

NOTICE *of* ANNUAL
GENERAL MEETING | 2012



AUTOMOTIVE HOLDINGS GROUP

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AUTOMOTIVE HOLDINGS GROUP LIMITED ABN 35 111 470 038

Notice is hereby given that the 2012 Annual General Meeting (**Annual General Meeting** or **Meeting**) of Automotive Holdings Group Limited (**AHG** or **Company**) will be held at:

Venue: **Botanical 3, Lower Level, Crown Perth Convention Centre Great Eastern Highway, Burswood, Western Australia**
Date: **Friday 16 November 2012**
Time: **10.00 a.m. (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

Receipt of the financial report, directors' report and auditor's report

To receive and consider the financial report, together with the directors' report (including the remuneration report) and the auditor's report, for the financial year ended 30 June 2012.

Resolutions

1. Election of directors

1.1 Re-election of Ms Tracey Ann Horton

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

"That Ms Tracey Ann Horton, who retires as a director of the Company in accordance with the Company's constitution and, being eligible, having offered herself for re-election, be re-elected as a director of the Company."

1.2 Re-election of Mr Robert James Hunter McEniry

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

"That Mr Robert James Hunter McEniry, who retires as a director of the Company in accordance with the Company's constitution and, being eligible, having offered himself for re-election, be re-elected as a director of the Company."

1.3 Re-election of Mr Michael John Smith

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

"That Mr Michael John Smith, who retires as a director of the Company in accordance with the Company's constitution and, being eligible, having offered himself for re-election, be re-elected as a director of the Company."

The chairman of the Meeting (**Chairman**) intends to vote all available proxies in favour of resolutions 1.1 to 1.3.

2. Grant of performance rights to, and acquisition of any resulting shares by, Mr Bronte Howson

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

"That for the purposes of ASX Listing Rules 7.1 and 10.14, section 200E of the Corporations Act and for all other purposes, the grant of 336,700 performance rights by the Company to Mr Bronte Howson and the acquisition of ordinary shares by Mr Howson upon the vesting and exercise of those performance rights, in accordance with the AHG Performance Rights Plan and otherwise in accordance with the terms and conditions which are summarised in the explanatory notes that accompany this Notice be approved."

Voting Prohibitions:

A vote on resolution 2 must not be cast by Mr Howson or any of his associates. However, this prohibition does not apply if it is cast by one of those persons as a proxy (for a person other than Mr Howson and any of his associates), where the proxy specifies how the proxy is to vote on the resolution.

Further to the above prohibition, a person appointed as a proxy must not vote, on the basis of that appointment, on resolution 2 if the proxy is an Excluded Person (defined below) and the appointment does not specify the way the proxy is to vote on resolution 2. An **Excluded Person** for the purposes of this Notice is any member of the Company's key management personnel whose remuneration details are included in the remuneration report and any closely related party (such as family members and any controlled companies) of such a member. However, this prohibition does not apply if the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Company's key management personnel.

Voting Exclusion Statement:

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on resolution 2 by:

- (a) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities; and
- (b) a director (except one who is ineligible to participate in any employee incentive scheme in relation to the company) and any associate of such a director, other than (in the case of proxy votes only) as expressly contemplated above or described under the heading "Qualification regarding all voting restrictions" below.

The Chairman intends to vote all available proxies in favour of resolution 2.

3. Adoption of remuneration report

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

"That the remuneration report for the financial year ended 30 June 2012 be adopted."

Voting Prohibition: A vote on resolution 3 must not be cast (in any capacity) by or on behalf of an Excluded Person (defined above). However, an Excluded Person may cast a vote on resolution 3 as a proxy if the vote is not cast on behalf of an Excluded Person and either:

- (a) it is cast by an Excluded Person appointed as proxy and the proxy form specifies how the proxy is to vote on resolution 3; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on resolution 3; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

The Chairman intends to vote all available proxies in favour of resolution 3.

3.1 – Holding a special meeting of members (contingent resolution)

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

"That, as required by the Corporations Act:

- (a) *a meeting of the Company's members be held within 90 days of the date of this meeting (the "spill meeting");*
- (b) *each of Mr David Griffiths, Mr Giovanni (John) Groppoli, Ms Tracey Horton, Mr Robert McEniry, Mr Michael Smith and Mr Peter Stancliffe cease to hold office immediately before the end of the spill meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting."*

Important note: Resolution 3.1 will be considered at the Meeting only if at least 25% of the votes cast on resolution 3 are "Against" the adoption of the remuneration report. The explanatory notes further explain the circumstances in which resolution 3.1 will be put to the Meeting.

Voting Prohibition: A vote on resolution 3.1 (if it is put to shareholders) must not be cast (in any capacity) by or on behalf of an Excluded Person (defined above). However, an Excluded Person may cast a vote on resolution 3.1 as a proxy if the vote is not cast on behalf of an Excluded Person and either:

- (a) it is cast by an Excluded Person appointed as proxy and the proxy form specifies how the proxy is to vote on resolution 3.1; or

- (b) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on resolution 3.1; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Company's key management personnel.

In the event resolution 3.1 is put to shareholders, the Chairman intends to vote all available proxies against resolution 3.1.

QUALIFICATION REGARDING ALL VOTING RESTRICTIONS

Where a voting restriction is stated to apply to any of the above items, and subject to the voting prohibitions described above, the Company will not disregard a vote if:

- it is cast by a person as proxy for a shareholder who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman as proxy for a shareholder who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

BACKGROUND INFORMATION

To assist you in deciding how to vote on the above resolutions, further information on the resolutions is set out in the explanatory notes forming part of this Notice.

ENTITLEMENT TO ATTEND AND VOTE

The Company has determined that the shareholding of each person for the purpose of determining entitlements to attend and vote at the Meeting will be the entitlement of that person set out in the Company's share register as at 4.00 pm (Perth time) on Wednesday 14 November 2012. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the 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 to act as its representative at the Meeting in accordance with section 250D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The appropriate appointment document should 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

A shareholder who is entitled to attend and cast a vote at the Meeting may appoint a proxy. A body corporate may also appoint a proxy. A proxy need not be a shareholder, and may be an individual or body corporate. If a body corporate is appointed as a proxy, it must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meeting.

A shareholder who is entitled to cast 2 or more votes may appoint up to two proxies to attend the Meeting and vote on its behalf. 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.

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 (ie by 10.00 am (Perth time) on Wednesday, 14 November 2012). Any proxy form received after that time will not be valid for the scheduled Meeting.

In person	Registered Office – 21 Old Aberdeen Place, West Perth WA 6005, Australia
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia
By fax	Share Registry – within Australia 1800 783 447, outside Australia +61 3 9473 2555
Electronically	Shareholders may submit their proxy instructions electronically 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.

For more information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed proxy form.

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 (ie by 10.00 am (Perth time) on Wednesday, 14 November 2012).

Chairman as proxy

The Chairman intends to vote all available proxies in favour of all resolutions set out in this Notice other than resolution 3.1 (spill meeting). The Chairman intends to vote against

resolution 3.1 (spill meeting) if it is put.

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 the Company's key management personnel.

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 key management personnel as proxy

If you appoint any other Excluded Person (as defined above) as your proxy and do not direct them how to vote on resolutions 2 (grant of performance rights to Mr Bronte Howson), 3 (remuneration report) and 3.1 (spill meeting) such a person will not vote your proxy on that item of business.

The remuneration report, which is set out on pages 41 to 58 of the 2012 annual report, identifies the Company's key management personnel for the financial year to 30 June 2012 who will be Excluded Persons. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control. Such closely related parties will also be Excluded Persons.

QUESTIONS FROM SHAREHOLDERS

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

Mr Brad McVeigh 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 2012. 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 5.00 p.m. (Perth time) on Friday, 9 November 2012.

In person	Registered Office – 21 Old Aberdeen Place, West Perth WA 6005, Australia
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia

By fax Share Registry – 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
15 October 2012

EXPLANATORY NOTES

Financial statements and reports

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.

The 2012 annual report of the Company, including the financial report, the directors' report (including the remuneration report) and the auditor's report for the year ended 30 June 2012, may be accessed by visiting the Company's investor relations website at www.ahgir.com.au.

Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports but no formal resolution to adopt the reports will be put to shareholders at the Meeting (other than resolution 3 for adoption of the remuneration report).

NOTES ON ITEM 1 – RE-ELECTION OF DIRECTORS

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 re-election at the annual general meeting.

In accordance with rule 8.2 of the Company's constitution, Ms Tracey Horton and Mr Robert McEniry will retire at the Annual General Meeting and offer themselves for re-election at the Annual General Meeting.

Rule 5.1 of the Company's constitution requires that at each annual general meeting of the Company, 1/3 of the directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to but not exceeding 1/3, retire from office but no director may retain office for more than 3 years without submitting himself or herself for re-election even though the submission results in more than 1/3 of the directors retiring from office. Any director appointed by the Board under rule 8.1 of the Company's constitution is not taken into account in determining the number of directors who must retire by rotation at the annual general meeting. 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 Michael Smith and Mr Hamish Williams will retire by rotation at the Annual General Meeting.

Mr Smith offers himself for re-election at the Annual General Meeting under rule 5.4 of the Company's constitution. Mr Williams does not intend to seek re-election. Turning 60 this year, Mr Williams has informed the Board that he wishes to focus on his executive role as manager of Strategy and Planning (a role created in 2009 to enhance the Company's senior management capabilities in undertaking strategic projects, corporate planning and continuous improvements programs). Mr Williams believes that with the recent appointment of Ms Tracey Horton and Mr Robert McEniry as directors, the range of skills, experience, expertise and diversity on the Board has been strengthened and this has created an opportunity for him to transition out of his role as a director. Accordingly, Mr Williams will retire as a director at the end of the Annual General Meeting.

To be elected, a candidate needs to receive more "for" votes than "against" votes. The Proxy Form contains further information on voting.

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

NOTES ON RESOLUTION 1.1 – RE-ELECTION OF MS TRACEY ANN HORTON AS A DIRECTOR

Ms Horton was appointed by the Board as a non-executive director on 3 May 2012. Ms Horton has a diverse executive and consulting career including leadership and line management roles at senior executive level and over thirteen years' management consulting experience with clients in a diverse range of industries, including eight years working with Bain and Company in San Francisco. From 2004 to 2011 she was Winthrop Professor and Dean of the UWA Business School, with responsibility for leading around 5,000 students and 200 staff. Ms Horton is currently a director of Navitas Limited, Skilled Group and Cullen Wines and is chair of D'Orsogna Limited. Ms Horton is also chair of the not-for-profit Western Australian Museum Foundation and Presbyterian Ladies College in Perth.

The Board, with the exception of Ms Horton because of her interest in the resolution, recommends that you vote in favour of Ms Horton's re-election as a director of the Company.

NOTES ON RESOLUTION 1.2 – RE-ELECTION OF MR ROBERT JAMES HUNTER McENIRY AS A DIRECTOR

Mr McEniry was appointed by the Board as a non-executive director on 3 May 2012. Mr McEniry has over 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 Director of Marketing for General Motors Holden, Vice President – Commercial and Marketing for Saab Automobile AB of Sweden, CEO of South Pacific Tyres, Melbourne and CEO of Nucleus Network. Mr McEniry is currently a director of Multiple Sclerosis Society Ltd, Australian Home Care Services Pty Ltd and Stillwell Motor Group. Mr McEniry is also chair of EV Engineering Ltd and chair of the Advisory Board, Department of Management at Monash University.

The Board, with the exception of Mr McEniry because of his interest in the resolution, recommends that you vote in favour of Mr McEniry's re-election as a director of the Company.

NOTES ON RESOLUTION 1.3 – RE-ELECTION OF MR MICHAEL JOHN SMITH AS A DIRECTOR

Mr Smith was appointed as a non-executive director of the Company on 6 May 2010 and deputy chairman on 7 February 2011.

Mr Smith operates a marketing and strategy consultancy firm Black House, which consults to a number of leading Australian companies, including Navitas, Hawaiian, Brightwater and the Satterley Property Group. In addition to this he chairs Synergy, WA's largest energy retailer, iiNet Ltd, Australia's second largest internet service provider, and the Lionel Samson Sadleirs Group. Mr Smith is a past chairman of the Perth International Arts Festival, the West Coast Eagles, Barking Gecko Theatre Company and Scotch College (Perth). He is also a director of 7-Eleven Stores Pty Ltd, President of the Western Australia division of the Australian Institute of Company Directors and a member the Australian Institute of Company Directors' national board.

The Board, with the exception of Mr Smith because of his interest in the resolution, recommends that you vote in favour of Mr Smith's re-election as a director of the Company.

NOTES ON RESOLUTION 2 - GRANT OF PERFORMANCE RIGHTS TO, AND ACQUISITION OF ANY RESULTING SHARES BY, MR BRONTE HOWSON

Resolution 2 seeks shareholder approval, for the purposes of ASX Listing Rules 7.1 and 10.14, section 200E of the Corporations Act and for all other purposes, for the grant of 336,700 performance rights (**Rights**) to, and the acquisition (whether by issue or transfer) of up to 336,700 shares on vesting and exercise of those Rights by, Mr Bronte Howson under the AHG Performance Rights Plan (**Plan**).

Subject to shareholder approval, these Rights will be granted to Mr Howson as the long term incentive component of his remuneration package for the financial year ending 30 June 2013. As part of the remuneration review undertaken by the Board in FY2012 in conjunction with PricewaterhouseCoopers (**PwC**), a new executive services contract has been negotiated Mr Howson for FY2013. The broad terms of this agreement remain in line with the terms of all of the Company's executive service contracts.

Mr Howson's remuneration package for FY2013 reflects PwC recommendations and includes:

- fixed remuneration (base salary),
- variable remuneration (performance based financial and non-financial short term incentives), and
- long term incentive (by way of performance rights).

The details of Mr Howson's remuneration package for FY2013 are disclosed on pages 46 and 47 of the 2012 annual report. Resolution 2 concerns the Rights which make up the long term incentive component of Mr Howson's FY2013 remuneration package.

A summary of the terms and conditions of the Plan, which will apply to the Rights to be granted to Mr Howson, is set out in Schedule 1 of these explanatory notes.

Rights and performance criteria

Each Right entitles Mr Howson to one fully paid ordinary share in the Company, subject to the satisfaction of specified performance criteria (**Performance Criteria**). As the grant of Rights forms part of Mr Howson's executive remuneration structure for FY2013, Rights will be granted to Mr Howson at no cost, and no amount is payable on vesting and exercise of the Rights.

The Board has determined that the Performance Criteria described below will apply to the grant of Rights to Mr Howson. This criteria reflects advice received from PwC following its 2012 review of the Company's remuneration practices. Further details about that review are provided in the Company's remuneration report (set out on pages 41 to 58 of the 2012 annual report).

The proposed grant of Rights to Mr Howson will be subject to two separate Performance Criteria, each assessed over a 3 year performance period:

- 50% of the Rights will be subject to the Company's total shareholder return (**TSR**) performance, measured against a comparator peer group of companies; and
- 50% of the Rights will be subject to the Company achieving its specific earnings per share (**EPS**) target.

The TSR portion of Mr Howson's 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 a 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:

TSR ranking in the comparator group	Vesting outcome of TSR portion of grant
Below 50th percentile	Nil
At 50th percentile	25% vesting
50th percentile up to 75% percentile	Progressive/pro-rata from 25 – 100%
At or above 75% percentile	100% vesting

The comparator group is set out in the Company's remuneration report (see specifically page 47 of the 2012 annual report).

The EPS portion of Mr Howson's 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 EPS portion of grant
Below 7% per annum	Nil
At 7% per annum	25% vesting
7% per annum up to 10% per annum	Progressive/pro-rata from 25 – 100%
At or above 10% per annum	100% vesting

Note 1: Baseline operating EPS for assessment of performance over the relevant performance period is set at FY2012 operating EPS (being 24.6 cents).

As discussed in more detail below, and in the summary of the Plan provided in Schedule 1 of these explanatory notes, the Board also has the discretion to permit early vesting of Rights in some limited circumstances.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares issued pursuant to the vesting and exercise of performance rights) that a company can issue or agree to issue without shareholder approval. Generally, a company may not, without shareholder approval, issue in any 12 month period, a number of equity securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue. Any securities issued or agreed to be issued following receipt of shareholder approval are not included in the calculation of the 15% for ASX Listing Rule 7.1 purposes.

The approval of shareholders is being sought to provide the Company with maximum flexibility to undertake equity raisings in the future without the need for further shareholder approval. The requirement to obtain shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise. It should be noted that, notwithstanding any approval by shareholders of resolution 2, any future equity raising will remain subject to the 15% limit set out in ASX Listing Rule 7.1.

ASX Listing Rule 10.14

Specific approval for Mr Howson's grant (and the issue or transfer of any shares on vesting and exercise of these Rights) under the Plan is required as the ASX Listing Rules provide that the Company must not, without shareholder approval, issue securities under an employee incentive scheme to a director or an associate of a director. For the purposes of ASX Listing Rule 10.14, shareholder approval is being sought so that Mr Howson can be granted Rights under the Plan and can acquire shares on vesting and exercise of those Rights (whether by way of the issue of new securities or the transfer of existing shares to him) under the Plan.

Notice requirements under the ASX Listing Rules

ASX Listing Rules 7.3 and 10.15 set out a number of matters which must be included in the Notice proposing an approval under ASX Listing Rules 7.1 and 10.14 respectively. For the purposes of ASX Listing Rules 7.3 and 10.15, the following information is provided in relation to resolution 2:

- Mr Howson is the Managing Director of the Company.
- The maximum number of securities to be issued by the Company to Mr Howson is 336,700 Rights (which upon vesting and exercise will result in the issue or transfer to Mr Howson of up to 336,700 shares). The number of Rights to be granted was determined based on Mr Howson's maximum LTI opportunity for FY2013 (ie \$666,667 divided by the fair value of a Right as at 1 July 2012). The fair value of a Right at that date as determined independently by PwC using Black-Scholes methodology is \$1.98.
- Each 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 Right or on its vesting and exercise.
- Since 29 November 2007 (the date the Plan was last approved by shareholders):
 - Mr Bronte Howson has been granted 539,504 Rights (and 493,653 shares have been issued or transferred so far upon the vesting of those Rights) under the Plan; and
 - Mr Hamish Williams has been granted 89,658 Rights (and 83,926 shares have been issued or transferred so far upon the vesting of those Rights) under the Plan.
- In addition to the above, as is set out specifically on page 51 of the 2012 annual report, Mr Howson has or will receive a cash-based long term incentive payment settled by the acquisition and transfer to him of 843,882 shares. This is pursuant to a grant made to Mr Howson in FY2009, and is based on the achievement of performance criteria measured across FY2010, FY2011 and FY2012.

- The names of all persons subject to ASX Listing Rule 10.14 who are entitled to receive Rights (and be issued or transferred shares upon the vesting and exercise of those Rights) under the Plan are Mr Howson and Mr Williams. However, approval under resolution 2 is only sought in respect of Mr Howson.
- No loans will be advanced to Mr Howson in respect of the acquisition or exercise of the Rights.
- Should resolution 2 be passed, the Rights will be granted to Mr Howson as soon as possible after the date of the Meeting and in any event, within 3 months of the date of the Meeting. The Rights will be granted in one instalment, and any shares issued on vesting and exercise of the shares will be issued in one instalment at the end of the 3 year performance period (or at such earlier time as provided for under the Plan).
- A summary of the terms and conditions of the Plan is provided in Schedule 1 of these explanatory notes, and the specific terms and conditions applicable to the grant of Mr Howson's Rights are describe in these explanatory notes to resolution 2 above.
- Because the 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 Right or on its vesting and exercise, no funds will be raised by the issue of the Rights.

Section 200E of the Corporations Act

Under sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders or an exemption applies (eg where the benefit does not exceed the payment limits set out in the Corporations Act, including where a benefit does not exceed one year's average base salary).

The term "benefit" has a wide operation and may include the early vesting or retention of Rights under the Plan. As set out in the summary of the terms and conditions of the Plan (see Schedule 1 of these explanatory notes), 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 he ceases his employment with the Company, Mr Howson may be entitled to retain 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 Rights in such circumstances 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 number of Rights that may vest upon cessation of Mr Howson's employment will be 336,700. 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 presently be ascertained. Matters, events and circumstances that will, or are likely to, affect the calculation of that value include the following:

- the number of unvested 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 Rights;
- the reasons for cessation of employment;
- the number of Rights that vest; and
- the Company's share price at the date of vesting.

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

The Board, with the exception of Mr Howson because of his interest in the resolution, recommends that you vote in favour of the grant of Rights to Mr Howson.

NOTES ON RESOLUTION 3 – ADOPTION OF THE 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 41 to 58 of the 2012 annual report, which may be accessed by visiting the Company's investor relations website at www.ahgir.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 FY2013;
- 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 for FY2012;
- 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 for advisory purposes only and will not bind the Directors or the Company.

The Corporations Act was amended with effect from 1 July 2011 to introduce the so-called "two-strikes rule". If at least 25% of the votes cast on the adoption of the remuneration report at two consecutive annual general meetings are against adopting the Remuneration Report, shareholders will have the opportunity to vote on a "spill resolution".

At last year's annual general meeting, approximately 44% of the votes cast on the resolution to adopt the remuneration report were against adopting the report, and so the Company received a "first strike" at that meeting. As a result, if at least 25% of the votes cast on resolution 3 are against adopting the remuneration report at the Meeting, resolution 3.1 will be put to the Meeting and voted on as required by section 250V of the Corporations Act (a spill resolution).

The Company acknowledged and respected the outcome from last year's annual general meeting, and committed to consulting with shareholders to understand their comments and concerns in respect of the Company's remuneration structure. In addition, the Company engaged PwC as an independent consultant to review the Company's remuneration policies and provide recommendations on the Company's ongoing remuneration strategy. Further details about the independent review and PwC recommendations are set out in the company's remuneration report (see specifically page 42 of the 2012 annual report).

Following this review and the independent advice obtained from PwC, the Board has identified and agreed a new remuneration structure to be implemented from FY2013. The objective of the Company's executive reward structure is to ensure reward for performance is competitive and appropriate for the results delivered. The structure aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and reflects current market practice for delivery of reward. The Board aims to ensure that executive reward practices are aligned with the key criteria for good reward governance practices, such that executive remuneration is:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the Company's strategic and business objectives, and the creation of shareholder value;
- transparent;
- acceptable to shareholders; and
- aids in meeting the Company's capital management needs.

It is the Company's view that this new remuneration structure provides stronger linkage between the generation of shareholder value and the remuneration earned by employees, compared to a structure that contains a higher fixed remuneration component.

Further details about the Company's new remuneration structure are described in the Company's remuneration report (see specifically pages 41 to 47 of the 2012 annual report).

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

RESOLUTION 3.1 – HOLDING A SPECIAL MEETING OF MEMBERS (CONTINGENT RESOLUTION)

As noted in the explanatory note in respect of resolution 3 above, if at least 25% of the votes cast on resolution 3 are against adopting the remuneration report at the Annual General Meeting, resolution 3.1 will be put to the Meeting and voted on as required by section 250V of the Corporations Act.

If put, the spill resolution will be considered as an ordinary resolution.

Shareholders should understand that if the spill resolution is passed then:

- the Company will convene a general meeting of members to be held within 90 days of the date of the Annual General Meeting (**spill meeting**); and
- each of Mr David Griffiths, Mr Giovanni (John) Groppoli, Ms Tracey Horton, Mr Robert McEniry, Mr Michael Smith and Mr Peter Stancliffe, who were directors when the directors' report for the year ended 30 June 2012 was approved by the board, will cease to hold office immediately before the end of the spill meeting (**Relevant Directors**).

Each Relevant Director is eligible to seek re-election as a director of the Company at the spill meeting. The Company will not hold the spill meeting if all of the Relevant Directors cease to be directors of the Company before the spill meeting.

The impact of the spill resolution on the composition of the Board should be considered by shareholders. The ASX Corporate

Governance Council's Corporate Governance Principles and Recommendations recommend that in order to be able to discharge its mandate effectively the board should comprise directors possessing an appropriate range of skills and expertise. In addition, the board should be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole.

If the spill resolution passes, there will be uncertainty as to the composition of the Board until the spill meeting is held. Any uncertainty relating to the composition of the Board may create instability within the Company and have a negative effect on the Company's share price, and potentially on its operations.

The cost of convening the spill meeting will be borne by the Company. If the Company is required to hold another general meeting within 90 days of the Annual General Meeting, this will involve some expense.

In light of the above factors, if resolution 3.1 is put to shareholders, the Board recommends that shareholders vote **against** resolution 3.1.

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 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.</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 Rights or shares already granted or acquired, respectively.</p>
3.	Type of Plan	<p>Participants under the Plan are issued Rights.</p> <p>Each 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 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 Rights to that employee as a participant in the Plan (Participant).</p>
5.	Terms of grant	<p>Rights are granted at no cost. A Participant is able to exercise their 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 Rights on ASX. Unless the Board determines otherwise, a Participant cannot dispose of any Rights granted to them under the Plan.</p> <p>Subject to the ASX Listing Rules, the number of shares over which a 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 regards, 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 Rights following vesting under the Plan. However, the Board has the discretion under the Plan to determine any amount payable.</p>
7.	Exercise of Rights	<p>To exercise their Rights, Participants must deliver an exercise notice to the Company within the relevant exercise period. In the normal course, the exact number of Rights that a Participant can exercise will be determined by reference to whether the Performance Criteria have been achieved.</p>
8.	Performance Criteria	<p>Performance Criteria are determined by the Board at its discretion.</p> <p>Please refer to the remuneration report at pages 44 to 45 of the 2012 annual report for further information about Performance Criteria proposed to be applied to Rights granted under the Plan, and to the explanatory notes concerning resolution 2 for details about the Performance Criteria that will apply to the Rights that are proposed to be granted to Mr Howson.</p>

9.	Cessation of Employment	<p>The Board retains discretion under the Plan to permit early vesting of Rights in some limited circumstances.</p> <p>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 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 Rights to reflect the proportion of the performance period served. Where Performance Criteria applicable to the Rights have been achieved as at the date of cessation, the Participant can still exercise these Rights for up to 30 days.</p> <p>If a Participant ceases to be employed by any member of the Group due to their death, all 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 Rights have been achieved as at the date of death, the legal personal representative of the Participant's estate can still exercise these Rights for up to 3 months.</p>
10.	Restrictions on Share Disposal	<p>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 3 years.</p>
11.	Cap	<p>The aggregate number of shares subject to outstanding Rights (ie 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.</p>
12.	Administration of the Plan	<p>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.</p>



Automotive Holdings Group Limited
ACN 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

000001 000 AHE
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



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 14 November 2012

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** →

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

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



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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 Perth Convention Centre, Great Eastern Highway, Burswood, Western Australia on Friday, 16 November 2012 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 & 3.1 (except where I/we have indicated a different voting intention below) even though Items 2, 3 & 3.1 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Item 3.1 where the Chairman of the Meeting will be voting against.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2, 3 & 3.1 by marking the appropriate box in step 2 below.

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.

ORDINARY RESOLUTIONS

	For	Against	Abstain
1.1 Re-election of Ms Tracey Ann Horton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.2 Re-election of Mr Robert James Hunter McEniry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.3 Re-election of Mr Michael John Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Grant of performance rights to, and acquisition of any resulting shares by, Mr Bronte Howson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CONTINGENT RESOLUTION

3.1 Holding a special meeting of members (contingent resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Please Note: If you mark the For box to vote for item 3.1, you are directing your proxy to vote for the holding of a special meeting of members to consider the spill of the whole of the Company's Board except for the Managing Director.

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business with the exception of Item 3.1 where the Chairman of the Meeting will be voting against.

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 / / _____

AHE

1 5 5 7 0 2 A

Computershare +