

NOTICE OF ANNUAL
GENERAL MEETING
2015



AUTOMOTIVE HOLDINGS GROUP

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AUTOMOTIVE HOLDINGS GROUP LIMITED ABN 35 111 470 038

Notice is given that the 2015 Annual General Meeting (**Annual General Meeting** or **Meeting**) of Shareholders of Automotive Holdings Group Limited (**AHG** or **Company**) will be held at:

Venue: **Fraser's Function Centre**
60 Fraser Avenue, Kings Park, Western Australia

Date: **Friday, 20 November 2015**

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

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

ORDINARY BUSINESS OF THE MEETING

Annual report

To receive and consider the financial report of the Company, the Directors' report (including the remuneration report) and the auditor's report for the financial year ended 30 June 2015.

Director re-election

Ms Tracey Horton and Mr Michael Smith each retire as a Director of the Company in accordance with the Company's Constitution and have decided not to seek re-election.

Resolution 1.1 – Election of Mr Gregory Duncan

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

"That Mr Gregory Duncan be elected as a Director of the Company."

Resolution 1.2 – Re-election of Mr Robert McEniry

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

"That Mr Robert McEniry, who retires as a Director of the Company in accordance with the Company's constitution, be re-elected as a Director of the Company."

Resolution 2 – Grant of performance rights to Mr Bronte Howson

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

"That for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, the grant of up to 183,655 FY2016 LTI performance rights and the grant of 26,094 FY2015 STI performance rights by the Company to Mr Bronte Howson, and either the issue or transfer of ordinary shares in the Company to Mr Howson upon the vesting and exercise of those performance rights, under and in accordance with the AHG Performance Rights Plan and otherwise on the terms and conditions set out in the Explanatory Notes that accompany this Notice, be approved."

Please note that voting exclusions apply to this Resolution. Details of the voting exclusions applicable to this Resolution are set out in the "Voting Exclusions" section on pages 4 and 5 below.

Resolution 3 – Adoption of remuneration report

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

"That the remuneration report, which forms part of the Directors' report for the financial year ended 30 June 2015, be adopted."

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

Please note that voting exclusions apply to this Resolution. Details of the voting exclusions applicable to this Resolution are set out in the "Voting Exclusions" section on pages 4 and 5 below.

NOTES

These Notes form part of the Notice.

ENTITLEMENT TO ATTEND AND VOTE

The Company has determined that persons who are registered holders of fully paid ordinary shares of the Company (**Shares**) at 4.00pm (Perth time) on Wednesday, 18 November 2015 will be entitled to attend and vote at the Annual General Meeting.

HOW TO VOTE

Voting in person

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

Corporate representatives

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

Voting by proxy

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

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

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

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

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

Voting by attorney

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

Chairman as proxy and intentions of Chairman

The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies **in favour of** Resolutions 1.1, 1.2, 2 and 3.

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 or one of their closely related parties (such as a close family member or a controlled company) as your proxy and do not direct that person how to vote Resolution 3 (adoption of remuneration report); or
- Mr Bronte Howson or one of his closely related parties (such as a close family member and a controlled company) as your proxy and do not direct that person how to vote on Resolution 2 (grant of performance rights to Mr Bronte Howson),

then that person will not vote your proxy on that resolution.

The remuneration report, which is set out on pages 53 to 68 of the Company's 2015 Annual Report, identifies the KMP for the financial year to 30 June 2015.

Prohibition on KMP voting

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

VOTING EXCLUSIONS

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

Resolution 2 – Grant of performance rights to Mr Bronte Howson

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

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

Resolution 3 – Adoption of remuneration report

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

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

For the purposes of these voting exclusions and these Explanatory Notes:

- (a) The KMP are those persons having authority and responsibility for planning, directing or controlling the activities of the Company's consolidated group, either directly or indirectly including any Director (executive and non-executive) of the Company.

- (b) The term “closely related party” is defined in the Corporations Act and includes a KMP’s spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

QUESTIONS FROM SHAREHOLDERS

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

Mr Glyn O’Brien of BDO Audit (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 2015. The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask the auditor questions at the Meeting about:

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

To assist the Board of Directors of the Company (**Board**) and the auditor of the Company in responding to any questions you may have, please submit questions in the manner described below by no later than 5.00pm (Perth time) on Friday, 13 November 2015.

By mail Link Market Services Limited

Locked Bag A14

Sydney South NSW 1235

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

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

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

By order of the Board



David Rowland

Company Secretary

Automotive Holdings Group Limited

19 October 2015

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 to decide how they wish to vote on those proposed Resolutions. These Explanatory Notes form part of, and should be read together with, the Notice.

ORDINARY BUSINESS

Annual report

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

A copy of the Company's 2015 Annual Report, including the financial report, the Directors' report (including the remuneration report) and the auditor's report for the year ended 30 June 2015 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, Ms Tracey Horton, Mr Robert McEniry and Mr Michael Smith (who were last re-elected at the Company's 2012 annual general meeting), will retire by rotation. Mr Robert McEniry will offer himself for re-election at the Annual General Meeting. Ms Tracey Horton and Mr Michael Smith have decided not to offer themselves for re-election.

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

Mr Gregory Duncan was appointed to the Board on 25 March 2015 and in accordance with rule 8.2 of the Company's constitution, Mr Duncan will retire at the Annual General Meeting and offer himself for election at the Meeting.

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

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

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 the Directors is set out below.

Resolution 1.1 – Election of Mr Greg Duncan

Mr Gregory Duncan was appointed as a non-executive Director on 25 March 2015.

Mr Duncan is a highly regarded automotive retailer and business leader.

As a chartered accountant, investor and consultant he advised the Trivett group of prestige dealerships for many years before purchasing outright ownership in 2001.

From 2001 to 2013 Mr Duncan led the Trivett group to a position as the largest prestige automotive retailer in Australia.

Since 2013 he has been a shareholder, director and partner in JWT Bespoke, a family owned and operated boutique

advisory and investment business.

Mr Duncan is also a founder, shareholder and chairman of the unlisted public company One Way Traffic, trading as CarsGuide.com.au, a joint venture between News Limited and Australia's major automotive dealer groups.

Further information about Mr Duncan is set out in the Company's 2015 Annual Report.

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

Resolution 1.2 – Re-election of Mr Robert McEniry

Mr McEniry was appointed to the Board on 3 May 2012.

Mr McEniry has more than twenty five years experience in the automotive industry including most recently five years as Chair, President and CEO of Mitsubishi Motors Australia Limited. Prior to that he held a number of senior executive roles including Global Vehicle Line Executive for General Motors, Director of Marketing for General Motors Holden, Vice President Commercial and Marketing for Saab Automobile AB of Sweden, CEO of South Pacific Tyres Pty Ltd, Melbourne and CEO of Nucleus Network, Melbourne.

Mr McEniry is Chair of Burson Group Ltd and he is also a Director of Multiple Sclerosis Society Limited, Chair of Australian Home Care Services Pty Ltd, Chair of Stillwell Motor Group (Ross House Investments) and Chair of Trimont Australia Pty Ltd. Mr McEniry is a member of the Board's Strategy and Steering Committee. Further information about Mr McEniry is set out in the Company's 2015 Annual Report.

Directors' recommendation: The Board, other than Mr McEniry 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 McEniry brings to the Company and recommends that Shareholders vote **in favour** of Resolution 1.2.

Resolution 2 – Grant of performance rights to Mr Bronte Howson

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

If Shareholders approve Resolution 2, it is proposed that 183,655 FY2016 LTI Performance Rights (**FY2016 LTI Performance Rights**) and 26,094 FY2015 STI Performance Rights (**FY2015 STI Performance Rights**) be granted to Mr Howson shortly after the Meeting. The FY2016 LTI Performance Rights form part of the long term incentive (**LTI**) component of Mr Howson's remuneration package for the financial year ending 30 June 2016 (**FY2016**). The FY2015 STI Performance Rights form part of the short term incentive (**STI**) component of Mr Howson's remuneration package for the financial year ending 30 June 2015 (**FY2015**).

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

Further details in relation to those FY2016 LTI Performance Rights and FY2015 STI Performance Rights are outlined below.

FY2016 LTI Performance Rights

The above FY2016 LTI Performance Rights are proposed to be granted as the LTI component of Mr Howson's remuneration package for FY2016 under his executive services contract. Mr Howson's remuneration under this contract comprises:

- fixed annual remuneration (being a base salary);

- STI variable remuneration (being performance based financial and non-financial STI); and
- LTI by way of performance rights.

Mr Howson's remuneration package for FY2016 is structurally consistent with his package for FY2015 with adjustments being made to his total annual remuneration and the mix between fixed remuneration, STI and LTI and appropriate revisions of the targets for achievement of STI.

FY2016 LTI performance targets for TSR and EPS remain the same as for FY2015, although the TSR peer group is adjusted each financial year in accordance with advice from PricewaterhouseCoopers (**PwC**).

The proposed grant of FY2016 LTI Performance Rights is consistent with the grant of LTI Performance Rights for FY2015; with the FY2015 issue having been approved by Shareholders at the Company's 2014 annual general meeting.

The details of Mr Howson's remuneration package for FY2015, including the FY2015 LTI Performance Rights, are disclosed in the remuneration report set out on pages 53 to 68 of the Company's 2015 Annual Report.

Performance criteria applicable to the FY2016 LTI Performance Rights

The Board has determined that the performance criteria described below will apply to the FY2016 LTI Performance Rights. These criteria reflect advice received from PwC following its 2012 review of the Company's remuneration practices, and were applied in FY2013, FY2014 and FY2015. Further details of that review are provided in the Company's 2015 remuneration report. The Board has determined it is appropriate to carry forward these performance criteria into FY2016.

The FY2016 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 FY2016 LTI Performance Rights will be subject to the Company's total shareholder return (**TSR**) performance (broadly speaking, the growth in share price plus the value of dividends and distributions), measured against a comparator peer group of companies recommended by PwC; and
- 50% of the FY2016 LTI Performance Rights will be subject to the Company achieving its specific earnings per share (**EPS**) target.

The TSR portion of Mr Howson's FY2016 LTI Performance Rights will vest and be capable of being exercised if the Company's relative TSR performance is equal to or greater than the median of the comparator peer group of companies (subject to changes as may be approved by the Board after consultation with PwC given changes to the peer group companies) at the end of the three year performance period. Vesting will occur on the following basis:

AHG's TSR ranking in the comparator group	Vesting outcome of TSR portion of the FY2016 LTI Performance Rights
Below 50th percentile	Nil
At 50th percentile	25% vesting
Between 50th percentile and 75th percentile	Progressive/pro-rata from 25% to 100%
At or above 75th percentile	100% vesting

The EPS portion of Mr Howson's FY2016 LTI Performance Rights will vest and be capable of being exercised if the Company achieves its target operating EPS compound annual growth rate for the performance period. Vesting will occur on the following basis:

Compound annual EPS growth performance ¹	Vesting outcome of the EPS portion of the FY2016 LTI Performance Rights
Below 7% per annum	Nil
At 7% per annum	25% vesting
7% up to 10% per annum	Progressive/pro-rata basis from 25% to 100%

At or above 10% per annum	100% vesting
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¹ The baseline operating EPS for the performance period is set at the reported operating EPS for FY2015 (being 30.7 cents).

FY2015 STI Performance Rights

Details of the Company's STI program and the FY2015 STI outcome for Mr Howson are disclosed in the Company's 2015 remuneration report (refer to pages 56-64 of the Company's 2015 Annual Report)

For FY2015 Mr Howson is entitled to a total STI of \$1,241,638 reflecting the level of achievement of financial STI targets (\$910,638) and non-financial STI targets (\$331,000). AHG Group's operating profit for FY2015 achieved the STI financial performance target set by the Board (refer to pages 60-61 of the Company's 2015 Annual Report).

Under Mr Howson's service contract, any part of his financial STI entitlement that exceeds \$800,000 is to be paid the form of STI Performance Rights. For FY2015 that excess is \$110,638. The issue value of FY2015 STI Performance Rights is based on the Company's share price at 30 June 2015 (based on 30 day VWAP at that date). That VWAP is \$4.24, as determined independently by PwC.

Accordingly; 26,094 FY2015 STI Performance Rights are to be issued to Mr Howson, subject to shareholder approval.

All STI Performance Rights issued are subject to a 12 month retention condition. No performance conditions apply to the exercise of STI Performance Rights, other than Mr Howson remaining employed by AHG or its subsidiaries for 12 months after their grant.

FY2016 STI Performance Rights

Under Mr Howson's FY2016 remuneration package, he may become entitled to a grant of FY2016 STI Performance Rights if the AHG Group's operating profit for FY2016 exceeds the target set by the Board for FY2016. This will be assessed following the completion of the FY2016 results and, if required, shareholder approval for the grant of FY2016 STI Performance Rights will be sought next year at the Company's 2016 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 grant to Mr Howson the FY2016 LTI Performance Rights and the FY2015 STI Performance Rights (and the issue or transfer of any Shares on vesting and exercise of these Performance Rights) detailed in this Notice in accordance with the terms and conditions of the Plan.

Once approval is received pursuant to ASX Listing Rule 10.14 then approval is not required:

- to issue equity securities to Mr Howson (a related party) pursuant to ASX Listing Rule 10.11; and
- under Listing Rule 7.1 (in accordance with Listing Rule 7.2 (Exception 14)) so the issue will not impact upon the Company's ability to issue equity securities under the 15% placement capacity.

Chapter 2E of the Corporations Act

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

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

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

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

If Shareholders approve Resolution 2, the maximum aggregate number of FY2016 LTI Performance Rights that may vest and be exercised upon cessation of Mr Howson's employment will be 183,655. The maximum number of FY2015 STI Performance Rights that may vest and be exercised upon cessation of Mr Howson's employment will be 26,094.

However, the actual number of FY2016 LTI Performance Rights and 2015 STI Performance Rights that may vest upon cessation of employment (if any) will depend on a range of factors. Accordingly, the value of any consequent termination benefit that may be received as a result of early vesting upon cessation of employment cannot be ascertained at the present time. Apart from the future share price being unknown, the following are matters which will or are likely to affect the value of the benefit:

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

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

Specific information required of ASX Listing Rules

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

- Mr Howson is the Managing Director of the Company.
- The maximum number of securities to be issued by the Company to Mr Howson is 183,655 FY2016 LTI Performance Rights and 26,094 FY2015 STI Performance Rights (which upon vesting and exercise will result in the issue or transfer to Mr Howson of up to the same number of shares in AHG).
- The number of FY2016 LTI Performance Rights to be granted was determined based on Mr Howson's maximum LTI opportunity for FY2016 (being \$666,667 divided by the fair value of the LTI Performance Right as at 1 July 2015). The fair value of a FY2016 LTI Performance Right at that date, as determined independently by PwC using Black-Scholes methodology, is \$3.63.
- The number of FY2015 STI Performance Rights to be granted was determined based on Mr Howson's financial STI above \$800,000. For FY2015 that excess is \$110,638. The issue value of FY2015 STI Performance Rights is based on the Company's share price at 30 June 2015 (based on 30 day VWAP at that date). That VWAP is \$4.24, as determined independently by PwC.
- Each Performance Right will be granted to Mr Howson for nil cash consideration and Mr Howson will not be required to pay any amount on the grant of the Performance Right or on its vesting or exercise.
- Since the last approval given by Shareholders under ASX Listing Rule 10.14 at the 2014 annual general meeting:

- no LTI Performance Rights or other securities have been granted to Mr Bronte Howson and no Shares have been issued or transferred to him; and
- no other person referred to in ASX Listing Rule 10.14 has been issued any LTI Performance Rights or securities under the Plan.
- Mr Howson is the only person of the kind referred to in ASX Listing Rule 10.14 who is entitled to participate in the Plan.
- No loan has been or will be given to Mr Howson relating to the grant of Performance Rights under the Plan. Because the Performance Rights will be granted to Mr Howson for nil cash consideration and Mr Howson will not be required to pay any amount on the grant of the Performance Right or on its vesting or exercise, no funds will be raised by the issue of the Performance Rights and no loan exists in relation to the acquisition.
- Details of any Performance Rights issued under the Plan will be published in each annual report relating to a period in which Performance Rights have been issued, and that approval for the issue of Performance Rights was obtained, if required, under ASX Listing Rule 10.14.
- Any additional people who become entitled to participate in the Plan after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained, if required, under ASX Listing Rule 10.14.
- Should Resolution 2 be passed, the FY2016 LTI Performance Rights will be granted to Mr Howson as soon as possible after the date of the Meeting, and in any event no later than 3 years after the date of the Meeting. The FY2016 LTI Performance Rights will be granted in one instalment.
- Should Resolution 2 be passed, the FY2015 STI Performance Rights will be granted to Mr Howson as soon as possible after the date of the Meeting, and in any event no later than 12 months after the date of the Meeting. The FY2015 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 2.

Resolution 3 – Adoption of remuneration report

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

The remuneration report is set out on pages 53 to 68 of the Company's 2015 Annual Report, which may be accessed by visiting the "Reports" section of the Company's investor relations website at www.ahgir.com.au, or from ASX's website at www.asx.com.au. The remuneration report contains:

- details of the voting on the Company's remuneration report at the last annual general meeting;
- a summary of the independent review of the Company's remuneration policies and PwC recommendations from that review;
- details of the Company's executive remuneration structure for FY2015;
- details of the renegotiated executive service contract for the Managing Director;
- information about the Board's policy for determining the nature and amount of remuneration of Directors and senior executives of the Company;
- details of the remuneration of, and performance rights held by, Directors and senior executives of the Company; and
- a summary of the terms of any contract under which any Director or senior executive is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

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

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

Further details about the Company's remuneration structure are described in the Company's remuneration report (see specifically pages 55 to 56 of the 2015 Annual Report).

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

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

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

7.	Exercise of Performance Rights	To exercise their Performance Rights, Participants must deliver an exercise notice to the Company within the relevant exercise period. In the normal course, the exact number of Performance Rights that a Participant can exercise will be determined by reference to whether the Performance Criteria have been achieved.
8.	Performance Criteria	Performance Criteria are determined by the Board at its discretion. Refer to the Explanatory Notes concerning Resolution 2 for further information about Performance Criteria proposed to be applied to Performance Rights granted under the Plan.
9.	Cessation of Employment	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.



AUTOMOTIVE HOLDINGS GROUP



AUTOMOTIVE HOLDINGS GROUP

Automotive Holdings Group Limited

ABN 35 111 470 038

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Automotive Holdings Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

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



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

PROXY FORM

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

APPOINT A PROXY

☐

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or if the person or body corporate named does not attend the Meeting, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf including to vote in accordance with the directions set out below or, if no directions are set out below and to the extent permitted by law, as the proxy sees fit, at the Annual General Meeting of the Company to be held at **10:00am (Perth time) on Friday, 20 November 2015 at Fraser's Function Centre, 60 Fraser Avenue, Kings Park, Western Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 2 and 3: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention in respect of Resolution 2 or Resolution 3 below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of those Resolutions, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote eligible undirected proxies in favour of each resolution.

VOTING DIRECTIONS

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

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

Resolutions

For Against Abstain*

1.1 Election of Mr Gregory Duncan

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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1.2 Re-election of Mr Robert McEniry

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Grant performance rights to Mr Bronte Howson

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Adoption of remuneration report

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

AHG PRX501C



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. If you leave Step 1 blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the voting intentions of the Chairman of the Meeting set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTING 100% OF YOUR HOLDING

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

VOTING A PORTION OF YOUR HOLDING

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place and delete titles as applicable.

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Perth time) on Wednesday, 18 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MAIL

Automotive Holdings Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**