with an independent party if that is appropriate given changes to the peer group companies) at the end of the three year performance period. Vesting will occur on the following basis:

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

The comparator group is set out in the Company's remuneration report (on page 67 of the Company's 2013 Annual Report). This comparator group was updated from the FY2012 comparator group on the recommendation of PricewaterhouseCoopers.

The EPS portion of Mr Howson's FY2014 LTI Performance Rights will vest and be capable of being exercised if the Company achieves its target operating EPS compound annual growth rate for the performance period. Vesting will occur on the following basis:

Compound annual EPS growth performance ¹	EPS Performance Rights vesting
Below 7% per annum	None vest
At 7% per annum	25% of EPS Performance Rights vest
7% up to 10% per annum	Vesting EPS Performance Rights to be determined on a progressive/pro-rata basis from 25% to 100%
At or above 10% per annum	100% of EPS Performance Rights vest

¹ The baseline operating EPS for the EPS Performance Rights is set at the reported operating EPS for FY2013 (being 27.9 cents).

FY2013 STI Performance Rights

As disclosed in the Company's 2012 remuneration report (set out on pages 41 to 58 of the Company's 2012 Annual Report), 50% of Mr Howson's STI for above target achievement for FY2013 was, subject to shareholder approval, to be deferred through the issue of Performance Rights rather than cash.

The Company's FY2013 performance, assessed against the performance criteria applicable to Mr Howson's STI for FY2013 (which is set out on page 46 of the Company's 2012 Annual Report and related to the AHG Group's operating profit for FY2013 exceeding the target set by the Board by 125%) has resulted in Mr Howson being entitled to a FY2013 STI payment of \$46,000, of which 50% is, subject to Shareholder approval, to be deferred through the grant of the FY2013 STI Performance Rights.

While the performance criteria applicable to the FY2013 STI Performance Rights has already been satisfied, the FY2013 STI Performance Rights will be subject to a 12 month retention condition. That is, subject to the rules of the Plan, they will only vest and become exercisable if Mr Howson remains an employee of the AHG Group for the 12 month period from their grant (which is expected to occur shortly following the Meeting).

It is noted that under Mr Howson's FY2014 remuneration package, Mr Howson may become entitled to a further grant of STI Performance Rights if the AHG Group's operating profit for FY2014 exceeds the target set by the Board for FY2014. This will be assessed following the completion of the FY2014 results and, if applicable, Shareholder approval for the grant of FY2014 STI Performance Rights will be sought next year at the Company's 2014 Annual General Meeting.

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval prior to the issue of securities under an employee incentive scheme to a Director of a company or his or her associates. As Mr Howson is a Director of the Company, approval is being sought for the purposes of ASX Listing Rule 10.14, and for all other purposes, to make the grant of both the FY2014 LTI and FY2013 STI Performance Rights to Mr Howson (and the issue or transfer of any Shares on vesting and exercise of these Performance Rights) in accordance with the terms and conditions of the Plan.

Sections 200B and 200E of the Corporations Act

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

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

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

If Shareholders approve Resolution 4, the maximum aggregate number of FY2014 LTI Performance Rights and FY2013 STI Performance Rights that may vest and be exercised upon cessation of Mr Howson's employment will be 250,053. However, the actual number that may vest upon cessation of employment (if any) will depend on a range of factors. Accordingly, the value of any consequent termination benefit that may be received as a result of early vesting upon cessation of employment cannot be ascertained at the present time. Apart from the future share price being unknown, the following are matters which will or are likely to affect the value of the benefit:

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

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

Specific information required of ASX Listing Rules

The following information is provided in relation to Resolution 4 in accordance with ASX Listing Rule 10.15:

- Mr Howson is the Managing Director of the Company.
- The maximum number of securities to be issued by the Company to Mr Howson is:
 - 243,407 FY2014 LTI Performance Rights (which upon vesting and exercise will result in the issue or transfer to Mr Howson of up to 243,407 Shares). The number of FY2014 LTI Performance Rights to be granted was determined based on Mr Howson's maximum LTI opportunity for FY2014 (being \$666,667 divided by the fair value of the Performance Right as at 1 July 2013). The fair value of a FY2014 LTI Performance Right at that date as determined independently by PricewaterhouseCoopers using Black-Scholes methodology is \$2.7389; and
 - 6,646 FY2013 STI Performance Rights (which upon vesting and exercise will result in the issue or transfer to Mr Howson of up to 6,646 Shares). The number of 2013 STI Performance Rights to be granted was determined as the value equal to 50% of the FY2013 STI payable to Mr Howson in respect of above target performance for FY2013 (ie \$23,000 divided by the fair value of the Performance Right as at 25 September 2013, being the last practicable date prior to the finalisation of this Notice). The fair value of a FY2013 STI Performance Rights at that date was determined independently by PricewaterhouseCoopers based on the volume weighted average share price of AHG shares traded on ASX during the 30 days prior to 25 September 2013, being \$3.4607.
- Each Performance Right will be granted to Mr Howson for nil cash consideration and Mr Howson will not be required to pay any amount on the grant of the Performance Right or on its vesting or exercise.
- Since 29 November 2007 (the date the Plan was last approved by Shareholders):
 - Mr Bronte Howson has been granted 520,693 Performance Rights (and 183,933 Shares have been issued or transferred so far upon the vesting of those Performance Rights) under the Plan.
 - No other person referred to in ASX Listing Rule 10.14 has been issued securities under the Plan since it was approved by Shareholders at the 2007 Annual General Meeting.

- Mr Howson is the only person of the kind referred to in ASX Listing Rule 10.14 who is entitled to participate in the Plan.
- Because the Performance Rights will be granted to Mr Howson for nil cash consideration and Mr Howson will not be required to pay any amount on the grant of the Performance Right or on its vesting or exercise, no funds will be raised by the issue of the Performance Rights.
- Should Resolution 4 be passed, the FY2014 LTI Performance Rights and FY2013 STI Performance Rights will be granted to Mr Howson as soon as possible after the date of the Meeting, and in any event within 12 months of the date of the Meeting. Each of the FY2014 LTI Performance Rights and 2013 STI Performance Rights will be granted in one instalment.

Directors' recommendation: The Directors (other than Mr Howson because of his interest in the outcome of the Resolution), recommend that Shareholders vote in favour of Resolution 4.

PROPOSED AMENDMENTS TO THE COMPANY'S CONSTITUTION

Resolution 5 – Adoption of proportional takeover provisions

Under the Corporations Act, a company is empowered to include in its constitution a provision to enable the company to refuse to register shares acquired under a proportional takeover bid unless a resolution is passed by shareholders in general meeting approving the offer.

It is a requirement of the Corporations Act that proportional takeover bid approval rules apply for a maximum period of three years unless renewed. The Company's constitution previously contained proportional takeover provisions that enabled the Company to refuse to register Shares acquired under a proportional takeover bid unless a resolution to approve the bid is passed (or deemed to have been passed) by holders of shares in the relevant bid class. However, as these provisions were adopted at the time the Company listed on the ASX in 2005 and were not renewed within a three year period, by operation of section 648G of the Corporations Act, the provisions ceased to have effect and were deemed to be omitted from the Company's constitution.

In the Directors' view, it is now appropriate to consider the reinsertion of proportional takeover provisions (in the form of the proposed rule 162 set out in Schedule 2 to this Notice) (**Proposed Proportional Takeover Provisions**) in the Company's Constitution.

Resolution 5 is a special resolution which means that a vote to pass this Resolution is decided on a 75% majority of the votes cast by Shareholders entitled to vote on this Resolution.

If Resolution 5 is passed and not set aside by the court, the Proposed Proportional Takeover Provisions will operate for three years, and would then cease to apply unless renewed by a further special resolution of Shareholders.

If Resolution 5 is passed, then for 21 days after the Meeting the Shareholders holding 10% or more of the Company's Shares would have the right to apply to the court to have the resolution set aside. The court may set aside the resolution if the court is satisfied in all the circumstances that it is appropriate to do so.

The Corporations Act requires certain information to be included in a notice of meeting where a company seeks the approval of its shareholders to adopt proportional takeover provisions. This information is set out below.

Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's shares. If a Shareholder accepts, the Shareholder disposes of that specified portion and retains the balance.

Effects of the Proposed Proportional Takeover Provisions

The effects of the Proposed Proportional Takeover Provisions are that:

- If a bidder makes a proportional takeover bid for any class of shares in the Company, the Directors must ensure that a meeting of members of that class is convened where a resolution to approve the proportional takeover bid is voted on. The vote is decided on a simple majority. The bidder and its associates are excluded from voting on that approving resolution.
- The meeting and the vote on the approving resolution must take place more than 14 days before the last day of the bid period.
- If the approving resolution is rejected before the deadline, the bid cannot proceed and the offer will be taken to have been withdrawn. Any transfers giving effect to takeover contracts for the bid will not be registered and all offers under the takeover bid are taken to be withdrawn and all takeover contracts must be rescinded.
- If the approving resolution is not voted on, the bid will be taken to have been approved.
- If the approving resolution is passed (or taken to have been approved), the transfers must be registered (subject to other provisions of the Corporations Act and the Company's constitution).

The Proposed Proportional Takeover Provisions do not apply to full takeover bids.

Reasons for the proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. By making a proportional bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of not being able to exit their investment in the Company by selling their entire shareholding and consequently being left as a minority Shareholder in the Company. The bidder may be able to acquire control of the Company without payment of an adequate control premium.

The Directors believe that the Proposed Proportional Takeover Provisions are desirable to give Shareholders protection from these risks inherent in proportional takeover bids – this is protection that the Corporations Act provisions are intended to provide.

The Proposed Proportional Takeover Provisions allow Shareholders to decide if a proportional takeover bid is acceptable in principle, and may assist in ensuring that any proportional takeover bid is appropriately priced.

To assess the merits of the Proposed Proportional Takeover Provisions, Shareholders should make a judgement as to what events are likely to occur in relation to the Company during the three year life of the Proposed Proportional Takeover Provisions.

Potential advantages and disadvantages

The Directors consider that the Proposed Proportional Takeover Provisions have no potential advantages or disadvantages for any of them, and that they would remain free to make a recommendation on whether or not an offer under a proportional takeover bid should be accepted.

The Directors note that it could be argued that the Proposed Proportional Takeover Provisions are an advantage to them as a takeover defence mechanism that could be exploited to entrench the incumbent Board. However, the Directors believe this argument ignores the basic object of the Proposed Proportional Takeover Provisions which is to empower Shareholders, not the Directors.

The potential advantages for Shareholders of the Proposed Proportional Takeover Provisions include the following:

- Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed.

- The provisions may assist Shareholders and protect them from being locked in as a minority.
- The provisions increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced.
- Each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under a proportional takeover bid.

The potential disadvantages for Shareholders include the following:

- Proportional takeover bids for Shares in the Company may be discouraged.
- Shareholders may lose an opportunity to sell some of their Shares at a premium.
- Individual Shareholders may consider that the Proposed Proportional Takeover Provisions would restrict their ability to deal with their Shares as they see fit.
- The likelihood of a proportional takeover bid succeeding may be reduced.

Operation of proportional takeover provisions previously included in the Company's constitution

While the previous proportional takeover provisions were in effect, there were no proportional takeover bids for the Company. The Directors are therefore unable to point to any more specific advantages or disadvantages evident from the operation of the provisions during that period. The Directors are not aware of any potential takeover bid that was discouraged by the proportional takeover provisions previously included in the Company's constitution.

Knowledge of any acquisition proposals

Apart from the general considerations above, as at the day on which this Notice was prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Those Directors who are also Shareholders have the same interest in Resolution 5 as all Shareholders have. Details of the shareholdings of Directors are contained in the Company's 2013 Annual Report.

Directors' recommendation: The Directors recommend that Shareholders vote in favour of Resolution 5.

Resolutions 6.1, 6.2 and 6.3 – Other amendments to the Company's constitution

Resolutions 6.1, 6.2 and 6.3 seek Shareholder approval for a number of proposed changes to the Company's constitution in accordance with section 136 of the Corporations Act, which permits a company to modify its constitution by special resolution. A special resolution is a resolution that is passed by at least 75% of all votes cast by shareholders entitled to vote on the resolution.

Details of the proposed changes to the Company's constitution and the reasons for these changes are set out below. The resolutions have been proposed as separate resolutions so that Shareholders may vote in favour of some amendments even though they may not be in favour of other amendments.

Resolution 6.1 – Amendments to reflect changes to the Corporations Act in relation to dividends

Changes to the dividend payment provision in the Corporations Act came into effect on 28 June 2010. A new section 254T has been included in the Corporations Act which introduces a three-tiered test that a company will need to satisfy before paying a dividend. This replaces the previous test that a company may only pay dividends from profits.

The new section 254T provides that a company must not pay a dividend unless:

- the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The Company's constitution currently reflects the former profits test and restricts dividends to be paid only out of the profits of the Company. Existing rule 122.1 provides *"Except as permitted by the Act no dividend or bonus or payment by way of bonus is payable to members otherwise than out of profits of the Company."* Without the proposed change, if the Board wished to pay a dividend, it would need to ensure that the dividend is not prohibited by section 254T and also that the dividend is paid from the profits of the Company.

While the Board does not have any present intention to change the Company's dividend policy or cause the Company to pay dividends other than out of profits, the Board nevertheless considers it appropriate to remove this additional restriction in the Constitution to allow more flexibility in the payment of dividends in the future, which is what was intended by Parliament in the introduction of section 254T. Resolution 6.1 seeks Shareholder approval to remove the restriction on payment of dividends out of profits only.

Resolution 6.1 also seeks to amend existing rule 129.1 of the Company's constitution to give the Directors the ability to rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment. This is because section 254T provides that, amongst other things, the Company may not pay a dividend if to do so would materially prejudice the Company's ability to pay creditors. The proposed amendment will ensure the Board can comply with that requirement should circumstances arise after a dividend has been determined that would result in the payment of the dividend not being permitted by section 254T. It is envisaged that a decision to pay a dividend would be rescinded only in exceptional circumstances.

The existing rule 129.1 provides that *"Unless otherwise specified in the resolution determining the dividend, all dividends are payable to the members on the Register on the day the resolution declaring the dividend is passed or on the date fixed for payment as applicable."*

Directors' recommendation: The Directors recommend that Shareholders vote in favour of Resolution 6.1.

Resolution 6.2 – Amendments to reflect changes to ASX entities and rules

The titles of the ASX group operating rules and the names of some of the ASX entities changed in August 2010 as a part of the new brand and group structure of the ASX.

Resolution 6.2 seeks Shareholder approval to modify the Company's constitution by changing certain defined terms and definitions to reflect these changes. These changes do not affect the rights of Shareholders. The changes also include a new interpretation rule that will mean that references to laws and regulations will be to those laws and regulations as amended or replaced, which will avoid such amendments to the constitution being necessary in future.

Directors' recommendation: The Directors recommend that Shareholders vote in favour of Resolution 6.2.

Resolution 6.3 – Amendments to Director rotation provisions to align them with ASX Listing Rules

Resolution 6.3 seeks to amend the current rules 5.1 and 8.2 of the Company's constitution, which relate to the election and rotation of Directors of the Company.

The ASX Listing Rules contain the following requirements in relation to director rotations:

- ASX Listing Rule 14.4 provides that no Director, other than the Managing Director, may hold office for more than three years or until the third annual general meeting after their appointment (whichever is the longer), without submitting him or herself for re-election. Further, directors appointed to fill casual vacancies and as additions to the board are to hold office only until the next annual general meeting, at which point they will be eligible for election.
- ASX Listing Rule 14.5 provides that an election of directors must be held at each annual general meeting.

In its current form, the constitution of the Company requires one third of the Directors to retire from office, and offer themselves for re-election, at each annual general meeting. The proposed amendment under Resolution 6.3 is to therefore align the Company's constitution with the requirements under ASX Listing Rules and usual practice for most ASX listed entities.

In practice, the amendment may, depending on the composition of the Board, result in fewer Directors being required to retire by rotation at each annual general meeting subject always to the requirement that no Director may retain office beyond the third annual general meeting after their appointment without submitting him or herself for re-election.

Directors' recommendation: The Directors recommend that Shareholders vote in favour of Resolution 6.3.

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

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

		issue at the time.
6.	Purchase price	Generally, no exercise price or other consideration is payable by a Participant for shares acquired pursuant to the exercise of Performance Rights following vesting under the Plan. However, the Board has the discretion under the Plan to determine any amount payable.
7.	Exercise of Performance Rights	To exercise their Performance Rights, Participants must deliver an exercise notice to the Company within the relevant exercise period. In the normal course, the exact number of Performance Rights that a Participant can exercise will be determined by reference to whether the Performance Criteria have been achieved.
8.	Performance Criteria	Performance Criteria are determined by the Board at its discretion. Refer to the explanatory notes concerning Resolution 4 for further information about Performance Criteria proposed to be applied to Performance Rights granted under the Plan.
9.	Cessation of Employment	The Board retains discretion under the Plan to permit early vesting of Performance Rights in some limited circumstances. For example, if a Participant ceases to be employed by any member of the Group due to their resignation, retirement, redundancy, or permanent disability, all Performance Rights granted to that Participant will lapse unless the Board determines otherwise. In these circumstances, the Board may, in its discretion, assess the Performance Criteria at the time that the Participant's employment ceases, and vest a pro rata number of the Participant's Performance Rights to reflect the proportion of the performance period served. Where Performance Criteria applicable to the Performance Rights have been achieved as at the date of cessation, the Participant can still exercise these Performance Rights for up to 30 days. If a Participant ceases to be employed by any member of the Group due to their death, all Performance Rights granted to that Participant will lapse unless the Board determines otherwise. In these circumstances, the Board may similarly, in its discretion, vest a pro rata number of the Participant's rights to reflect the proportion of the performance period served. Where Performance Criteria applicable to the Performance Rights have been achieved as at the date of death, the legal personal representative of the Participant's estate can still exercise these Performance Rights for up to three months.
10.	Restrictions on Share Disposal	Unless the Board determines otherwise, a Participant may be restricted from disposing of any shares that they acquire under the Plan for a period of up to three years.
11.	Cap	The aggregate number of shares subject to outstanding Performance Rights (ie Performance Rights that have not yet been exercised and that have not lapsed) that have been awarded under all of the Company's equity incentive plans (including the Plan) will not exceed 5% of the issued share capital of the Company.

12.	Administration of the Plan	The Board has broad powers of management in connection with the Plan. Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, the Board may amend or supplement the rules of the Plan by Board resolution at any time. However, any amendment or supplementation to the rules will not apply to any Rights or shares already granted or acquired, respectively, under the Plan unless an express resolution of the Board states otherwise.
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SCHEDULE 2: PROPOSED PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

162 Proportional takeover bids

162.1 Special definitions

The following definitions apply in this rule.

- (a) **Accepted Offer** means an offer under a proportional takeover bid that has been accepted and from the acceptance of which a binding contract has not resulted as at the end of the Resolution Deadline.
- (b) **Approving Resolution** means a resolution to approve the proportional takeover bid passed in accordance with rule 162.4.
- (c) **Resolution Deadline** means the day that is 14 days before the last day of the bid period of the proportional takeover bid.

A reference to "an associate of" another person is a reference to a person who is an associate of the first person because of sections 11, 12 or 15 of the Corporations Act.

162.2 Limited life of rule

This rule ceases to apply by force of section 648G(1) of the Corporations Act at the end of three years starting when this rule was inserted in the constitution or starting when this rule was last renewed in accordance with that section.

162.3 Restriction on registration of transfers

The Company must not register a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid until an Approving Resolution is passed.

162.4 Approving Resolution

If offers have been made under a proportional takeover bid for securities in a class issued by the Company:

- (a) an Approving Resolution must be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the Approving Resolution;
- (b) the directors must ensure that an Approving Resolution is voted on in accordance with this rule before the Resolution Deadline for the bid;
- (c) a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the bid was made, held securities included in that class is entitled to vote on an Approving Resolution;
- (d) the bidder or an associate of the bidder is not entitled to vote on an Approving Resolution; and
- (e) an Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.

162.5 General meeting provisions apply

The rules in this constitution relating to general meetings apply, modified as necessary, to any meeting convened under this rule, except that:

- (a) a meeting may be convened on less than 28 days' notice and on at least 14 days' notice if the directors considers that should be done to ensure that the meeting is held before the Resolution Deadline; and
- (b) the holder of a security that carries no right to vote at a general meeting of the Company has one vote for each security held at a meeting convened under this rule.

162.5 Notice of meeting outcome

If an Approving Resolution is voted on in accordance with this rule before the Resolution Deadline for the proportional takeover bid, the Company must, on or before the Resolution Deadline give a written notice stating that an Approving Resolution has been voted on and that the resolution has been passed or rejected to:

- (a) the bidder; and
- (b) ASX and any other relevant financial market.

162.6 Failure to propose resolution

If, as at the end of the day before the Resolution Deadline for a proportional takeover bid, no Approving Resolution has been voted on in accordance with this rule, an Approving Resolution is taken to have been passed in accordance with this rule.

162.7 Rejected resolution

If an Approving Resolution is voted on, in accordance with this rule, before the Resolution Deadline for the proportional takeover bid and is rejected:

- (a) despite section 652A of the Corporations Act, all offers under the bid that have not, as at the end of the Resolution Deadline, been accepted, and all Accepted Offers are taken to be withdrawn at the end of the Resolution Deadline;
- (b) as soon as practical after the Resolution Deadline, the bidder must return to each person who accepted an Accepted Offer any documents that were sent by the person to the bidder with the acceptance of the offer;
- (c) the bidder may rescind, and must rescind, as soon as practical after the Resolution Deadline, each contract resulting from the acceptance of an offer made under the bid; and
- (d) a person who has accepted an offer made under the bid may rescind the contract (if any) resulting from that acceptance.



AUTOMOTIVE HOLDINGS GROUP



Automotive Holdings Group Limited
ABN 35 111 470 038

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

Proxy Form



Vote and view the annual report online

Go to www.investorvote.com.au or scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 136624

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



For your vote to be effective it must be received by 10.00 am (Perth time) Wednesday, 13 November 2013

How to Vote on Items of Business

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

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 as they choose. 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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

☐

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.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Automotive Holdings Group Limited 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) at the Annual General Meeting of Automotive Holdings Group Limited to be held at Botanical 3, Lower Level, Crown Convention Centre, Great Eastern Highway, Burswood, Western Australia on Friday, 15 November 2013 at 10.00 am (Perth time) and at any adjournment or postponement of that Meeting.

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 2, 3, and 4 (except where I/we have indicated a different voting intention below) even though Items 2, 3, and 4 are connected directly or indirectly with the remuneration of a member of the key management personnel, which includes the Chairman.

Important Note: For Item 3, this express authority is also subject to you marking the box in the section below.

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 2, 3 and 4 by marking the appropriate box in step 2 below.

Important for Item 3: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Item 3 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Item 3, the Chairman of the Meeting will not cast your votes on Item 3 and your votes will not be counted in computing the required majority if a poll is called on this items. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3.

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I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Item 3 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2

Items of Business



PLEASE NOTE: If 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.

		For	Against	Abstain
1.1	Re-election of Mr David Griffiths	☐	☐	☐
1.2	Re-election of Mr Peter William Stancliffe	☐	☐	☐
2	Adoption of remuneration report	☐	☐	☐
3	Approval for increase to non-executive Directors' remuneration cap	☐	☐	☐
4	Grant of performance rights to Mr Bronte Howson	☐	☐	☐

Amendments to the Company's Constitution

		For	Against	Abstain
5	Adoption of proportional takeover provisions	☐	☐	☐
6.1	Amendments to reflect changes to the Corporations Act in relation to dividends	☐	☐	☐
6.2	Amendments to reflect changes to ASX entities and rules	☐	☐	☐
6.3	Amendments to director rotation provisions to align them with ASX Listing Rule requirements	☐	☐	☐

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

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /