

NOTICE OF MEETING_2022 ANNUAL GENERAL MEETING

autosports group[®]

Drive Endless Possibilities

NOTICE OF _ANNUAL GENERAL MEETING

Notice is given that the 2022 Annual General Meeting of Autosports Group Limited (**Company, Group or Autosports Group**) will be held at Autosports Group's Head Office at 565 Parramatta Road, Leichhardt NSW 2040 on Friday, 25 November 2022 at 11:00am (AEDT). The AGM will be held as a physical meeting in the same manner as previous years.

Ordinary Business

1 **2022 Financial Report, Directors' Report and Auditor's Report**

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and Auditor for the year ended 30 June 2022.

2 **Re-election of Ian Pagent**

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

That Ian Pagent, who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4, and being eligible, offers himself for re-election, as a director of the Company.

3 **Re-election of Marina Go**

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

That Marina Go, who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4, and being eligible, offers herself for re-election, as a director of the Company.

4 **Adoption of Remuneration Report**

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

That the Remuneration Report for the year ended 30 June 2022 be adopted.

The vote on Resolution 4 is advisory only and does not bind the Directors or the Company.

Special Business

5 Grant of performance rights to directors in relation to FY22 Short Term Incentive Plan

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

That for the purposes of ASX Listing Rule 10.14, and for all other purposes, shareholders approve the grant of:

- (a) 197,803 performance rights to Nicholas Pagent as his annual short-term incentive grant for the FY22 financial year on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting; and
- (b) 68,224 performance rights to Ian Pagent as his annual short-term incentive grant for the FY22 financial year on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.

6 Grant of performance rights to directors in relation to FY23 Long Term Incentive Plan

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

That for the purposes of ASX Listing Rule 10.14, and for all other purposes, shareholders approve the grant of:

- (a) 254,028 performance rights to Nicholas Pagent as his annual long-term incentive grant for the FY23 financial year on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting; and
- (b) 87,095 performance rights to Ian Pagent as his annual long-term incentive grant for the FY23 financial year on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.

7 Approval of proportional takeover provisions

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

"That the proportional takeover provisions previously contained in clause 6 of the Company's Constitution be reinstated for a period of three years, commencing on the date of this Annual General Meeting."

The notes relating to voting and the Explanatory Memorandum form part of this Notice of Meeting.

By Order of the Board



Caroline Raw

Company Secretary and General Counsel

24 October 2022

1 Entitlement to vote

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares in the Company as at 7:00pm AEDT on Wednesday 23 November 2022 will be entitled to attend and vote at the Annual General Meeting (**Meeting**) as a shareholder. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

If more than one joint holder of shares is present at the Meeting (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

All resolutions will be voted on a poll. Shareholders have one vote for every fully paid ordinary share held subject to the Voting Exclusions.

2 Voting exclusions

Resolution 4 – Adoption of Remuneration Report

The Company will disregard any votes cast on resolution 4:

- by or on behalf of a member of the Company's key management personnel (**KMP**) whose remuneration details are included in the Company's Remuneration Report for the year ended 30 June 2022 or their Closely Related Parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their Closely Related Parties,

unless the vote is cast as proxy for a person entitled to vote on resolution 4:

- in accordance with a direction in the proxy form; or
- by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy even though resolution 4 is connected with the remuneration of the KMP.

Resolutions 5(a), 5(b), 6(a) and 6(b) – Grant of performance rights to Nicholas Pagent and Ian Pagent

The Company will disregard any votes on resolutions 5(a), 5(b), 6(a) and 6(b):

- cast in favour of the resolution by or on behalf of the Managing Director and CEO, Nicholas Pagent and Director Ian Pagent and their associates, regardless of the capacity in which the vote is cast; or
- cast as proxy by a person who is a member of the KMP on the date of the Meeting or their Closely Related Parties,

unless the vote is cast on the resolution:

- as proxy or attorney for a person entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- as proxy for a person entitled to vote on the resolution by the chair of the Meeting, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3 Proxies

How to appoint a proxy

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. A shareholder can appoint a proxy by completing and returning a signed proxy form.

A shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes. If both proxies attend the Meeting, then neither may vote on a show of hands.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions.

On a poll, if:

- a shareholder has appointed a proxy (other than the Chair of the Meeting) and the appointment of the proxy specifies the way the proxy is to vote on the resolution; and
- that shareholder's proxy is either not recorded as attending the Meeting or does not vote on the resolution,

the Chair of the Meeting will, before voting on the resolution closes, be taken to have been appointed as the proxy for the shareholder for the purposes of voting on that resolution and must vote in accordance with the written direction of that shareholder.

Appointing proxies for Remuneration Resolutions

Members of Autosports Group's KMP (which includes each of the Directors and the Chief Financial Officer) and their Closely Related Parties will not be able to vote as your proxy on resolutions 4, 5(a), 5(b), 6(a) or 6(b) unless you direct them how to vote by marking a voting box for those items, or the Chair of the Meeting is your proxy. Closely Related Parties include the KMP's spouse, dependants and certain other close family members, as well as any companies controlled by the KMP.

If you intend to appoint a member of the KMP or a Closely Related Party as your proxy, please ensure that you direct them how to vote on resolutions 4, 5(a), 5(b), 6(a) or 6(b). If you appoint the Chair of the Meeting as your proxy or he becomes your proxy by default, and you do not provide any voting directions on your proxy form, by signing and returning the proxy form, you will be expressly authorising the Chair of the Meeting to cast your vote on resolutions 4, 5(a), 5(b), 6(a) or 6(b) as he sees fit. This applies even if the resolution is connected with the remuneration of Autosports Group's KMP.

For proxies without voting instructions that are exercisable by the Chair of the Meeting, the Chair intends to vote all available proxies in favour of each resolution.

4 Proxy form

If you wish to appoint a proxy to act on your behalf, please complete the proxy form available at <https://investorcentre.linkgroup.com>. To be effective the proxy form must be received no later than **11:00am (AEDT) Wednesday 23 November 2022** at:

Online: www.linkmarketservices.com.au

By mail: Autosports Group Limited
c/- Link Market Services
Limited Locked Bag A14
Sydney South NSW 1235

By fax: +61 2 9287 0309

By hand: *During business hours to:*

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

or

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

5 COVID-19 Considerations

We ask that shareholders register their intention to attend at least 48 hours prior to the Meeting through the following link [Register In-Person Attendance](#). The health of the Company's shareholders, employees and other meeting attendees is of paramount importance. We ask that you do not attend the AGM if you feel unwell or have been in contact with someone who may have been affected by COVID-19.

Other restrictions and precautionary measures may also be imposed on attendance if necessary, including limiting or refusing entry to visitor and other attendees. Accordingly, all shareholders are encouraged to submit proxy instructions in advance of the Meeting, even if they plan to attend the Meeting.

6 Corporate representatives

A body corporate that is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it has been signed, unless it has previously been given to the Company.

7 Voting by attorney

A shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the Meeting. An attorney is not required to be a member of the Company. An attorney may not vote at the Meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the Company in the same manner, and by the same time, as outlined above for proxy forms.

8 Questions for the Auditor or Company

Shareholders may submit written questions to the Company's Auditor, Deloitte Touche Tohmatsu in advance of the Meeting. Written questions to the auditor must be relevant to the content of Deloitte Touche Tohmatsu's Audit Report for the year ended 30 June 2022 or the conduct of its audit of the Company's Financial Report for the year ended 30 June 2022. Likewise shareholders may ask questions of the Company in advance of the Meeting. Relevant written questions for the Auditor or Company must be received by the Company by no later than **5:00pm (AEDT), Friday 18 November 2022**. Please send any written questions to:

investor@autosportsgroup.com.au

A list of written questions will be made available to shareholders attending the Meeting. If written answers are tabled at the Meeting, they will be made available to shareholders as soon as practicable after the Meeting. Individual responses are not required to be provided to shareholders.

EXPLANATORY_MEMORANDUM

This Explanatory Memorandum has been prepared to help shareholders understand the items of business at the forthcoming Annual General Meeting.

1 Item 1 | 2022 Annual Financial Report, Directors' Report and Auditor's Report

- 1.1 The Corporations Act requires the Financial Report and the reports of the Directors and the Auditor for the year ended 30 June 2022 to be laid before the Meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders on the reports or statements. However, shareholders will be given an opportunity to raise questions or comments on the management of the Company.
- 1.2 Also, a reasonable opportunity will be given to shareholders as a whole at the Meeting to ask the Company's Auditor questions relevant to 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.

2 Resolution 2 | Re-election of Ian Pagent

- 2.1. Under the Company's Constitution directors other than the managing director may not hold office without re-election beyond the third AGM following the Meeting at which the director was last elected or re-elected.
- 2.2. Ian Pagent was last re-elected as a director at the Company's 2019 Annual General Meeting.
- 2.3. Ian Pagent retires at the 2022 Annual General Meeting and, being eligible, seeks re-election as a director of the Company.

Name: James Ian ('Ian') Pagent

Title: Director

Qualifications: Bachelor of Arts (Hons) in Politics from Melbourne University and LLB from Sydney University.

Experience and expertise: Ian has over 50 years' experience in the motor vehicle industry across Australia, Asia and the United States. Ian is a Co-Founder of Autosports Group.

Between 1988 and 2002, Ian was co-owner and Managing Director of Trivett Classic Group. During this period, he was the dealer principal for BMW, Audi, Volvo, Jaguar, Land Rover, Aston Martin, Porsche, Lamborghini, Lotus, Mazda, Honda, Peugeot, Toyota and MG Rover.

Recommendation

- 2.4. Given Ian Pagent's experience and skills outlined above the Board (with Ian Pagent abstaining) recommends that shareholders vote in favour of the re-election of Ian Pagent as a Director.

3 Resolution 3 | Re-election of Marina Go

- 3.1. Under the Company's Constitution directors other than the managing director may not hold office without re-election beyond the third AGM following the Meeting at which the director was last elected or re-elected.
- 3.2. Marina Go was last re-elected as a director at the Company's 2019 Annual General Meeting.
- 3.3. Marina Go retires at the 2022 Annual General Meeting and, being eligible, seeks re-election as a director of the Company.

Name: Marina Go

Title: Independent Director

Qualifications: Master of Business Administration from the Australian Graduate School of Management ('AGSM') and a Bachelor of Arts from Macquarie University.

Experience and expertise: Marina is Chair of Adore Beauty and a Non-Executive Director of EnergyAustralia, 7-Eleven, Netball Australia and Transurban Group. She is also a member of the UNSW Business Advisory Council, and author of the business book for women, 'Break Through: 20 Success Strategies for Female Leaders'. Marina has over 25 years of leadership experience in the media industry, having started her career as a journalist. She is the former Chair of Netball Australia, Ovarian Cancer Australia and Super Netball Limited as well as the former Non-Executive Director of Booktopia Group and Pro-Pac Packaging. She is also a member of the Australian Institute of Company Directors.

Recommendation

- 3.4. Given Marina Go's experience and skills outlined above the Board (with Marina Go abstaining) recommends that shareholders vote in favour of the re-election of Marina Go as a Director.

4 Resolution 4 | Adoption of Remuneration Report

- 4.1. The Remuneration Report in the Company's 2022 Financial Report sets out the remuneration policies of the Company and reports on the remuneration arrangements in place for the Company's KMP during the year ended 30 June 2022. Shareholders will have a reasonable opportunity at the Meeting to ask questions about or make comments on the Remuneration Report.
- 4.2. As prescribed by the Corporations Act, the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote and discussion at the Meeting into account in setting remuneration policy for future years.

Recommendation

- 4.3. Noting that the Directors have a personal interest in their own remuneration as described in the 2022 Remuneration Report, each Director recommends that shareholders vote in favour of adopting the 2022 Remuneration Report.

5 Resolutions 5(a) & 5(b) | Grant of performance rights to directors in relation to FY22 Short Term Incentive Plan

- 5.1. Pursuant to ASX Listing Rule 10.14, the Company is seeking shareholder approval for the grant of performance rights to Nicholas Pagent (Chief Executive Officer and Director) and Ian Pagent (Director), in respect of their deferred Short Term Incentive (STI) award for the year ended 30 June 2022.
- 5.2. Subject to shareholder approval, the STI performance rights will be granted under the Company's Equity Incentive Plan shortly after, and in any case by no later than 12 months after the Meeting.

Key terms of the FY22 STI award

- 5.3. The STI plan (including its performance conditions) is designed to provide increased focus on, and reward for, performance against those areas that most significantly drive the delivery of the Company's strategic initiatives. The amount of the STI award that each participant is entitled to each year (if any) is determined by the Board based on achievement against set performance targets.
- 5.4. For FY22, Nicholas Pagent was eligible to receive an STI award of 50% of his base salary at target performance, and a maximum STI award of up to 75% of his base salary if stretch performance targets were met.
- 5.5. For FY22, Ian Pagent was eligible to receive an STI award of 20% of his base salary at target performance, and a maximum STI award of up to 45% of his base salary if stretch performance targets were met.
- 5.6. Performance conditions included:
 - a "gateway hurdle" of upholding the Company's culture and values;
 - financial hurdles primarily focusing on the financial objectives of the Group and include targets measured against revenue, earnings before interest, tax, depreciation and amortisation (EBITDA), net profit before tax (NPBT) and net profit after tax (NPAT); and
 - non-financial performance hurdles aligned to the director's role and included reporting, safety, growth through acquisition, property strategy, employee engagement, culture and diversity to ensure the business continued to be well managed.
- 5.7. As disclosed in the FY22 Remuneration Report:
 - Nicholas Pagent was awarded a total STI award of \$408,800 for FY22. This award equates to an achievement of 78% of the maximum STI opportunity. 100% of this award is to be delivered in the form of FY22 STI performance rights.
 - Ian Pagent was awarded a total STI award of \$141,000 for FY22. This award equates to an achievement of 78% of the maximum STI opportunity. 100% of this award is to be delivered in the form of STI performance rights.
- 5.8. The number of STI performance rights to be granted to each of Nicholas Pagent and Ian Pagent was determined by dividing the total value of their STI award for FY22 by the 10-day VWAP of the Company's shares from release of the Group's 2022 full year audited financial results rounded to the nearest whole number of performance rights. The 10-day VWAP was calculated as \$2.0667. Accordingly:
 - Nicholas Pagent is entitled to 197,803 performance rights in respect his FY2022 Short Term Incentive Plan achievement; and
 - Ian Pagent is entitled to 68,224 performance rights in respect his FY2022 Short Term Incentive Plan achievement.
- 5.9. As the STI performance rights will form part of Nicholas Pagent and Ian Pagent's remuneration for FY22, they will be granted at no cost and there will be no amount payable on vesting. Each performance right entitles the holder to one ordinary share in the Company on vesting. The Board retains the discretion to make a cash equivalent payment in lieu of an allocation of shares. Prior to vesting, performance rights do not carry any dividend or voting rights.
- 5.10. STI performance rights will vest after the satisfaction of a one-year service period ending on 30 June 2022.

Summary of the Company's Equity Incentive Plan

- 5.11. The Company's Short Term Incentive Plans and Long Term Incentive Plans are developed in accordance with the Company's overarching Equity Incentive Plan. A summary of the terms of the Equity Incentive Plan are set out below.

Term	Description
Eligibility	Offers may be made at the Board's discretion to employees of ASG (including the executive Directors) or any other person that the Board determines to be eligible to receive a grant under the EIP.
Types of securities	<p>ASG may grant rights, options and/or restricted shares as incentives, subject to the terms of individual offers.</p> <ul style="list-style-type: none"> Options are an entitlement to receive shares upon satisfaction of applicable conditions and payment of an applicable exercise price. Rights are an entitlement to receive shares subject to the satisfaction of applicable conditions. Restricted shares are shares that are subject to dealing restrictions, vesting conditions or other restrictions or conditions. <p>Unless otherwise specified in an offer document, the Board has the discretion to settle rights or options with a cash equivalent payment.</p>
Offers under the EIP	Under the EIP, the Board may make offers at its discretion, subject to any requirements for shareholder approval. The Board has the discretion to set the terms and conditions on which it will offer incentives in individual offer documents. An offer must be accepted by the participant and can be made on an opt-in or opt-out basis.
Issue price	Unless the Board determines otherwise, no payment is required for a grant of a right, option or restricted share under the EIP.
Vesting	Vesting of the incentives is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Subject to the EIP rules and the terms of the specific offer document, incentives will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.
Cessation of employment	Where employment is terminated for summary dismissal or ceases due to resignation, all unvested STI and LTI performance rights will automatically lapse. In all other circumstances, a pro rata portion (calculated by reference to the portion of the performance period elapsed) of unvested performance rights will remain on foot and will vest in the ordinary course, as though the employee had not ceased employment. The remainder of that employee's unvested performance rights will lapse. Under the EIP rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment.
Clawback and preventing inappropriate benefits	The EIP rules provide the Board with broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
Change of control	The Board may determine that all or a specified number of a participant's incentives will vest or cease to be subject to restrictions where there is a change of control event in accordance with the EIP rules.
Reconstructions, corporate action, rights issue, bonus issues etc	The EIP rules include specific provisions dealing with rights issues, bonus issues, and corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions.
Restrictions on dealing	Prior to vesting, the EIP rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to ASG's Securities Dealing Policy.
Other terms	The EIP contains customary and usual terms for dealing with administration, variation, suspension and termination of the EIP.

Current total remuneration package

- 5.12. Nicholas Pagent's current total remuneration package consists of:
- \$700,000 per annum base salary; plus
 - other benefits (including superannuation) valued at \$93,385; plus
 - an annual short-term incentive opportunity of between 50% of base salary (at target) and 75% of base salary (at maximum); plus
 - a long-term incentive grant opportunity equivalent to 75% of base salary.
- 5.13. Ian Pagent's current total remuneration package consists of:
- \$400,000 per annum base salary; plus
 - other benefits (including superannuation) valued at \$85,285; plus
 - an annual short-term incentive opportunity of between 20% of base salary (at target) and 45% of base salary (at maximum); plus
 - a long-term incentive grant opportunity equivalent to 45% of base salary.

Previous Issues under the Equity Incentive Plan

- 5.14. Nicholas Pagent has previously received 332,361 STI performance rights under the Company's EIP for nil consideration as part of his remuneration package. All rights have vested.
- 5.15. Ian Pagent has previously received 93,119 STI performance rights under the Company's EIP for nil consideration as part of his remuneration package. All rights have vested.
- 5.16. Details of LTI performance rights granted under the EIP to date are set out in section 6.16 and 6.17.

Other information required by the ASX Listing Rules

- 5.17. ASX Listing Rule 10.14 requires that shareholder approval must be obtained for the acquisition of securities by a director under an employee incentive scheme. Nicholas Pagent and Ian Pagent are covered by ASX Listing Rule 10.14.1 because they are Executive Directors of the Company.
- 5.18. The Company grants the STI in the form of performance rights because they create share price alignment between recipients and shareholders but do not provide the full benefits of share ownership (such as dividend and voting rights) unless the performance rights vest.
- 5.19. No loan will be made by the Company in relation to the acquisition of STI performance rights or allocation to Nicholas Pagent or Ian Pagent of any shares on vesting of those rights.
- 5.20. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Nicholas Pagent and Ian Pagent.
- 5.21. If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the STI performance rights granted to Nicholas Pagent and Ian Pagent, and any shares issued pursuant to this approval, will not count towards the 15% placement capacity available under ASX Listing Rule 7.1.
- 5.22. Details of any shares issued under the Equity Incentive Plan will be published in the Company's 2023 annual report along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of shares under the Equity Incentive Plan after the resolution is approved at the Meeting and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- 5.23. A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

Recommendation

- 5.24. The Non-Executive Directors recommend that shareholders vote in favour of the grant of STI performance rights to Nicholas Pagent and Ian Pagent under resolutions 5(a) and 5(b).

6 Resolutions 6(a) & 6(b) | Grant of performance rights to directors in relation to FY23 Long Term Incentive Plan

- 6.1. Pursuant to ASX Listing Rule 10.14, the Company is seeking shareholder approval for the grant of performance rights to Nicholas Pagent (Chief Executive Officer and Managing Director) and Ian Pagent (Director), in respect of their Long Term Incentive (LTI) award for the 2023 financial year. Subject to shareholder approval, the LTI performance rights will be granted under the Company's Equity Incentive Plan within 12 months of the Meeting.
- 6.2. ASX Listing Rule 10.14 provides that a listed company must not issue shares to a Director under an employee incentive scheme unless it obtains the approval of its shareholders. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Nicholas Pagent and Ian Pagent including a cash-based incentive.

Key terms of the FY23 LTI award

- 6.3. The LTI plan is designed to align the interests of employees with the interests of shareholders by providing the opportunity to receive an equity interest in the Company through the granting of performance rights.
- 6.4. Pursuant to Nicholas Pagent's long term equity incentive component of his remuneration package, Nicholas is entitled to be granted 254,028 FY23 LTI performance rights based on dividing 75% of Nicholas' base salary by the 10-day VWAP of the Company's shares since the release of the Group's 2022 full year audited financial results rounded to the nearest whole number. The applicable 10-day VWAP was calculated as \$2.0667.
- 6.5. Likewise, it is proposed that Ian Pagent will be granted 87,095 FY23 LTI performance rights based on dividing 45% of Ian's base salary by the 10-day VWAP of the Company's shares since the release of the Group's 2022 full year audited financial results rounded to the nearest whole number.
- 6.6. As the LTI performance rights will form part of Nicholas Pagent's and Ian Pagent's remuneration, they will be granted at no cost and there will be no amount payable on vesting. Each performance right entitles the holder to one ordinary share in the Company on vesting. The Board retains a discretion to make a cash equivalent payment in lieu of an allocation of shares, on the basis the performance rights form part of Nicholas Pagent's and Ian Pagent's remuneration. Prior to vesting, performance rights do not carry any dividend or voting rights.
- 6.7. The Company grants the LTI in the form of performance rights because they create share price alignment with shareholders but do not provide the full benefits of share ownership (such as dividend and voting rights) unless the performance rights vest.

Performance conditions

- 6.8. LTI performance rights will be tested against the Compound Annual Growth Rate (CAGR) of Autosports Group's underlying earnings per share (EPS). The EPS performance condition has been chosen as it provides evidence of the Company's growth in earnings and is directly linked to shareholder returns.
- 6.9. The percentage of LTI performance rights that vest, if any, will be determined by reference to the following vesting schedule, subject to any adjustments for abnormal or unusual profit items that the Board, in its absolute discretion, considers appropriate:

CAGR of the Company's underlying EPS	Percentage of LTI performance rights that vest
Less than 7%	Nil
7% (threshold performance)	50%
Between 7% and 15%	Straight-line pro rata vesting between 50% and 100%
15% or above (stretch performance)	100%

- 6.10. A continuous service condition also applies to the LTI performance rights, subject to the cessation of employment provisions described in section 5.11.

Testing of the performance conditions

- 6.11. The performance period will run from 1 July 2022 to 30 June 2025. The Board will arrange for the performance conditions to be tested upon the release of the Company's full year financial results for the year ended 30 June 2025. Any performance rights that do not vest after at the end of the performance period will lapse immediately.

Other information required by the ASX Listing Rules

- 6.12. Nicholas Pagent and Ian Pagent are covered by ASX Listing Rule 10.14.1 because they are Executive Directors of the Company.
- 6.13. Nicholas Pagent's and Ian Pagent current total remuneration is set out in sections 5.12 and 5.13, respectively.
- 6.14. The material terms of the EIP are set out in section 5.11.
- 6.15. No loan will be made by the Company in relation to the acquisition of LTI performance rights or allocation to Nicholas Pagent or Ian Pagent of any shares on vesting of those rights.
- 6.16. Nicholas Pagent has previously received 1,545,905 LTI performance rights for nil consideration as part of his remuneration package. Of these 375,000 have lapsed, 588,019 have vested and the balance are still within their performance period.
- 6.17. Ian Pagent has previously received 779,728 LTI performance rights for nil consideration as part of his remuneration package. Of these 150,000 have lapsed, 253,209 have vested and the balance are still within their performance period.
- 6.18. Details of any shares issued under the Equity Incentive Plan will be published in the Company's 2023 annual report along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of shares under the Equity Incentive Plan after the resolution is approved at the Meeting and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- 6.19. A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

Recommendation

- 6.20. The Board (with Nicholas Pagent and Ian Pagent abstaining) recommends that shareholders vote **in favour** of the grant of LTI performance rights to Nicholas Pagent and Ian Pagent under resolutions 6(a) and 6(b).

7 Resolution 7 | Renewal of proportional takeover provisions

Renewal of proportional takeover provisions

- 7.1. A proportional takeover bid is a takeover offer made to all shareholders for the acquisition of their shares, however, the offer made to each shareholder is only for a specified proportion of that shareholder's shares (and that proportion is the same for all shareholders). Accordingly, if a shareholder accepts in full the offer under a proportional takeover bid, the shareholder will dispose of the specified portion of their shares in the Company and retain the balance of the shares.
- 7.2. The Company's Constitution currently contains provisions dealing with proportional takeover bids for its shares in accordance with the Corporations Act. Under the Corporations Act, these provisions must be renewed every three years, or they will cease to have effect. Autosports Group's proportional takeover provisions expire this year. If approved by shareholders at this meeting, clause 6 will be reinstated and operate for three years from the date of the Meeting, unless renewed earlier.

Effect of the proportional takeover approval provision

- 7.3. In the event that a proportional takeover offer is made to shareholders of the Company, the existence of clause 6 requires the Board of the Company to convene a meeting of shareholders to vote on a resolution to approve the proportional takeover offer. Under the Corporations Act, the approving resolution must be passed at least 14 days before the offer under the proportional takeover bid closes.
- 7.4. To be passed, the resolution must be approved by most votes at the meeting, excluding votes by the bidder and its associates. However, the Corporations Act also provides that, if no resolution to approve the bid has been voted on in accordance with the time required by relevant provisions of the Corporations Act, then a resolution to approve the proportional takeover bid will be deemed to have been passed.
- 7.5. If the resolution to approve the proportional takeover bid is passed or deemed to have been passed, the transfer of shares resulting from acceptance of an offer under that bid will be permitted, and the transfers registered, subject to the Corporations Act and the Constitution of the Company.
- 7.6. If the resolution is rejected, the registration of any transfer of shares resulting from an offer under the proportional takeover bid will be prohibited, and the bid deemed to be withdrawn. Clause 6 does not apply to full takeover bids.

Reasons for proposing the resolution

- 7.7. In the Board's view, the relevant shareholders should have the opportunity to vote on a proposed proportional takeover bid. A proportional takeover bid for the Company may enable control of the Company to be acquired by a party holding less than a majority interest. As a result, the relevant shareholders may not have the opportunity to dispose of all their shares and risk being part of a minority interest in the Company or suffering loss if the takeover bid causes a decrease in the market price of the shares or makes the shares less attractive and, accordingly, more difficult to sell. Clause 6 would only permit this to occur with the approval of a majority of the relevant shareholders.

Potential advantages and disadvantages

- 7.8. For relevant shareholders, the potential advantage of clause 6 is that it will provide them with the opportunity to consider and discuss a proportional takeover bid in a meeting called specifically for that purpose, and vote on whether a proportional takeover bid should be approved. This has afforded and continues to afford the relevant shareholders an opportunity to have a say in the future ownership and control of the Company and help the shareholders avoid being locked into a minority. The Board believes that this will encourage any proportional takeover bid to be structured so as to be attractive to at least a majority of relevant shareholders. It may also discourage the making of a proportional takeover bid that may be considered opportunistic.
- 7.9. Finally, knowing the view of the majority of the relevant shareholders may help each individual shareholder to assess the likely outcome of the proportional takeover bid and decide whether or not to accept an offer under the bid.
- 7.10. On the other hand, the potential disadvantage for the relevant shareholders arising from Clause 6 is that potential bidders may be discouraged by the additional procedural steps that Clause 6 will necessitate and, accordingly, may reduce the opportunities which shareholders have to sell all or some of their shares at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price. Clause 6 may also be considered an additional restriction on the ability of individual shareholders to deal freely in their shares.
- 7.11. The Board considers that the potential advantages for members of the proportional takeover approval provisions outweigh the potential disadvantages.

Present acquisition proposals

- 7.12. As at the date on which this Explanatory Note is prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Proposed provisions

- 7.13. If the resolution is approved, the following provisions will be reinstated to the Company's Constitution.

6. Plebiscite to approve proportional takeover bids**6.1 Definitions**

The meanings of the terms used in this rule 6 are set out below.

Term	Meaning
Approving Resolution	<i>in relation to a Proportional Takeover Bid, a resolution to approve the Proportional Takeover Bid passed in accordance with rule 6.3.</i>
Approving Resolution Deadline	<i>in relation to a Proportional Takeover Bid, the day that is 14 days before the last day of the bid period and during which the offers under the Proportional Takeover Bid remain open or a later day allowed by the Australian Securities and Investments Commission.</i>
Proportional Takeover Bid	<i>a takeover bid that is made or purports to be made under section 618(1)(b) of the Act in respect of securities included in a class of securities in the company.</i>
Relevant Class	<i>in relation to a Proportional Takeover Bid, means the class of securities in the company in respect of which offers are made under the Proportional Takeover Bid.</i>

6.2 Transfers not to be registered

Despite rules 5.1(c) and 5.2, a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover Bid must not be registered unless an Approving Resolution has been passed or is taken to have been passed in accordance with rule 6.3.

6.3 Approving Resolution

- (a) *Where offers have been made under a Proportional Takeover Bid, the Board must:*
- (1) convene a meeting of the persons entitled to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing a resolution to approve the Proportional Takeover Bid; and*
 - (2) ensure that the resolution is voted on in accordance with this rule 6.3, before the Approving Resolution Deadline.*
- (b) *The provisions of this constitution relating to general meetings apply (with any necessary changes) to a meeting that is convened under rule 6.3(a), as if that meeting were a general meeting of the company.*
- (c) *The bidder under a Proportional Takeover Bid and any associates of the bidder are not entitled to vote on the Approving Resolution and if they do vote, their votes must not be counted.*
- (d) *Subject to rule 6.3(c), a person who held securities of the relevant class as at the end of the day on which the first offer under the Proportional Takeover Bid was made is entitled to vote on the Approving Resolution.*
- (e) *An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.*
- (f) *If an Approving Resolution has not been voted on in accordance with this rule 6.3 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution will be taken to have been passed in accordance with this rule 6.3 on the Approving Resolution Deadline.*

6.4 Sunset

- (a) where those rules have not been renewed in accordance with the Act, on the date that those rules were adopted by the company; or*
- (b) where those rules have been renewed in accordance with the Act, on the date those rules were last renewed.*

Recommendation

- 7.14. All of the Directors recommend that shareholders vote **in favour** of Resolution 7.

GLOSSARY

In this Explanatory Memorandum and the Notice of Meeting, capitalised terms have meaning given to them below unless the context otherwise requires:

Associate	has the same meaning given to that term in Chapter 19 of the ASX Listing Rules.
CAGR	means compound annual growth rate.
Closely Related Party	<p>is defined by the Corporations Act and includes:</p> <ul style="list-style-type: none">• a KMP's spouse or child• a child of the KMP's spouse• a dependent of the KMP or of the KMP's spouse• anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company• a company the KMP controls.
Corporations Act	means the Corporations Act 2001 (Cth).
EIP	means the Company Equity Incentive Plan, a summary of which is included in section 5.11.
EPS	means earnings per share.
KMP	means the Company's key management personnel and includes the Directors and the Chief Financial Officer.
VWAP	means volume weighted average price.

autosports group[®]

LODGE YOUR VOTE



ONLINE

<https://investorcentre.linkgroup.com>



BY MAIL

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BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150



ALL ENQUIRIES TO

Telephone: +61 1300 306 276



X99999999999

PROXY FORM

I/We being a member(s) of Autosports 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 failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (AEDT) on Friday, 25 November 2022 at Autosports Group's Head Office at 565 Parramatta Road, Leichhardt NSW 2040 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 4 where applicable, even though the Resolution is 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 all available undirected proxies in favour of each item of business.

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

2 Re-election of Ian Pagent

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5b Grant of performance rights to directors in relation to FY22 Short Term Incentive Plan - Ian Pagent

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Re-election of Marina Go

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6a Grant of performance rights to directors in relation to FY23 Long Term Incentive Plan - Nicholas Pagent

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6b Grant of performance rights to directors in relation to FY23 Long Term Incentive Plan - Ian Pagent

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5a Grant of performance rights to directors in relation to FY22 Short Term Incentive Plan - Nicholas Pagent

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

7 Approval of proportional takeover provisions

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your 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)

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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).

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.

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

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.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL (KMP)

The KMP of the Company (which includes each of the Directors) and their closely related parties will not be able to vote as your proxy on Resolution 4 unless you direct them how to vote or the Chairman of the Meeting is your proxy. If you intend to appoint a member of the KMP or one of their closely related parties as your proxy, you can direct them how to vote by following the instructions on this Proxy Form.

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.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must 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 **11:00am (AEDT) on Wednesday, 23 November 2022**, 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

<https://investorcentre.linkgroup.com>

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 MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



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Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions

**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.**