

# NOTICE OF MEETING

2010  
APEAGERS NOTICE OF ANNUAL GENERAL MEETING  
2010

Notice is given that the Annual General Meeting of A. P. Eagers Limited will be held at 80 McLachlan Street, Fortitude Valley, Queensland on Wednesday 18 May 2011 at 9.00 am.

## BUSINESS

### 1. Financial Reports

To receive and consider the financial report of the Company, together with the consolidated financial report of the Company and its controlled entities, for the year ended 31 December 2010 and the reports of the Directors and auditor.

*(Refer to Item 1 of the Explanatory Notes.)*

### 2. Election of Director – Mr G.D. Bignell

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

“That Mr G.D. Bignell, retiring in accordance with listing rule 14.4 and article 47(d) of the constitution and, being eligible, offering himself for election, be elected as a Director of the Company.”

*(Refer to Item 2 of the Explanatory Notes.)*

### 3. Election of Director – Mr T.B. Crommelin

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

“That Mr T.B. Crommelin, retiring in accordance with listing rule 14.4 and article 47(d) of the constitution and, being eligible, offering himself for election, be elected as a Director of the Company.”

*(Refer to Item 3 of the Explanatory Notes.)*

### 4. Renewal of Proportional Takeover Provisions of Constitution

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

“That the proportional takeover provisions contained in Article 80 and Article 81 of the constitution be renewed for a period of three years from the date of the meeting convened by this notice.”

Note: This resolution must be approved by at least 75% of the shareholders voting in person or by proxy at the meeting.

*(Refer to Item 4 of the Explanatory Notes.)*

### 5. Remuneration Report

To consider and, if thought fit, pass the following advisory resolution in accordance with section 250R(2) of the Corporations Act 2001:

“That the Remuneration Report for the year ended 31 December 2010 be adopted.”

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

*(Refer to Item 5 of the Explanatory Notes.)*

## PROXIES

You can appoint not more than 2 proxies to vote on your behalf. You can direct the proxy (or proxies) how to vote. If you appoint more than 1 proxy, each proxy must be appointed to represent a specified proportion of your voting rights. A proxy does not need to be a shareholder.

If the proxy form is signed under a power of attorney, you must also lodge a certified photocopy of the power of attorney with the registry not later than 48 hours before the meeting, unless you have previously sent the power of attorney to the registry.

To appoint a proxy (or proxies) you must complete and lodge the enclosed proxy form so that it is received by the Company's share registry not later than 48 hours before the meeting (ie. by 9.00 am (Brisbane time) on Monday 16 May 2011) by post to the following address, facsimile number or online:

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

Fax: (within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

Online: [www.investorvote.com.au](http://www.investorvote.com.au)

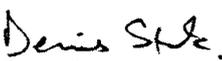
Intermediary Online subscribers only: [www.intermediaryonline.com](http://www.intermediaryonline.com)

## ENTITLEMENT TO VOTE

The Directors have determined that for the purposes of the meeting all shares in the Company will be taken to be held by the persons who hold them as registered shareholders at 7.00 pm on Monday 16 May 2011.

**By Order of the Board**

14 April 2011

  
Denis Stark  
Company Secretary

**APEAGERS**

## EXPLANATORY NOTES

These notes (which are included in and form part of the Notice of Annual General Meeting) are intended to provide shareholders with an explanation of the business of the Annual General Meeting ("AGM") and each of the proposed resolutions.

### ITEM 1 – Financial Reports

The Corporations Act 2001 requires the financial reports (including income statements, balance sheet, statement of recognised income and expense, cash flow statement and Directors' declaration), the Directors' Report and the auditor's report for the year ended 31 December 2010 to be laid before the AGM.

The financial reports have been approved by the Directors and audited.

The Chairman will allow a reasonable opportunity at the AGM for shareholders as a whole to ask questions about and make comments on the reports and on the management of the Company.

### ITEM 2 – Election of Director – Mr G.D. Bignell

Mr Graeme David Bignell was appointed by the Board as a Director of the Company in February 2011 under article 46(b) of the Company's constitution. Article 47(d) requires that a Director appointed by the Board must retire at the next AGM and is eligible for election. Mr Bignell offers himself for election at the AGM.

Mr Bignell has had a long and distinguished career in the automotive industry, having established Stillwell Ford in Adelaide in 1971. He was elected Executive Chairman of Adtrans Group Ltd when it was formed in 1987 and continues as an executive Director of that company following its takeover by A. P. Eagers Limited in 2010. Mr Bignell is a Fellow of the Australian Institute of Company Directors.

#### Directors' Recommendation

The Directors (with Mr Bignell abstaining) recommend that shareholders vote in favour of the resolution for the election of Mr Bignell as a Director.

### ITEM 3 – Election of Director – Mr T.B. Crommelin

Mr Timothy Boyd Crommelin was appointed by the Board as a Director of the Company in February 2011 under article 46(b) of the Company's constitution. Article 47(d) requires that a Director appointed by the Board must retire at the next AGM and is eligible for election. Mr Crommelin offers himself for election at the AGM.

Mr Crommelin has broad knowledge of corporate finance, risk management and acquisitions and over 40 years' experience in the stockbroking and property industry.

He is Executive Chairman of RBS Morgans Ltd and a Director of Senex Energy Ltd, Abney Hotels Ltd, Brisbane Lions Foundation and Australian Cancer Research Foundation. He chairs the Advisory Board of the Australian National University Investment Committee and is a member of the University of Queensland Senate and the Brisbane Grammar School Board of Trustees. He was previously the Deputy Chairman of Queensland Gas Company Ltd and CS Energy Ltd. He is a Fellow of the Securities Institute of Australia and the Society of Land Economists and holds a Bachelor of Commerce.

#### Directors' Recommendation

The Directors (with Mr Crommelin abstaining) recommend that shareholders vote in favour of the resolution for the election of Mr Crommelin as a Director.

### ITEM 4 – Renewal of Proportional Takeover Provisions of Constitution

#### a) Background

At the Company's AGM held on 23 May 2008, shareholders voted in favour of adopting a new constitution including, at Articles 80 and 81, proportional takeover approval provisions that enable the Company to refuse to register shares subject to acquisition under a proportional takeover bid unless the bid is approved by a resolution passed by shareholders in general meeting.

Under Article 80 and the Corporations Act, those provisions will cease to have effect after 23 May 2011 unless they are renewed for a further three year period by a special resolution of shareholders.

#### b) Proportional takeover bids

In a proportional takeover bid, the bidder offers to buy only a proportion of each shareholder's shares in the target company.

This means that control of the company may pass without shareholders having the chance to sell all their shares to the bidder, and that the bidder may take control of the company without paying an adequate premium for gaining control.

To deal with this possibility, the Corporations Act allows a company to provide in its constitution that if a proportional takeover bid is made for shares in the company, shareholders must vote on whether to accept or reject the offer and that decision will be binding on all shareholders.

Such a provision allows shareholders to decide collectively whether the proportional takeover bid is acceptable in principle, and may ensure that the bid is appropriately priced.

### **c) The effect of the proportional takeover provisions of the constitution**

The effect of Articles 80 and 81 of the Company's constitution is that if a proportional takeover bid is made for A. P. Eagers Limited, the Company must refuse to register a transfer of shares giving effect to any acceptance of the bid unless the takeover bid is approved by shareholders in a general meeting.

The Directors must convene a meeting of shareholders to vote on a resolution to approve the proportional takeover bid. For the resolution to be approved, it must be passed by a simple majority of votes at the meeting, excluding votes of the bidder and its associates.

If no such resolution is voted on before the fourteenth day before the last day of the takeover bid period, the resolution will be deemed to have been approved. This effectively means that shareholders as a body may only prohibit a proportional takeover bid from being made by rejecting such a resolution.

If the resolution is approved or deemed to have been approved, transfers of shares under the proportional takeover bid (provided they are in all other respects in order for registration) must be registered. Note that approval of the bid does not compel any shareholder to accept the bid – the decision to accept or reject a proportional takeover offer continues to be one for each individual shareholder.

If the resolution is rejected, registration of any transfer of shares resulting from that proportional takeover bid is prohibited and the offer is deemed by the Corporations Act to have been withdrawn.

If Articles 80 and 81 are renewed, they will expire three years after their renewal unless they are again renewed by a further special resolution of shareholders.

Proportional takeover provisions do not apply to full takeover bids.

### **d) Reasons for proposing the resolution**

The Directors consider that shareholders should have the opportunity to vote on a proposed proportional takeover bid for the Company. A proportional takeover bid may result in effective control of the Company changing hands without shareholders having the opportunity of disposing of all their shares. A proportional takeover bid could result in shareholders being at risk of control of the Company passing to the bidder without payment of an adequate control premium for their shares, while also leaving them as part of a minority interest in the Company.

Articles 80 and 81 can prevent this occurring by giving shareholders the opportunity to decide whether a proportional takeover bid is acceptable and should be permitted to proceed for consideration by individual shareholders.

### **e) Presently proposed acquisitions**

As at the date of these Explanatory Notes, no Director of the Company is aware of any proposal by any person to acquire or increase the extent of a substantial interest in the Company.

### **f) Potential advantages and disadvantages for Directors**

While the renewal of Articles 80 and 81 will allow the Directors to ascertain shareholders' views on a proportional takeover bid, it does not otherwise offer any advantage or disadvantage to the Directors who will remain free to make their own recommendation as to whether any proportional takeover bid should be accepted.

### **g) Potential advantages and disadvantages for shareholders**

The Directors consider that there are potential advantages associated with shareholders having the opportunity to consider and vote upon any proposed proportional takeover bid. For a proportional takeover bid to be approved, it must be approved by more than half of the shares voted at the meeting excluding the shares of the bidder and its associates, and accordingly the existence of Articles 80 and 81:

- is likely to cause an intending bidder to formulate its offer in a way that would be attractive to a majority of shareholders, including appropriate pricing.
- may have the effect of not allowing control of the Company to pass without payment of a control premium.
- should assist shareholders avoid being locked in as minority shareholders.
- will help individual shareholders assess the likely outcome of a proportional takeover bid when determining whether to accept or reject the bid.

The potential disadvantages of the Articles for shareholders include:

- proportional takeover bids for the Company may be discouraged.
- any speculative element in the market price of the Company's shares arising from the possibility of a proportional takeover offer being made may be reduced.
- the provisions may be considered to constitute an unwarranted additional restriction of the right of individual shareholders to freely deal with their shares as they see fit

There have been no full or proportional takeover bids for the Company during the time Articles 80 and 81 have been in effect. Accordingly, there has not been any example against which to review the advantages or disadvantages of the provisions for the Directors and shareholders, respectively, during this period.

### **Directors' recommendation**

The Board considers that the potential advantages for shareholders of the proportional takeover provisions outweigh the potential disadvantages. Accordingly, the Directors unanimously recommend that shareholders approve the renewal of Articles 80 and 81 of the constitution and vote in favour of the resolution.

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#### **ITEM 5 – Remuneration Report**

The Remuneration Report of the Company for the year ended 31 December 2010 is set out in the Directors' Report. The Remuneration Report sets out the Company's remuneration arrangements with the Managing Director, executives and non-executive Directors.

A reasonable opportunity will be provided for shareholders as a whole to ask questions about, and make comments on, the Remuneration Report at the AGM.

Section 250R of the Corporations Act requires that this resolution be put to the vote. However, the vote on this resolution is only advisory and does not bind the Company or its Directors.

#### **Directors' Recommendation**

The Directors unanimously recommend that shareholders vote in favour of the resolution for the adoption of the Remuneration Report.

**AP EAGERS**



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

## Lodge your vote:



### Online:

[www.investorvote.com.au](http://www.investorvote.com.au)



### By Mail:

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

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

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

## For all enquiries call:

(within Australia) 1300 552 270  
(outside Australia) +61 3 9415 4000

## Proxy Form



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

[www.investorvote.com.au](http://www.investorvote.com.au)



**Cast your proxy vote**



**Access the annual report**



**Review and update your securityholding**

### Your secure access information is:

**Control Number: 134854**

**SRN/HIN:**



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



**For your vote to be effective it must be received by 9.00 am (Brisbane time) Monday 16 May 2011**

## How to Vote on Items of Business

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

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

## Attending the Meeting

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

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

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

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

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

# 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 A P Eagers 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, as the proxy sees fit) at the Annual General Meeting of A P Eagers Limited to be held at 80 McLachlan Street, Fortitude Valley, Queensland on Wednesday 18 May 2011 at 9.00 am and at any adjournment of that meeting.

## 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
2. Election of Director - Mr G.D. Bignell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Director - Mr T.B. Crommelin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Renewal of Proportional Takeover Provisions of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Adoption of the Remuneration Report	<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.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_