

**AMA**GROUP

**ABN 50 113 883 560**

**NOTICE OF ANNUAL GENERAL MEETING**

<b>TIME:</b>	2.30pm (AEDT)
<b>REGISTRATION:</b>	2.15 pm (AEDT)
<b>DATE:</b>	20 November 2019
<b>PLACE:</b>	RACV City Club Level 2 501 Bourke Street Melbourne Victoria 3000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.



**AMAGROUP**

14 October 2019

Dear Shareholder,

AMA Group Limited (the **Company**) has convened the Annual General Meeting (**AGM**) of Shareholders to be held on 20 November 2019 and we invite you to attend. The meeting will be held at the RACV City Club Melbourne to commence at 2:30pm and will consider the following Resolutions

- The 2019 Annual Report.
- Adoption of the Remuneration Report.
- Re-election of Mr Anthony Day, who was appointed to fill a casual vacancy during the year.
- Re-election of Mr Simon Moore, who was appointed to fill a casual vacancy during the year.
- Re-election of Mr Ray Smith-Roberts, who comes up for rotation at this AGM.
- Re-election of Mr Leath Nicholson, who comes up for rotation at this AGM.
- Ratification of the issue of shares to the vendors of BMB Prestige Group.
- Ratification of the issue of shares to the vendors of Micra.
- Change of Company Auditors.
- Issue of Performance Rights to a Director.
- Increase in Non-Executive Remuneration Pool.
- Ratification of the issue of shares to sophisticated investors.
- Selective Buy-back of Shares.
- Approval for the giving of financial assistance.

Attached to this letter is a Notice of the AGM and an Explanatory Memorandum setting out details on each of the Resolutions to be proposed at the meeting.

If you are unable to attend the Meeting, I encourage you to vote using the Proxy Form, which is also enclosed. If you are able to attend, please bring this letter and package with you to facilitate your entitlement to vote. The Board recommends that you vote in favour of all Resolutions, other than the Resolution to adopt the Remuneration Report, where the Board does not make a recommendation.

My fellow Directors and I look forward to meeting those Shareholders who can attend the Annual General Meeting in person.

Thank you for your continued support.

Yours sincerely

**Anthony Day**  
**Non-Executive Chairman**

## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Annual General Meeting of Shareholders of AMA Group Limited will be held at the RACV City Club, Melbourne at 2.30 pm (AEDT) on 20 November 2019.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company on 18 November 2019 at 7.00pm (AEDT).

The Notice of Meeting contains ordinary resolutions and one special resolution. An ordinary resolution requires a simple majority of votes cast by Shareholders entitled to vote on the resolution. A special resolution requires votes cast by 75% of Shareholders entitled to vote on the resolution. Both include voting via proxies.

## **AVAILABILITY OF 2019 ANNUAL REPORT**

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Shareholders are reminded that the 2019 Annual Report is only mailed to those Shareholders who have elected to receive a hard copy. The 2019 Annual Report can be viewed on the Company's web site at [www.amagroupltd.com](http://www.amagroupltd.com).

## BUSINESS

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### RECEIPT OF THE ANNUAL FINANCIAL REPORT

To receive the Annual Financial Report, including Directors' declarations and accompanying reports of the Directors and auditors for the financial year ended 30 June 2019.

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### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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To consider, and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's financial report for the year ended 30 June 2019."*

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### RESOLUTION 2 – RE-ELECTION OF DIRECTOR, MR ANTHONY DAY

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for all purposes, Mr. Anthony Day, a director of the Company appointed to fill a casual vacancy as a director during the year, retires in accordance with clause 15.1(c) of the Constitution and, being eligible, is re-elected as a Director of the Company."*

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### RESOLUTION 3 – RE-ELECTION OF DIRECTOR, MR SIMON MOORE

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for all purposes, Mr. Simon Moore, a director of the Company appointed to fill a casual vacancy as a director during the year, retires in accordance with clause 15.1(c) of the Constitution and, being eligible, is re-elected as a Director of the Company."*

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### RESOLUTION 4 – RE-ELECTION OF DIRECTOR, MR RAY SMITH-ROBERTS

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for all purposes, Mr. Ray Smith-Roberts, a director of the Company retires in accordance with clause 15.1(a) of the Constitution and, being eligible, is re-elected as a Director of the Company."*

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**RESOLUTION 5 – RE-ELECTION OF DIRECTOR, MR LEATH NICHOLSON**

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for all purposes, Mr. Leath Nicholson, a director of the Company retires in accordance with clause 15.1 (a) of the Constitution and, being eligible, is re-elected as a Director of the Company."*

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**RESOLUTION 6 – RATIFICATION OF AN ISSUE OF SHARES TO THE VENDORS OF THE BMB PRESTIGE GROUP**

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That pursuant to ASX Listing Rule 7.4 and for the purpose of ASX Listing Rule 7.1 and all other purposes, Shareholders grant subsequent approval for the issue of 1,000,000 fully paid ordinary Shares to the Vendors of the BMB Prestige Group on the terms as set out in the explanatory memorandum".*

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**RESOLUTION 7 – RATIFICATION OF AN ISSUE OF SHARES TO THE VENDORS OF MICRA**

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That pursuant to ASX Listing Rule 7.4 and for the purpose of ASX Listing Rule 7.1 and all other purposes, Shareholders grant subsequent approval for the issue of 393,184 fully paid ordinary Shares to the Vendors of Micra Accident Repair Centre Pty Ltd on the terms as set out in the explanatory memorandum".*

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**RESOLUTION 8 – RATIFICATION OF AN ISSUE OF SHARES TO THE VENDORS OF CRAIG HALL BODYWORKS**

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That pursuant to ASX Listing Rule 7.4 and for the purpose of ASX Listing Rule 7.1 and all other purposes, Shareholders grant subsequent approval for the issue of 861,234 fully paid ordinary Shares to the Vendors of Craig Hall Bodyworks on the terms as set out in the explanatory memorandum".*

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**RESOLUTION 9 – CHANGE OF AUDITORS**

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That KPMG, having consented in writing, be appointed as the Auditors of the Company."*

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## RESOLUTION 10 – ISSUE OF PERFORMANCE RIGHTS TO A DIRECTOR

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That pursuant to ASX Listing Rule 10.14 and all other purposes, Shareholders grant the approval of 1,985,295 Performance Rights to Group CEO, Andrew Hopkins under the Company’s Long Term Incentive Plan on the terms as set out in the explanatory memorandum.”*

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## RESOLUTION 11 – INCREASE IN NON-EXECUTIVE REMUNERATION POOL

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 10.17, clause 14.5 of the Company’s Constitution, and for all other purposes, the maximum annual remuneration payable to all Non-Executive Directors be increased from \$400,000 per annum to \$ 1,100,000 per annum.”*

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## RESOLUTION 12 – RATIFICATION OF AN ISSUE OF SHARES TO INSTITUTIONAL INVESTORS

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That pursuant to ASX Listing Rule 7.4 and for the purpose of ASX Listing Rule 7.1 and all other purposes, Shareholders grant subsequent approval for the issue of 67,000,000 fully paid ordinary Shares to Institutional Investors on the terms as set out in the explanatory memorandum”.*

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## RESOLUTION 13 – SELECTIVE BUY-BACK

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To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

*“That the Company complete the buy-back of 341,123 fully paid ordinary shares from LPGAS Vendors for nil consideration.”*

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## RESOLUTIONS 14A TO 14C – APPROVAL FOR FINANCIAL ASSISTANCE

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To consider and, if thought fit, to pass, with or without amendment, the following resolutions as **special resolutions**:

- 14A     *“That pursuant to Section 260B(2) of the Corporations Act 2001(Cth) (**Corporations Act**) and for the purposes of Section 260A of the Corporations Act, Shareholders approve Capital Smart Holdings Pty Ltd ACN: 636 481 671 (**CSH**), a subsidiary of AMA Group Ltd ACN: 113 883 560 (**Company** or **AMA**), giving financial assistance to AMA (as 90% majority shareholder of CSH) and Suncorp Insurance Ventures Pty Ltd ACN: 158 182 042 (**Suncorp**)*

(as 10% minority shareholder of CSH) in connection with the acquisition by CSH of the entire issued share capital of Capital S.M.A.R.T. Repairs Australia Pty Ltd ACN: 143 462 748, the acquisition by Suncorp of its 10% equity interest in CSH and all elements of those transactions and any other transaction that may constitute financial assistance by CSH for the purposes of section 260A of the Corporations Act, as set out in the explanatory notes which accompanied and form part of the Notice of Meeting".

14B "That pursuant to Section 260B(2) of the Corporations Act 2001(Cth) (**Corporations Act**) and for the purposes of Section 260A of the Corporations Act, Shareholders approve each of:

- (i) Capital S.M.A.R.T Repairs Australia Pty Ltd ACN: 143 462 748 (**SMA**) (a subsidiary of AMA Group Ltd ACN: 113 883 560 (**Company** or **AMA**));
- (ii) QPlus Production Pty Ltd ACN: 158 065 082 (**QPP**), a wholly owned subsidiary of SMA; and
- (iii) any other subsidiary of the Company which grants financial assistance under or in connection with the SMA Acquisition (as defined below),  
(together the **SMA Group Entities**),

giving financial assistance to Capital Smart Holdings Pty Ltd ACN: 636 481 671 (**CSH**) or the Company in connection with the acquisition by CSH of the entire issued share capital of SMA (and indirectly all of the shares in QPP) (**SMA Acquisition**) and all elements of that transaction and any other transaction that may constitute financial assistance by the SMA Group Entities for the purposes of section 260A of the Corporations Act, as set out in the explanatory notes which accompanied and form part of the Notice of Meeting".

14C "That pursuant to Section 260B(2) of the Corporations Act 2001(Cth) (**Corporations Act**) and for the purposes of Section 260A of the Corporations Act, Shareholders approve ACM Parts Pty Ltd ACN: 165 321 979 (**ACM**) a wholly owned subsidiary of AMA Group Ltd ACN: 113 883 560 (**Company** or **AMA**) giving financial assistance to AMA in connection with the acquisition by the Company of the entire issued share capital of ACM and all elements of that transaction and any other transaction that may constitute financial assistance by ACM for the purposes of section 260A of the Corporations Act, as set out in the explanatory notes which accompanied and form part of the Notice of Meeting".

## VOTING EXCLUSIONS

### ASX listing rules

In accordance with ASX Listing Rule 14.11, in relation to:

- (a) **Resolution 6**, the Company will disregard any votes cast in favour of the resolution by the Vendors of the BMB Prestige group of businesses and any of their associates.
- (b) **Resolution 7**, the Company will disregard any votes cast in favour of the resolution by the Vendors of the Micra Accident Repair Centre businesses and any of their associates.
- (c) **Resolution 8**, the Company will, disregard any votes cast in favour of the resolution by the Vendors of the Craig Hall Bodyworks businesses and any of their associates.
- (d) **Resolution 10**, the Company will disregard any votes cast in favour of the resolution by any director and any of their associates.
- (e) **Resolution 11**, the Company will disregard any votes cast in favour of the resolution by any director who is eligible to participate in the Employee Equity Plan and any of their associates
- (f) **Resolution 12**, the Company will disregard any votes cast in favour of the resolution by any person who participated in the issue and any of their associates.

However, the Company need not disregard a vote if:

- it is cast by a director as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

### Corporations Act

#### Special voting restrictions in relation to Resolutions 1 and 11

Key Management Personnel (**KMP**) and their closely related parties are not permitted to vote on Resolution 1 or 11. KMPs of AMA are the Directors of AMA and those other persons having authority and responsibility for planning, directing and controlling the activities of AMA, directly or indirectly. The Remuneration Report identifies AMA's KMPs for the financial year ending 30 June 2019. 'Closely related parties' are defined in the Corporations Act 2001, and include certain family members, dependents and companies they control.

However, a KMP including non-executive directors may cast a proxy where the proxy specifies in writing how the KMP is to vote (except proxies cast on behalf of another KMP or non-executive director).

The Chair is permitted to vote undirected proxies where the Shareholder expressly authorises the chair to exercise the proxy. Accordingly, if you have appointed the Chair (either directly or by default) as your proxy and you have not directed them how to vote, you are authorising the Chair to exercise the proxy in respect of Resolution 1 or 11, notwithstanding that the Chair or KMP may benefit.

The Chair intends to vote in favour of all Resolutions.



## Additional voting restrictions in relation to Resolutions 13 and 14

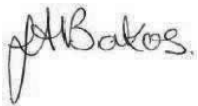
In respect of **Resolution 13**, in accordance with section 257D of the Corporations Act, a selective buy back requires a special resolution of the shareholders with no votes being cast in favour of the Resolution by any person whose shares are proposed to be bought back or by their associates.

In respect of **Resolution 14**, in accordance with section 260B(1) of the Corporations Act, and on the basis that the Resolution is seeking a special resolution, no votes can be cast in favour of the Resolution by the person acquiring the shares or their associate.

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**DATED:** 14 October 2019

**By Order of the Board**



**Ms. Terri Bakos**  
**Company Secretary**  
**AMA Group Limited**

## Important information for Shareholders

1. The business of the Annual General Meeting affects your shareholding and your vote is important.
2. To vote in person, attend the Annual General Meeting on the date and at the place set out above.
3. Completed Proxy Forms (together with any additional documentation such as a power of attorney or appointment of a body corporate representative) must be received by the Company via its Share Registry by 2:30pm Australian Eastern Daylight Time on 18 November 2019, by one of the following methods;

- **Online:** Shareholders may lodge proxies online by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and following the prompts. To use this facility, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), postcode and control number as shown on the Proxy Form.

For Intermediary Online subscribers only (custodians and nominees) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com)

- **By mail:** send the proxy form to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001
- **By facsimile:** to the Company on facsimile number 1800 783 447 (within Australia) or +61 3 9473 2555 (from outside Australia)
- **In person:** deliver the proxy form to Computershare Investor Services Pty Limited, 452 Johnston Street, Abbotsford, Victoria 3067 Australia;

**Proxy forms received later than 2:30 pm 18 November 2019 will be invalid.**

### Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act 2001 (Cth) in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act 2001 (Cth) to be provided. The Certificate must be lodged with the Company before the AGM or at the registration desk on the day of the AGM. The Company will retain the certificate. A form of this certificate may be obtained from the Company's share registry.

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at 2:30pm (AEDT), 20 November 2019 at:

RACV City Club  
Level 2  
501 Bourke Street  
Melbourne Victoria 3000

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1 RECEIPT OF ANNUAL FINANCIAL REPORT

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of Directors and Auditors for the year ended 30 June 2019.

In accordance with the Corporations Act 2001, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Financial Report.

During the discussion of this item, the Company's auditor will be present and will answer qualifying questions.

#### Written questions for the auditor

If you would like to submit a written question to the Company's auditor, please post your question to the Company Secretary or fax it to (61) 7 3283 1168. Written questions must relate to the content of the auditor's report to be considered at the Annual General Meeting or the conduct of the audit. Qualifying questions may be addressed at the Annual General Meeting.

Please note that all questions must be received at least five business days before the Annual General Meeting; that is by no later than 2.30pm on 13 November 2019.

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### 2 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### **Background**

Pursuant to Section 250R(2) of the Corporations Act 2001, at the Annual General Meeting of a listed company, the Company must propose a resolution that the Remuneration Report be adopted.

The purpose of this resolution is to present to the Shareholders, the Company's Remuneration Report so that Shareholders may ask questions about or make comments on the management of the Company in accordance with the requirements of the Corporations Act 2001 and vote to adopt the Remuneration Report for the year ended 30 June 2019.

This resolution is advisory only and does not bind the Company. However, the Board will consider the outcome of the vote made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

Under the Corporations Act 2001, if **25% or more of votes** that are cast at the meeting **are voted against** the adoption of the Remuneration Report at **two consecutive AGM's**, Shareholders will be required to vote at the second of those AGMs on an additional resolution (a "**Spill Resolution**") that a future meeting be held within 90 days of the Spill Resolution. At that further meeting, all of the Company's Directors (other than any Managing Director) must go up for re-election.

Shareholders will recall that not more than 25% of the votes cast were cast against the 'remuneration resolution' at the 2018 AGM and therefore, there will be no requirement at this AGM for a Spill Resolution.

The Remuneration Report is contained within the 2019 Annual Report.

You may access the Annual Report by visiting the Company's website [www.amagroupltd.com](http://www.amagroupltd.com).

### **Voting Restrictions**

Please refer to voting restrictions set out in the Notice of Meeting.

**The Chair intends to vote in favour of all Resolutions.**

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## **3 RESOLUTION 2 - RE-ELECTION OF DIRECTOR, MR ANTHONY DAY**

Clause 15.1(c) of the Constitution requires that any director appointed to fill a casual vacancy or as an addition to the Board, holds office until the next Annual General Meeting and is then eligible for re-election.

Mr Day will retire at the Annual General Meeting and seeks re-election.

### **Mr Anthony Day – Non-Executive Director – Appointed 28<sup>th</sup> November 2018**

Anthony was until late 2017, the CEO of Suncorp Insurance and had P&L and Balance Sheet responsibility for both General and Life Insurance operations in Australia. With over 35 years in the insurance industry Anthony has broad experience in all areas of the insurance industry. He has a 20-year track record of producing market-leading results in both growth and profitability, whilst delivering continuous improvement in operations.

Anthony is now focused on NED roles in growing organisations and the advisory business he founded, Elevate CEOs, elevating great leaders to become extraordinary leaders through developing strategy and leadership.

Anthony was appointed Chairman of AMA Group on 1 September 2019.

**The Directors, other than Mr Day who abstains, recommend that Shareholders vote in favour of this Resolution.**

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#### 4 RESOLUTION 3 - RE-ELECTION OF DIRECTOR, MR SIMON MOORE

Clause 15.1(c) of the Constitution requires that any director appointed to fill a casual vacancy or as an addition to the Board, only holds office until the next Annual General Meeting and must retire before offering themselves for re-election.

Mr Moore will retire at the Annual General Meeting and seek re-election.

##### **Mr Simon Moore – Non-Executive Director – Appointed 28<sup>h</sup> November 2018**

Mr Moore is a founding and senior partner at Colinton Capital, a private equity firm founded in 2017. Prior to this he was a Managing Director and Global Partner of the “The Carlyle Group” for 12 years.

Simon has also held positions at Investcorp International, Inc. based in New York and J.P. Morgan & Co. in New York, Hong Kong and Melbourne.

Simon is currently also a Non-Executive Director of Megaport, a Non-Executive Director of Firstwave Cloud Technology Limited, Chairman of TPI Enterprises and a Non-Executive Director of venture capital firm, One Ventures.

**The Directors, other than Mr Moore who abstains, recommend that Shareholders vote in favour of this Resolution.**

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#### 5 RESOLUTION 4 - RE-ELECTION OF DIRECTOR, MR RAY SMITH-ROBERTS

Clause 15.3(a) of the Constitution states that no director except the Managing Director may hold office for a period in excess of 3 years without offering himself/herself for re-election, and that at every Annual General Meeting, one-third of the previously elected Directors must retire from office and be eligible for re-election.

Mr Smith-Roberts will retire in accordance with Clause 15.3(a) at the Annual General Meeting and seeks re-election.

##### **Mr Ray Smith-Roberts – Executive Director – First appointed 28<sup>th</sup> February 2014. Last elected: 2016 AGM.**

Ray has worked in the automotive industry over his entire career. Progressing through operating family service stations and repair centres, to senior roles in large dealership operations focusing at fixed operational areas, moving into the aftermarket space with ECB in 1994. Ray joined the AMA Group in August 2006 when ECB was acquired as a foundation company.

He brings valuable operational knowledge and experience to the board to assist in setting strategy and is the current Chief Executive Officer of the ACAD Division.

Ray was also a founding director of the Australian Technical College of North Brisbane from 2005 to 2009.

**The Directors, other than Mr Smith-Roberts who abstains, recommend that Shareholders vote in favour of this Resolution.**

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**6 RESOLUTION 5 - RE-ELECTION OF DIRECTOR, MR LEATH NICHOLSON**

Clause 15.3(a) of the Constitution states that no director except the Managing Director may hold office for a period in excess of 3 years without offering himself/herself for re-election, and that at every Annual General Meeting, one-third of the previously elected Directors must retire from office and be eligible for re-election.

Mr Nicholson will retire in accordance with Clause 15.3(a) at the Annual General Meeting and seeks re-election.

**Mr Nicholson – Non-Executive Director – First appointed 23<sup>rd</sup> December 2015. Last elected: 2016 AGM.**

Mr Nicholson was a Corporate Partner at a leading Melbourne law firm, gaining experience with a breadth of ASX listed entities, before co-founding Foster Nicholson Jones in 2008, which later became Nicholson Ryan Lawyers. Leath's principal clients continue to be ASX listed companies and high net worth individuals. Leath has particular expertise in mergers and acquisitions; IT based transactions, and corporate governance.

He also has significant experience in corporate and commercial based dispute resolution.

**The Directors, other than Mr Nicholson who abstains, recommend that Shareholders vote in favour of this Resolution.**

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**7 RESOLUTION 6 – RATIFICATION OF THE ISSUE OF SHARES TO THE VENDORS OF BMB PRESTIGE**

**Transaction overview**

On the 2 February 2015, the Company announced that it had entered into an agreement to acquire the BMB Prestige Group of businesses (**BMB Business**) (**Business Sale Agreement**). The consideration for the BMB Businesses, which included an earn-out component (**Earn-Out**), consisted of a mix of cash and equity, which was payable over a number of years.

In final settlement of the Business Sale Agreement including any rights to the Earn-Out, the Company negotiated the payment of \$1,000,000 in cash and the issue of 1,000,000 fully ordinary shares at an issue price of \$1.37 each (**BMB Shares**), being the 30 day VWAP of the Company's ordinary shares up to the finalisation date of the agreement, being 31 July 2019. The BMB shares were issued on 28 August 2019.

**Shareholder approval**

ASX Listing Rule 7.1 prohibits a listed entity from issuing or agreeing to issue more than 15% of its issued capital in a 12 month period without Shareholder approval (**15% Limit**), unless an exception applies.

Pursuant to ASX Listing Rule 7.4, an issue of securities made without approval is deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1 provided that:

- (a) the issue did not breach the 15% Limit; and

- (b) the Company in general meeting subsequently approves the issue.

Shareholder ratification for the issue of the BMB Shares is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without further Shareholder approval. At the time of issue of the BMB Shares, the Company was not in breach of ASX Listing Rule 7.1.

#### **Requirements of ASX Listing Rule 7.5**

It is a requirement of ASX Listing Rule 7.5, that a listed entity seeking subsequent Shareholder approval under listing rule 7.4 provides the Shareholders with the following information:

**(a) The total number of shares issued:**

1,000,000 Fully paid ordinary shares

**(b) The price at which the securities were issued:**

The BMB Shares were issued for non-cash consideration and were issued at the Deemed Issue Price of \$1.37 per Share (see above).

**(c) The terms of the shares:**

The BMB Shares were issued on terms identical to the Company's existing quoted fully paid ordinary Shares.

**(d) The names of the Allottees:**

Bencar Nominees Pty Ltd	638,280
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Bencar Consultants Pty Ltd	362,720
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**(e) The use of funds raised:**

As the issue of the BMB Shares was to satisfy the Earnout under the Business Sale Agreement and to finalise the Business Sale Agreement - no money was raised from the issue.

**The Directors unanimously recommend that Shareholders vote in favour of this Resolution**

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## **8 RESOLUTION 7 – RATIFICATION OF THE ISSUE OF SHARES TO THE VENDORS MICRA**

### **Transaction overview**

On the 16 December 2015, the Company announced that it had entered into an agreement to acquire the Micra Accident Repair Centre Pty Ltd business (**MICRA**) (**Share Sale Agreement**). The consideration for MICRA consisted of a mix of cash and equity.

Pursuant to the Share Sale Agreement, the Vendors are entitled to a yearly earn-out incentive, to be satisfied by way of issue of fully paid ordinary shares in the Company (**MICRA Earn-Out Shares**) where the earnings before income tax (**EBIT**) of MICRA over the earn-out period exceeds \$300,000 (**Earn-Out Threshold**), subject to a maximum earn out incentive of \$300,000. The relevant Earn-Out period ended on 31 December 2018 (**Earn-Out Period**). The deemed issue price for the MICRA Earn-Out Shares for the relevant Earn-Out Period is based on the volume weighted average price of ordinary shares in the Company in the 60 day period up to 7 October 2015, being \$0.763 per share (**Deemed Issue Price**).

The performance of the MICRA business exceeded the Earn-Out Threshold and therefore the Vendors of MICRA were entitled to the maximum earn-out. Based on the Deemed Issue Price of \$0.763 per MICRA Earn-Out Share, 393,184 MICRA Earn-Out Shares were issued to the MICRA Vendors on 4 April 2019.

### Shareholder approval

ASX Listing Rule 7.1 prohibits a listed entity from issuing or agreeing to issue more than 15% of its issued capital in a 12 month period without Shareholder approval (**15% Limit**), unless an exception applies.

Pursuant to ASX Listing Rule 7.4, an issue of securities made without approval is deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1 provided that:

- (a) the issue did not breach the 15% Limit; and
- (b) the Company in general meeting subsequently approves the issue.

Shareholder ratification for the issue of the MICRA Earn-Out Shares is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval. At the time of the issue of the MICRA Earn-out Shares, the Company was not in breach of ASX Listing Rule 7.1.

### Requirements of ASX Listing Rule 7.5

It is a requirement of ASX Listing Rule 7.5, that a listed entity seeking subsequent Shareholder approval under listing rule 7.4 provides the following information:

**(a) The total number of shares issued:**

393,184 MICRA Earn Out Shares (\$300,000 divided by the Deemed Issue Price)

**(b) The price at which the securities were issued:**

The MICRA Earn-Out Shares were issued for non-cash consideration. The MICRA Earn-Out Shares were issued at the Deemed Issue Price of \$0.763 per Share (See above).

**(c) The terms of the shares:**

The MICRA Earn-Out Shares were issued on terms identical to the Company's existing quoted fully paid ordinary Shares.

**(d) The names of the Allothees:**

Kim Louise Shelton as trustee for <Shelton Family Trust>	196,592
Deanne Maree Carey as trustee for <Carey Family Trust>	196,592

### The use of funds raised:

As the issue of the MICRA Earn-Out Shares was to partly satisfy the consideration under the Share Sale Agreement (specifically the earn-out incentive), no money was raised from the issue.

**The Directors unanimously recommend that Shareholders vote in favour of this Resolution**



## 9 RESOLUTION 8 – RATIFICATION OF THE ISSUE OF SHARES TO THE VENDORS CRAIG HALL BODYWORKS

### Transaction overview

In January 2018, the Company entered into an agreement to acquire the business assets of Craig Hall Bodyworks (**Craig Hall**) (**Business Sale Agreement**). The consideration for CRAIG HALL consisted of a mix of cash and equity.

Pursuant to the Business Sale Agreement, the Vendors are entitled to an earn-out incentive, to be satisfied by way of cash or fully paid ordinary shares in the Company (**Earn-Out Shares**) where the earnings before income tax (**EBIT**) of the CRAIG HALL business assets over the earn-out period exceeds a set minimum threshold. The relevant Earn-Out period ended in January 2019 (**Earn-Out Period**). The deemed issue price for the Earn-Out Shares for the relevant Earn-Out Period is based on the volume weighted average price of ordinary shares in the Company in the 60 day period up to 6 September 2017, being \$0.935 per share (**Deemed Issue Price**).

The performance of the CRAIG HALL business assets exceeded the minimum Earn-Out Threshold and based on the Deemed Issue Price of \$0.935 per Earn-Out Share, the CRAIG HALL vendors were entitled to a total of 2,037,705 Earn-Out Shares. The Company issued 1,176,471 unlisted performance shares (**Performance Shares**) to the CRAIG HALL vendors in January 2018 as a prepayment to the Vendor's entitlement to the Earn-Out Shares. On the 11 September 2019 the Performance Shares were converted to fully paid ordinary shares and an additional 861,234 fully paid ordinary shares (totalling 2,037,705 Earn Out Shares) were issued to the Vendors on 11 September 2019

### Shareholder approval

ASX Listing Rule 7.1 prohibits a listed entity from issuing or agreeing to issue more than 15% of its issued capital in a 12 month period without Shareholder approval (**15% Limit**), unless an exception applies.

Pursuant to ASX Listing Rule 7.4, an issue of securities made without approval is deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1 provided that:

- (a) the issue did not breach the 15% Limit; and
- (b) the Company in general meeting subsequently approves the issue.

Shareholder ratification for the issue of the Final Earn-Out Shares is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval. At the time of the issue of the Earn-out Shares, the Company was not in breach of ASX Listing Rule 7.1.

### Requirements of ASX Listing Rule 7.5

It is a requirement of ASX Listing Rule 7.5, that a listed entity seeking subsequent Shareholder approval under listing rule 7.4 provides the following information:

#### (a) The total number of shares issued:

861,234 Final Earn Out Shares

#### (b) The price at which the securities were issued:

The Final Earn-Out Shares were issued for non-cash consideration. The Final Earn-Out Shares were issued at the Deemed Issue Price of \$0.935 per Share.

**(c) The terms of the shares:**

The Final Earn-Out Shares were issued on terms identical to the Company's existing quoted fully paid ordinary Shares.

**(d) The names of the Allottees:**

CHT Services Pty Ltd <CH Family Trust>

861,234

**The use of funds raised:**

As the issue of the Final Earn-Out Shares was to partly satisfy the Purchase Price under the Business Sale Agreement (specifically the earn-out incentive), no money was raised.

**The Directors unanimously recommend that Shareholders vote in favour of this Resolution**

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**10 RESOLUTION 9 – CHANGE OF AUDITORS**

**General**

ShineWing Australia Pty Ltd (**ShineWing**) has been the Company's auditor since 2009 and there has not been any disagreement with ShineWing at either the Board or management of the Company in relation to the conduct of the audit or in relation to any material accounting treatment or the application of accounting policies or otherwise.

The Company has been pleased with the service that ShineWing has been able to provide to date, but due to its recent rapid expansion and future growth plans, the Company has identified that it requires an audit firm that can provide more extensive services Australia wide, New Zealand and potentially Asia in the coming years.

ShineWing has applied to the Australian Securities and Investments Commission (ASIC) under the Corporations Act for consent to resign as auditor of the Company with effect from the conclusion of the 2019 Annual General Meeting. If ASIC notifies ShineWing that it consents to ShineWing's resignation, ShineWing will give its notice of resignation to the Company with effect from the conclusion of the 2019 Annual General Meeting.

Having sought interest from various audit firms to provide external audit services to the Company, the Directors have resolved to appoint KPMG as the Company's Auditor, subject to ASIC consenting to ShineWing's resignation as Company Auditor. KPMG has consented in writing to their appointment as the Company's new Auditor and as at the date of this notice, KPMG has not withdrawn such consent.

A copy of the nomination of KPMG as auditors is annexed and has been provided to KPMG.

**The Directors unanimously recommend that Shareholders vote in favour of this Resolution**

## Background

On the 10 October 2019, the Company announced the new remuneration package for the Group CEO and Executive Director, Andrew Hopkins.

The new annual remuneration package for Mr Hopkins for FY20 is as follows:

Total Fixed Remuneration (TFR)	\$1,200,000
Short Term Incentive – 50% of TFR (STI)	\$600,000
Long Term Incentive - 150% of TFR (LTI)	<u>\$1,800,000</u>
<b>Total Annual Remuneration Package</b>	<b>\$3,600,000</b>

The payment of the STI and LTI portion of the Mr Hopkins' remuneration package are subject to the satisfaction of set performance conditions.

To satisfy the Company's LTI obligations to Mr Hopkins and other executives of the Company, the Company has implemented a new Performance Rights Program under its Employee Equity Plan approved by Shareholders at the 2018 Annual General Meeting. The grant of Performance Rights to executives is intended to align the executives' interests with the interests of shareholders and encourage the achievement of the Company's performance goals and growth of the Company's business.

The Company is proposing to grant 1,323,529 Performance Rights to Mr Hopkins in the satisfaction of the Company's Long Term Incentive (LTI) obligations to him for the 2019/20 financial year.

As the implementation of this new Performance Rights program is in a transitional period, the Company has agreed to issue Mr Hopkins an additional once off \$900,000 LTI payment or 661,766 Performance Rights in settlement of all historical LTI obligations it has with Mr Hopkins.

Each Performance Right is equal to one fully paid ordinary share, subject to satisfaction of the vesting conditions.

The proposed quantity of Performance Rights to be allocated to Mr Hopkins has been calculated as follows:

$$\text{Qty} = \text{Total LTI} / \text{VWAP}$$

VWAP – Volume Weighted Average Price of the Company's ordinary fully paid shares listed on the ASX over the 20 day period post the release of the FY19 Annual Financial Results to the ASX.

$$\text{Qty} = \$2,700,000 / \$1.36 \text{ or } 1,985,295 \text{ Performance Rights}$$

The Performance Rights will be subject to a performance period from 1 July 2019 to 30 June 2022 and will only vest if the performance conditions are fulfilled.

The key terms of the proposed grant are set out below. A summary of the operation of the Plan is available from the Company.

Where the vesting conditions attaching to the Performance Rights are satisfied, Mr Hopkins will be allocated one fully paid ordinary share in the Company for each vested Performance Right.

Performance Rights do not carry any dividend or voting rights prior to vesting. Any Performance Rights which do not vest at the end of the applicable performance period will lapse.

If approved by Shareholders, the Performance Rights will be granted within 1 month of approval at the Annual General Meeting.

### Performance Conditions

The Performance Rights will be subject to two performance measures:

- (a) Total Shareholder Return (TSR) and
- (b) Earnings Per Share (EPS) of the Company.

The performance period will be for 3 years from 1 July 2019 to 30 June 2022 (**Performance Period**).

### Total Shareholder Return (TSR)

20% of the Performance Rights will vest subject to the Total Shareholder Return (TSR) performance of the Company compared with the TSR performance of each of the entities in the 'Comparator Group' referred to below.

Vesting of the Performance Rights will be determined at the end of the Performance Period.

TSR measures the growth in the price of shares (modified to account for capital adjustments where appropriate) together with the value of the dividends over the Performance Period, assuming that all those dividends are re-invested into new shares. For the Performance Rights to vest, the Company's TSR must be equal to or greater than the median TSR performance of the Comparator Group.

The Comparator Group consists of:

- AP Eagers Limited (ASX: APE)
- ARB Corporation Limited (ASX: ARB)
- Bapcorp Limited (ASX: BAP)
- GUD Holdings Limited (ASX: AUD)
- Super Retail Group Limited (ASX: SUL)

And any other entity that the Board shall deem appropriate from time to time.

The proportion of the Performance Rights that vest, if any, will be determined as follows:

TSR Ranking	% of Performance Rights that vest
Less than 50 <sup>th</sup> percentile	Nil
Equal to 50 <sup>th</sup> percentile (ie median) (minimum performance condition for the TSR tranche)	50%
Greater than 50 <sup>th</sup> and up to 75 <sup>th</sup> percentile	Straight Line pro-rata vesting from 50% to 100%

### **Earnings Per Share (EPS) Compound Annual Growth Rate (CAGR)**

80% of Performance Rights will vest subject to EPS/ CAGR over the Performance Period. The proportion of Performance Rights that vest, if any be determined as follows:

<b>EPS CAGR</b>	<b>% of EPS tranche Performance Rights to vest</b>
Less than 10%	Nil
10%	50%
Greater than 10% and up to 20%	Straight Line pro-rata vesting from 50% to 100%

### **Shareholder approval**

Under ASX Listing Rule 10.14, an entity may only agree to issue securities to a related party (including a director), with shareholder approval. This Resolution is proposed for the purposes of obtaining approval under ASX Listing Rule 10.14 (issues under an approved employee share incentive scheme).

### **Requirements of ASX Listing Rule 10.14**

It is a requirement of ASX Listing Rules 10.15, that a listed entity provide the following information to shareholders:

**(a) Name of the allottee or person entitled to participate**

Mr Andrew Hopkins, who is a director of the Company and Group CEO.

**(b) the maximum number of Shares to be issued:**

1,985,295 Performance Rights that could potentially convert to 1,985,295 fully paid ordinary shares.

**(c) the issue price:**

\$1.36 per Performance Right, being the VWAP of the Company's fully paid ordinary shares in the 20 day period following the release of the Company's FY19 Annual Financial Results to the ASX.

**(d) names of previous allottees under the Employee Equity Plan as at the date of this notice.**

Mr Ray Smith-Roberts: 1,090,275 ordinary fully paid shares issued @ \$0.9172 each on 27 November 2018

**(e) terms of the issue:**

Each Performance Right will vest and convert into one fully paid ordinary share of the Company subject to the Performance Conditions attached to the Performance Rights being met during the Performance Period. Once converted, the ordinary shares will have the same terms and conditions as other ordinary shares in the same class.

**(f) terms of any loan in relation to the issue:**

No loan will be given in relation to the issue of the Performance Right.

**(g) Issue date:**

Performance Rights will be issued by no later than one month after the date of this Resolution.

**(h) intended use of funds**

No funds will be raised by the issue of the Performance Rights the subject of this Resolution as the Performance Rights will be issued for non-cash consideration.

Where approval is obtained for the purpose of ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

**The Director, the subject of this resolution, because of his interest, makes no recommendation in relation to this resolution. All other Directors recommend that Shareholders vote in favour of this Resolution.**

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**12 RESOLUTION 11 – INCREASE IN NON-EXECUTIVE REMUNERATION POOL**

The current aggregate maximum fee's able to be paid by the Company (and its subsidiaries) to non-executive directors is \$400,000 per annum, which was set by shareholders at the 2007 AGM. The Company is seeking to obtain approval under ASX Listing rule 10.17 and Clause 15.4 of the Company's Constitution to increase the aggregate annual maximum non-executive director remuneration payable to \$1,100,000 per annum. Currently no additional fees are payable to non-executive directors for the position of Chairman, Deputy Chairman or being a member of or the Chair of a Committee. The current Directors take the view that based on best practice, it is appropriate to increase the maximum non-executive remuneration pool to provide flexibility to attract and retain non-executive directors on remuneration terms commensurate with their skills & expertise and to appropriately remunerate non-executive directors for additional board committee roles.

No equity has been issued to non-executive directors in the past 3 years under Listing Rule 10.11 or 10.14.

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**13 RESOLUTION 12 – RAFTIFICATION OF ISSUE OF SHARES TO INSTITUTIONAL INVESTORS**

**Transaction overview**

On 1 October 2019 the Company announced its successful bid to acquire Capital S.M.A.R.T Repairs Australia Pty and ACM Parts Pty Ltd (collectively **SMART**), from Suncorp Insurance. The acquisition is a strong strategic fit with the Company's existing Panel business and its

expected to provide double-digit EPS accretion to Shareholders in the first full year of ownership.

The total cost of the acquisition, \$440million is be funded via a mixture of debt and equity.

On 11 October 2019, the Company issued 67,000,000 ordinary fully paid shares to Institutional Investors at \$1.15 each to raise \$77,050,000 before costs (**Placement**). The Placement forms part of an overall equity raising strategy to raise approximately \$216 million before costs to assist in the overall funding of the acquisition of SMART. All capital raising activities will be completed by 31 October 2019.

Further information regarding the acquisition of SMART and an Accelerated Non renounceable rights entitlement currently being offered to shareholders can be found on the Company website: [www.amagroupltd.com](http://www.amagroupltd.com).

### **Shareholder approval**

ASX Listing Rule 7.1 prohibits a listed entity from issuing or agreeing to issue more than 15% of its issued capital in a 12 month period without Shareholder approval (**15% Limit**), unless an exception applies.

Pursuant to ASX Listing Rule 7.4, an issue of securities made without approval is deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1 provided that:

- (c) the issue did not breach the 15% Limit; and
- (d) the Company in general meeting subsequently approves the issue.

Shareholder ratification for the issue of the 67,000,000 ordinary shares to Institutional Investors is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval. At the time of the issue of the Shares to Institutional Investors, the Company was not in breach of ASX Listing Rule 7.1.

### **Requirements of ASX Listing Rule 7.5**

It is a requirement of ASX Listing Rule 7.5, that a listed entity seeking subsequent Shareholder approval under listing rule 7.4 provides the following information:

**(e) The total number of shares issued:**

67,000,000 fully paid ordinary shares

**(f) The price at which the securities were issued:**

The shares were issued at \$1.15 each.

**(g) The terms of the shares:**

The shares were issued on terms identical to the Company's existing quoted fully paid ordinary shares.

**(h) The names of the Allottees:**

Institutional Investors of UBS AG Australia, Canaccord Genuity (Australia) Limited and Bell Potter Securities Limited.

**(i) The use of funds raised:**

As the issue of the shares was to partly satisfy the purchase price of SMART and associated costs.

**The Directors unanimously recommend that Shareholders vote in favour of this Resolution**

### Background

The Company has been engaged in negotiations with a number of entities associated with the vendors of the business LPGAS 1 (**LPGAS**), acquired by AMA in 2007. The part of LPGAS was the issue of fully paid ordinary shares in the Company. The Company has sought to claw-back part of the acquisition consideration under the Business Sale Agreement (**BSA**) due to the failure of the business acquired.

Negotiations have been finalised with two of the entities, which have agreed to a buy-back with the Company whereby the following shares will be surrendered to the Company for nil consideration (**Buy Back**):.

Dubbeld Investments Pty Ltd <Dubbeld Super Fund A/c>	318,381
JF and CG Van Der Reyden Pty Ltd <Van Der Reyden Family Trust>	22,742

(Collectively, **LPGAS Vendors**)

In order to give effect to the Buy-Back, the Company is required to complete a selective buy-back of the LPGAS Vendor shares. The buy-back is a formality which will, upon completion, enable the Company to cancel all of the Buy Back Shares.

In completing the Buy Back, the Board is satisfied that the buy-back does not materially prejudice the Company's ability to pay its creditors, **as no money is being paid to the LPGAS Vendors**.

A selective buy-back must be approved either by:

- (a) A special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose shares are proposed to be bought back or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders,

or the agreement must be conditional on such an approval.

The Board has resolved to seek shareholder approval by way of special resolution.

### Information to be given to Shareholders

Pursuant to Regulatory Guide 110 issued by the Australian Securities & Investment Commission, the following information is provided to Shareholders:

<b>Number of shares on issue</b>	542,204,029 fully paid ordinary shares
<b>Number and percentage of shares to be bought back</b>	341,123 fully paid ordinary shares, representing 0.07% of the current issued capital.
<b>Particulars of the terms of the buy-back</b>	The buy-back is required to complete all the matters the subject of the settlement arrangements with the LPGAS Vendors. The buy-back does not require the Company to pay any moneys to the LPGAS Vendors.



<b>Share buy-back price</b>	No payment is required to be made by the Company. The consideration for the buy-back is part of a settlement reached between the parties in relation to a partial clawback of the original purchase price of the LPGAS business, which was discontinued in 2009. Accordingly, a valuation of the non-cash consideration is not appropriate.
<b>Reason for the buy-back</b>	To finalise all matters relating to the settlement arrangements with the LPGAS Vendors.
<b>Interests of any director who may participate in a share buy-back agreement</b>	Not applicable
<b>Financial effect of the buy-back scheme on the Company</b>	As no monies are being paid for the shares to be bought back, there is no financial effect of the buy-back on the Company.
<b>Source of the funds for the buy-back scheme</b>	Not applicable, as no monies are to be paid for the shares.
<b>The effect of the buy-back on the control of the Company</b>	There will be no affect on the control of the Company.
<b>If the Company is listed, information about the current share price and any additional information that ASX Listing Rules require to be disclosed</b>	As at the date of this memorandum, the share price was \$1.28 per share.
<b>Advantages and disadvantages of the buy-back</b>	<p><b>Advantages:</b> the buy-back does not require the payment of any funds. The buy-back is a formal requirement that will allow the Company to cancel LPGAS Vendor shares.</p> <p><b>Disadvantages:</b> as the buy-back is required to complete all matters under the settlement arrangements and will allow the Company to cancel the LPGAS Vendor shares, the Board is of the view that there are no disadvantages.</p>

**The Directors unanimously recommend that Shareholders vote in favour of this Resolution.**

## 15 RESOLUTIONS 14A TO 14C – FINANCIAL ASSISTANCE.

This explanatory note is in relation to each special resolution 14A to 14C.

The following information is provided as a disclosure statement for the purposes of section 260B(4) of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Directors consider that this explanatory note contains all material information known to AMA Group Limited (ACN: 113 883 560) (**AMA** or **Company**) that could reasonably be required by Shareholders in deciding how to vote on special resolutions 14A to 14C. AMA is not required to provide information which has been previously been disclosed by AMA to its members.

### Overview of the Financial Assistance provisions

The Corporations Act restricts the ability of a company to financially assist the acquisition of its own shares or the shares in its holding company in order to ensure that a company 'maintain its capital' to, among other things, enable it to pay its creditors.

If a company was to have an unfettered ability to, for example, financially assist the acquisition of its own shares, then buyers of shares in companies may tend to fund the purchase price out of the assets of the company, to the potential detriment of its creditors.

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- a) giving the assistance does not materially prejudice:
  - a. the interests of the company or its shareholders; or
  - b. the company's ability to pay its creditors; or
- b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- c) the assistance is exempted under section 260C of the Corporations Act.

Section 260B(1) of the Corporations Act provides that shareholder approval (by the shareholders of the entity providing the financial assistance) must be given by either:

- a special resolution passed at a general meeting, with no votes being cast in favour of the resolution by the person acquiring the shares or by their associates; or
- a resolution agreed to, at a general meeting, by all ordinary shareholders (which in the case of a company with one shareholder will be a sole shareholder resolution).

Further, section 260B(2) of the Corporations Act requires that where, immediately after the acquisition referred to in section 260A(1) of the Corporations Act, an entity which has given financial assistance will be a subsidiary of a listed domestic entity (the **Australian Listed Holding Company**), a special resolution of the members of that listed entity in favour of the proposed financial assistance must also be obtained.

As AMA is the Australian Listed Holding Company of the Subsidiaries (defined below), Shareholders are being asked to approve (via a special resolution) the Financial Assistance (defined below), as required by section 260B(2) of the Corporations Act. The shareholders of each relevant Subsidiary will also be asked to approve the CSH Financial Assistance, the SMA Financial Assistance or the ACM Financial Assistance (each such capitalised term as defined below), as applicable, as required under section 260B(1) of the Corporations Act.

### Background

#### *Banking Facility*

On 23 September 2019, AMA received a signed commitment letter (**Commitment**) from

Australia and New Zealand Banking Group Limited (ABN: 11 005 357 522) (**ANZ**) and National Australia Bank Limited (ABN: 12 004 044 937) (**NAB**) (the **Lenders**) for a new A\$375 million secured bank facility (the **Syndicated Facility**). A portion of the amounts borrowed by AMA under the Syndicated Facility (being A\$100 million) would be on-lent by AMA to Capital Smart Holdings Pty Ltd (ACN: 636 481 671) (**CSH**) (a 90% owned subsidiary of AMA, with the remaining 10% to be held by Suncorp Insurance Ventures Pty Ltd (ACN: 158 182 042) (**Suncorp**)) to assist CSH acquire 100% of the issued share capital in Capital S.M.A.R.T Repairs Australia Pty Ltd (ACN: 143 462 748) (**SMA**) (the **SMA Acquisition**). Furthermore, a portion of the amounts borrowed by AMA under the Syndicated Facility may be used to assist AMA acquire 100% of the issued share capital in ACM Parts Pty Ltd (ACN: 165 321 979) (**ACM**) (the **ACM Acquisition** and together with the SMA Acquisition, the **Acquisitions**). The Company announced on 1 October 2019 its successful bid to acquire SMA and ACM. The Company is now in negotiations with the Lenders to finalise documentation for the Syndicated Facility and relevant security documentation (**AMA Finance Documents**).

In order to assist with the funding of the SMA Acquisition, the Company intends to on-loan a portion of the Syndicated Facility (being A\$100 million) to CSH to be documented via a secured facility agreement to be entered into by the Company (as lender) and CSH (as borrower) (the **CSH Facility Agreement**).

Under the terms of the Commitment, the Company must ensure that (amongst other things):

- a) each wholly owned subsidiary of the Company (each a **Group Member** and together with the Company, the **Group**) which, on an individual basis, holds greater than 5% of the Group's gross assets, contributes more than 5% of EBITDA of the Group or which holds any material intellectual property which is material to the operation of the Group is a guarantor under the Syndicated Facility; and
- b) the guarantors under the Syndicated Facility on a consolidated basis represent at least 90% of the Group's gross assets and contribute no less than 90% of consolidated EBITDA of the Group (**AMA Guarantor Coverage Test**). Any Group Member which is required to be a guarantor must accede as a guarantor under the Syndicated Facility within 45 days of Shareholder approval under section 260B(2) of the Corporations Act being obtained.

Under the terms of the CSH Facility Agreement, CSH must ensure that (amongst other things):

- a) each wholly owned subsidiary of CSH (each a **CSH Group Member** and together with CSH, the **CSH Group**) which, on an individual basis, holds greater than 5% of the CSH Group's gross assets, contributes more than 5% of EBITDA of the CSH Group or which holds any material intellectual property which is material to the operation of the CSH Group is a guarantor to the CSH Facility Agreement; and
- b) the guarantors under the CSH Facility Agreement on a consolidated basis represent at least 90% of the CSH Group's gross assets and contribute no less than 90% of consolidated EBITDA of the CSH Group (**CSH Guarantor Coverage Test**). Any CSH Group Member which is required to be a guarantor must accede as a guarantor under the CSH Facility Agreement within 45 days of Shareholder approval under section 260B(2) of the Corporations Act being obtained.

#### *New Group members*

As part of the Acquisitions, AMA incorporated CSH to facilitate its shareholding of SMA. Details of each new subsidiary of AMA and its percentage of holding is as follows (the **Subsidiaries**):

- CSH, incorporated on 27 September 2019. AMA to hold 90% of the issued share capital in CSH at the financial close of the SMA Acquisition, with Suncorp holding the remaining 10% of issued share capital in CSH;
- SMA, to be a 100% wholly owned subsidiary of CSH;
- QPlus Production Pty Ltd (ACN: 158 065 082) (**QPP**), a 100% wholly owned subsidiary of SMA;

- Capital S.M.A.R.T. Repairs New Zealand Pty Ltd (a New Zealand company with NZBN 9429041184097) (**SMA NZ** and together with SMA and QPP, the **SMA Group Entities**), a 100% wholly owned subsidiary of SMA; and
- ACM (together with the SMA Group Entities, the **Target Entities**), to be a 100% wholly owned subsidiary of AMA.

Under the terms of the AMA Finance Documents, the Company and certain other Group Members will be required to grant a general security deed over all of their assets in favour of the security trustee appointed under the AMA Finance Documents to secure all amounts owing under the Syndicated Facility. Furthermore, in order to comply with the AMA Guarantor Coverage Test, the guarantees and security proposed to be given by AMA and each other relevant Group Member under the AMA Finance Documents will guarantee and secure obligations of AMA under the Syndicated Facility.

In order to comply with the CSH Guarantor Coverage Test, it is proposed that the SMA Group Entities accede as guarantors to the CSH Facility Agreement and, along with CSH, grant a general security deed over all of their assets (the **CSH General Security Deed** in favour of AMA (as secured party) and together with the CSH Facility Agreement, the **CSH Finance Documents**). The guarantees and security proposed to be given by CSH and the SMA Group Entities under the CSH Finance Documents will guarantee and secure obligations of CSH under the CSH Facility Agreement.

It is further proposed that ACM accedes as a guarantor to the Syndicated Facility and grant a general security deed over all of its assets in favour of the security trustee appointed under the Syndicated Facility (on substantially the same terms as the relevant AMA Finance Documents). The guarantee proposed to be given by ACM will guarantee the obligations of AMA under the Syndicated Facility.

### **The 'Financial Assistance'**

#### *Resolution 14A: Financial assistance proposed to be given by CSH*

On or immediately prior to financial close of the SMA Acquisition, CSH will issue new shares to Suncorp so that Suncorp will hold a 10% shareholding in CSH, with the Company holding the remaining 90% shareholding. The issuing of shares to Suncorp and the entering into the CSH Facility Agreement will have the effect of CSH financially assisting the acquisition of its own shares for the purposes of section 260A of the Corporations Act (the **CSH Financial Assistance**).

#### *Resolution 14B: Financial assistance proposed to be given by the SMA Group Entities*

The accession by the SMA Group Entities to the CSH Finance Documents, together with the undertaking of any other transaction contemplated by the SMA Financial Assistance (as described below) will have the effect of each SMA Group Entity (except SMA NZ) financially assisting the acquisition of its own shares or the shares in its holding company for the purposes of section 260A of the Corporations Act.

The particulars of the financial assistance proposed to be given by the SMA Group Entities are:

- a) each SMA Group Entity granting security and acceding as a guarantor under the CSH Finance Documents. It being noted that, upon accession, each SMA Group Entity would give the representations and warranties and give the same undertakings and covenants set out in the CSH Finance Documents, in favour of the Company;
- b) each SMA Group Entity taking any other action or providing any other support in connection with (a) above and/or in order to assist the SMA Acquisition, which may include:
  - i. the execution, or accession or consenting to, any instrument referred to in, or incidental or related to, the CSH Finance Documents (including any document to be entered into at any time for the purpose of amending, varying, replacing, restating, novating or supplementing such instruments);

- ii. subordinating its intercompany claims;
- iii. transferring assets to, or assuming other liabilities of, the CSH Group;
- iv. making available directly or indirectly its cash flows or other resources in order to enable other members of the CSH Group to comply with their obligations under the CSH Finance Documents; or
- v. providing additional support (which may include incurring additional obligations, giving new guarantees or new security interests) in connection with the CSH Finance Documents, including in connection with any refinancing of amounts owing under or in respect of those documents,

(the **SMA Financial Assistance**).

*Resolution 14C: Financial assistance proposed to be given by ACM*

The accession by ACM to the AMA Finance Documents, together with the undertaking of any other transaction contemplated by the ACM Financial Assistance (as described below) will have the effect of ACM financially assisting the acquisition of its own shares for the purposes of section 260A of the Corporations Act.

The particulars of the financial assistance proposed to be given by ACM are:

- a) ACM granting security and acceding as guarantor to the AMA Finance Documents. It being noted that, upon accession, ACM would give the representations and warranties and give the same undertakings and covenants set out in the AMA Finance Documents, in favour of the Lenders;
- b) ACM taking any other action or providing any other support in connection with (a) above and/or in order to assist the ACM Acquisition, which may include:
  - i. the execution, or accession or consenting to, any instrument referred to in, or incidental or related to, the AMA Finance Documents (including any document to be entered into at any time for the purpose of amending, varying, replacing, restating, novating or supplementing such instruments);
  - ii. subordinating its intercompany claims;
  - iii. transferring assets to, or assuming other liabilities of, the Group;
  - iv. making available directly or indirectly its cash flows or other resources in order to enable other members of the Group to comply with their obligations under the AMA Finance Documents; or
  - v. providing additional support (which may include incurring additional obligations, giving new guarantees or new security interests) in connection with the AMA Finance Documents, including in connection with any refinancing of amounts owing under or in respect of those documents,

(the **ACM Financial Assistance** and together with the CSH Financial Assistance and the SMA Financial Assistance, the **Financial Assistance**).

*Effect of the proposed Financial Assistance*

The requirement for CSH and the Target Entities to grant security and accede as guarantors under the AMA Finance Documents or the CSH Finance Documents (as applicable) is considered customary and consistent with market practice for secured financing transactions of this nature.

Granting security and acceding as guarantors should not, in and of itself, materially prejudice the interests of the relevant Target Entities, the shareholders of any such Target Entity or the ability of any such Target Entity to pay its creditors because the liability to the lenders under the

AMA Finance Documents or the CSH Finance Documents (as applicable) is a contingent rather than an actual liability.

However, by granting security the assets of CSH and each Target Entity will be subject to security and its operations will be restricted by the representations and undertakings given by it under the AMA Finance Documents or the CSH Finance Documents (as applicable).

Similarly, by acceding as guarantors to the AMA Finance Documents or the CSH Finance Documents (as applicable), each Target Entity will assume a contingent liability to meet the obligations of the Group or the CSH Group (as applicable), including the Company, under the AMA Finance Documents or the CSH Finance Documents (as applicable). This includes an obligation to pay to the relevant lender any amounts that are due under or in connection with the AMA Finance Documents or the CSH Finance Documents (as applicable) (and other related financial documents) in the event that the principal obligors (including the Company or CSH, as applicable) fail to pay such amounts.

This may have an adverse effect on the financial position of a Target Entity and its ability to pay creditors should the relevant lender enforce its security or call on the guarantee in the event of a default under the AMA Finance Documents or the CSH Finance Documents (as applicable).

#### *Reasons for giving the proposed Financial Assistance*

The principal advantage to the Company (and, indirectly, CSH and the SMA Group Entities) in providing the CSH Financial Assistance is that Suncorp will agree to sell all of the shares in SMA to CSH and the Company will hold 90% of the issued shares in CSH. If resolution 14A was not passed and CSH did not provide the CSH Financial Assistance, the SMA Acquisition would not occur.

The Directors are of the view that the provision of the Financial Assistance in the manner contemplated in this statement is advantageous to the Company and each of the Target Entities in that it will (among other things):

- enable the Company and CSH to satisfy each of their obligations under the AMA Finance Documents or the CSH Finance Documents (as applicable) and allow them to continue to access the finance made available under the AMA Finance Documents or the CSH Finance Documents (as applicable);
- allow CSH and the Target Entities to benefit from the scale, strength and diversity of the Group and the CSH Group, together, including through synergies and cost savings that will be obtained through their integration with the Group or the CSH Group (as applicable);
- enable CSH and the Target Entities to benefit from the management expertise of the Company; and
- streamline the financing, security and reporting arrangements for the Group, thereby enabling the Group (as a whole) to move more efficiently with future business needs and requirements.

Further, it is noted that the Company has implemented a deed of cross guarantee pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (**ASIC Deed of Cross Guarantee**) in order to, amongst other things, streamline the financial reporting requirements of the Group. It is intended that ACM will accede as a party to the ASIC Deed of Cross Guarantee and therefore become jointly and severally liable for the debts of other members of the Group regardless of any guarantee provided by ACM in favour of the Lenders under the AMA Finance Documents.

If resolutions 14A to 14C were not passed and CSH did not provide the security and the Target Entities did not accede as guarantors and provide security within the agreed timeframes, an event of default under the AMA Finance Documents or the CSH Finance Documents (as applicable) would occur. This would enable the relevant lender to, among other things, cancel the commitments under the AMA Finance Documents or the CSH Finance Documents

(as applicable) and declare all or any loans provided as being immediately due and payable.

#### **Why Shareholder approval is required**

Because CSH and the Target Entities will become subsidiaries of the Company (being a listed holding corporation) immediately after the relevant Acquisitions, the Financial Assistance must be approved by a special resolution passed at a general meeting of the Company under section 260B(2) of the Corporations Act.

It is intended that the giving of the Financial Assistance will be approved by a unanimous resolution of CSH and each of the Target Entities in accordance with section 260B(1) of the Corporations Act. In anticipation of obtaining all such necessary shareholder approvals required by CSH and each relevant Target Entity, it is proposed that the Financial Assistance be approved by special resolution of the Shareholders of the Company.

#### **Information and recommendations given**

Copies of these resolutions and explanatory notes were lodged with ASIC before being sent to the Shareholders, in accordance with section 260B(5) of the Corporations Act.

**The Directors have considered the giving of the Financial Assistance and unanimously recommend that Shareholders vote in favour of resolutions 14A to 14C.**

Resolutions 14A to 14C will be passed if at least 75% of the votes cast by Shareholders entitled to vote on each resolution vote in favour of it. To the extent passed by Shareholders, a copy of each special resolution (resolutions 14A to 14C) shall be lodged with ASIC by the Company within 14 days of being passed in accordance with section 260B(7) of the Corporations Act.

## Nomination of Auditor – AMA Group Limited

9 October 2019

Ms Terri Bakos  
Company Secretary  
AMA Group Limited  
Level 4  
130 Bundall Road  
Bundall QLD 4217

Dear Terri

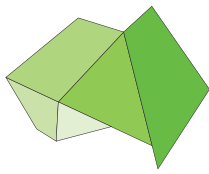
### **Nomination of Auditor – AMA Group Limited**

For the purposes of Section 328B(1) of the Corporations Act 2001, I Stephen Harding-Smith, being a shareholder of AMA Group Limited, hereby nominate KPMG for the appointment as auditor of the Company at the next Annual General Meeting or any adjournment thereof.

A handwritten signature in black ink, appearing to read 'Stephen Harding-Smith', with a stylized, elongated loop at the end.

Stephen Harding-Smith





# AMAGROUP

AMA GROUP LTD  
ABN 50 113 883 560

## Need assistance?



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



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

AMA

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



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2.30pm (AEDT) on Monday, 18 November 2019.**

# Proxy Form

## 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 or abstain as they choose (to the extent permitted by law). 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

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

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

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



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

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

I ND

## 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 AMA 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 AMA Group Limited to be held at the RACV City Club, Level 2, 501 Bourke Street, Melbourne Victoria 3000 on Wednesday, 20 November 2019 at 2.30pm (AEDT) 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 Resolutions 1, 10 and 11 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 10 and 11 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**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 Resolutions 1, 10 and 11 by marking the appropriate box in step 2.

### Step 2

### Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	Change of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director, Mr Anthony Day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Issue of performance rights to a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-election of Director, Mr Simon Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Increase in non-executive remuneration pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Re-election of Director, Mr Ray Smith-Roberts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Ratification of an issue of shares to institutional investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Re-election of Director, Mr Leath Nicholson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	Selective buy-back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Ratification of an issue of shares to the vendors of the BMB Prestige Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14A	Approval of financial assistance from Capital Smart Holdings Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Ratification of an issue of shares to the vendors of MICRA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14B	Approval of financial assistance from SMA Group Entities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Ratification of an issue of shares to the vendors of Craig Hall Bodyworks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14C	Approval of financial assistance from ACM Parts Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3

### Signature of Securityholder(s)

*This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

AMA

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Computershare

