



Notice of Annual General Meeting and Explanatory Memorandum

Bapcor Limited
ACN 153 199 912

Date Friday 1 November 2019

Time 1.30pm (AEDT)

Venue Holding Redlich
Level 8, 555 Bourke Street
Melbourne, Victoria 3000



Notice of 2019 Annual General Meeting

NOTICE is given that the 2019 Annual General Meeting of Bapcor Limited ACN 153 199 912 will be held at Holding Redlich, Level 8, 555 Bourke Street, Melbourne VIC 3000 on Friday 1 November 2019 at 1.30pm (AEDT).

Business of the Meeting

Shareholders are invited to consider the following items of business at the Annual General Meeting:

1. Financial and related reports

Item 1	Financial and related reports
Description	To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2019.

2. Adoption of Remuneration Report (Non-binding resolution)

Resolution 1	Adoption of Remuneration Report (Non-binding resolution)
Description	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2019 Annual Report and is available from the Company's website (www.bapcor.com.au). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the directors or the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2019 be adopted."</i>
Voting Exclusion	The Company will disregard any votes cast on this resolution: <ul style="list-style-type: none">• by or on behalf of a member of Key Management Personnel (KMP) named in the remuneration report for the year ended 30 June 2019, or that KMP's Closely Related Party, regardless of the capacity in which the vote is cast; and• as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party. However, the Company will not disregard a vote if it is cast as a proxy for a person who is entitled to vote on this resolution: <ul style="list-style-type: none">• in accordance with the directions of how to vote on the Proxy Form; or• by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

3. Re-election of Directors

Resolution 2	Re-election of Ms Margaret Haseltine as Director
Description	Ms Margaret Haseltine, who was appointed as a Director on 30 May 2016, retires as a Director in accordance with rule 6.1(f) of the Constitution and, being eligible, offers herself for re-election under rule 6.1(i) of the Constitution.
Resolution (Ordinary)	To consider and, if thought fit, to pass the following resolution as an ordinary resolution : <i>"THAT Ms Margaret Haseltine, having been appointed as a Director on 30 May 2016 and who retires as a Director of the Company in accordance with rule 6.1(f) of the Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company."</i>
Resolution 3	Re-election of Ms Therese Ryan as Director
Description	Ms Therese Ryan, who was appointed as a Director on 31 March 2014, retires as a Director in accordance with rule 6.1(f) of the Constitution and, being eligible, offers herself for re-election under rule 6.1(i) of the Constitution.
Resolution (Ordinary)	To consider and, if thought fit, to pass the following resolution as an ordinary resolution : <i>"THAT Ms Therese Ryan, having been appointed as a Director on 31 March 2014 and who retires as a Director of the Company in accordance with rule 6.1(f) of the Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company."</i>

4. Approval of Long Term Incentive Plan

Resolution 4	Approval of the Long Term Incentive Plan (LTIP)
Description	The Company seeks shareholder approval for the Company's Long Term Incentive Plan (LTIP or Plan) for the purposes of the ASX Listing Rules and the Corporations Act.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT, for the purposes of Exception 9 in ASX Listing Rule 7.2, sections 259B(2) and 260C(4) of the Corporations Act, and for all other purposes, shareholders approve the Long Term Incentive Plan and the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."</i>
Voting Exclusion	The Company will disregard any votes cast: <ul style="list-style-type: none"> • in favour of this resolution by or on behalf of the Directors who are eligible to participate in the LTIP and any associates of those Directors; • on this resolution as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party. <p>However, the Company will not disregard a vote if it is cast as a proxy for a person who is entitled to vote on this resolution:</p> <ul style="list-style-type: none"> • in accordance with the directions of how to vote on the Proxy Form; or • by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

5. Grant of FY20 Performance Rights to Chief Executive Officer

Resolution 5	Approval for issue of FY20 Performance Rights to CEO under the LTIP
Description	Resolution 5 seeks shareholder approval for the issue of performance rights to Mr Darryl Abotomey, the Company's CEO and Managing Director, in relation to FY20.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT, for the purposes of ASX Listing Rule 10.14 and for all other purposes, shareholder approval is given for the Company to grant 209,560 performance rights in relation to FY20, each to acquire 1 fully paid share in the company, to Mr Darryl Abotomey (or his nominee(s)) and the issue of underlying shares in respect of those performance rights, pursuant to the Long Term Incentive Plan (LTIP) and on the terms set out in the Explanatory Memorandum accompanying this Notice."</i>
Voting Exclusion	The Company will disregard any votes cast: <ul style="list-style-type: none"> • in favour of this resolution by or on behalf of the Directors who are eligible to participate in the LTIP and any associates of those Directors; • on this resolution as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party. <p>However, the Company will not disregard a vote if it is cast as a proxy for a person who is entitled to vote on this resolution:</p> <ul style="list-style-type: none"> • in accordance with the directions of how to vote on the Proxy Form; or • by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

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6. Approval of Provision of Financial Assistance

Resolutions 6A and 6B	Approval of Provision of Financial Assistance
Description	<p>Each Nominated Guarantor Entity proposes to give financial assistance for the share acquisitions described in the resolutions set out below, and the Company is seeking shareholder approval under section 260B of the Corporations Act.</p> <p>The Company has become the holding company of each Nominated Guarantor Entity, and therefore is required to obtain a special resolution of its members approving the proposed financial assistance under section 260B in order for the proposed financial assistance to be given.</p> <p>Accompanying this Notice is a copy of a statement approved by the directors of the Company setting out information that is material to the decision on how to vote on the resolution.</p>
Resolution 6A (Special)	<p>To consider and, if thought fit, to pass the following resolution as a special resolution:</p> <p><i>“THAT for the purposes of section 260B(2) of the Corporations Act, shareholders approve the Nominated Guarantor Entities financially assisting Bapcor Finance Pty Ltd in connection with the acquisition of all of the issued shares by Specialist Wholesalers Pty Ltd in the capital of the Nominated Guarantor Entities (the Acquisitions).</i></p> <p><i>The financial assistance will be in the form of security and a guarantee and indemnity in favour of the finance parties specified in the Common Terms Deed (as defined below) for the obligations agreed to under the Common Terms Deed (as defined below) and associated facility agreements.”</i></p>
Resolution 6B (Special)	<p>To consider and, if thought fit, to pass the following resolution as a special resolution:</p> <p><i>“THAT the sole shareholder of each Nominated Guarantor Entity direct each Nominated Guarantor Entity to each execute all documents to provide financial assistance as it may deem necessary, advisable or incidental in connection with the preceding resolution, including:</i></p> <ul style="list-style-type: none"> <li data-bbox="400 1041 1461 1176"><i>(a) an obligor accession deed relating to the Common Terms Deed dated 29 June 2017 between, among others, each party listed in Schedule 1 as an Initial Obligor (each an Obligor) and Westpac Banking Corporation (Westpac) as the Agent and Security Trustee as amended from time to time, most recently by the document entitled ‘Amendment and Refinancing Co-Ordination Deed’ dated 24 June 2019 (the Common Terms Deed);</i> <li data-bbox="400 1189 1461 1301"><i>(b) an accession deed (security provider) relating to the Security Trust Deed originally dated 14 October 2011 as most recently amended and restated by an Amendment and Restatement Deed dated 29 June 2017 between, among others, each Obligor and Westpac as the Agent and Security Trustee;</i> <li data-bbox="400 1314 1461 1359"><i>(c) a general security deed between, amongst others, each Nominated Guarantor Entity and Westpac as the Security Trustee;</i> <li data-bbox="400 1373 1461 1395"><i>(d) a verification certificate from each Nominated Guarantor Entity to Westpac as the Agent; and</i> <li data-bbox="400 1408 1461 1487"><i>(e) any document, notice, certificate, resolution, guarantee, indemnity, covenant, representation, warranty, stipulation, promise or agreement, necessary, advisable or incidental in connection with any of the documents listed above,</i> <p><i>and that each Nominated Guarantor Entity perform its obligations and exercise its rights in connection with the preceding resolutions.”</i></p>

7. Renewal of Proportional Takeover Bid Provisions

Resolution 7	Renewal of Proportional Takeover Bid Provisions in Constitution
Description	The Company seeks shareholder approval to renew the Proportional Takeover Bid Provisions in the Constitution for a further three years from the date of the Meeting, which will ensure that in the event of a Proportional Takeover Bid being made, a general meeting of the Company will be convened in order for shareholders to vote on the Proportional Takeover Bid.
Resolution (Special)	To consider and, if thought fit, to pass the following resolution as a special resolution : <i>"THAT, pursuant to sections 136(2) and 648G of the Corporations Act, shareholder approval be given for the Proportional Takeover Bid Provisions contained in rule 14 of the Constitution to be renewed for a further three years from the date of the Annual General Meeting, as detailed in the Explanatory Memorandum accompanying this Notice."</i>

Dated 1 October 2019

BY ORDER OF THE BOARD OF BAPCOR LIMITED



Gregory Fox
Company Secretary

Important Information

Questions from shareholders

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, PWC, in relation to the conduct of the external audit for the year ended 30 June 2019, or the content of its audit report. Please send your questions to:

The Company Secretary, Bapcor Limited

Via mail: 61-63 Gower Street, Preston VIC 3072

Via email: companysecretary@Bapcor.com.au

Written questions must be received by no later than **5.00pm (AEDT) on Friday 25 October 2019**.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the Corporations Act and the Company's policy, a reasonable opportunity will also be provided to shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Company's Remuneration Report for the year ended 30 June 2019.

During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the auditor the opportunity to answer written questions addressed to it. However there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

Voting Information

Entitlement to vote at the Annual General Meeting

A determination has been made by the Board under regulation 7.11.37 of the Corporations Regulations 2001 that that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company as at **7.00pm (AEDT) on Wednesday 30 October 2019**, subject to any applicable voting exclusion.

Voting by proxy

An eligible shareholder can vote in person at the Annual General Meeting or appoint a proxy or, where a shareholder is entitled to two or more votes, two proxies.

Where two proxies are appointed, a shareholder may specify the number or proportion of votes to be exercised by each proxy appointed. If no number or proportion of votes is specified, each proxy appointed will be taken to exercise half of that shareholder's votes (disregarding fractions).

A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.

A Proxy Form accompanies this notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the Proxy Form attached to this notice.

For the Proxy Form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority by **1.30pm (AEDT) on Wednesday 30 October 2019**.

Proxy Forms can be submitted in five ways:

1. **Online** by going to investorvote.com.au or by scanning the QR code, found on the enclosed proxy form with your mobile device;
2. By **mail** to GPO Box 242, Melbourne, Victoria 3001;
3. By **personal delivery** at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067;
4. By **facsimile**: Australia – 1800 783 447, overseas – +61 3 9473 2555; or
5. **Custodian voting** – For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Voting by Corporate Representative

A shareholder or proxy which is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative to vote at the Meeting.

The appointment must comply with section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment.

Voting by Attorney

A shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the shareholder's behalf.

An attorney need not themselves be a shareholder. The power of attorney appointing the attorney must be signed and specify the name of each of the shareholder, the Company and the attorney, and also specify the meeting(s) at which the appointment may be used.

The appointment may be a standing one. To be effective, the power of attorney must also be returned in the same manner, and by the same time, as specified for Proxy Forms.

Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chairman of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chairman to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel.

If you complete a Proxy Form that authorises the Chairman of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chairman to exercise your proxy on Resolutions 1, 4 and 5. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1, 4 and 5. If you wish to appoint the Chairman of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the Proxy Form.

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

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties, and you do not direct your proxy how to vote on Resolutions 1, 4 or 5, he or she will not vote your proxy on that item of business.

Explanatory Memorandum to Notice of 2019 Annual General Meeting

1. Item 1: Financial and related reports

Section 317 of the Corporations Act requires the Company's financial report, directors' report and auditor's report for the financial year ended 30 June 2019 to be laid before the Company's 2019 Annual General Meeting. There is no requirement for a formal resolution on this item.

The financial report contains the financial statements of the consolidated entity consisting of Bapcor and its controlled entities. As permitted by the Corporations Act, a printed copy of the Company's 2019 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2019 Annual Report is available from the Company's website (www.bapcor.com.au).

The Chairman of the Meeting will allow a reasonable opportunity at the meeting for shareholders to ask questions.

Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor PWC questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2019, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of PWC in relation to the conduct of the audit.

2. Resolution 1: Adoption of Remuneration Report (Non-binding resolution)

2.1 Explanation

Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2019 Annual Report and is available from the Company's website (www.bapcor.com.au).

The 2019 Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;
- sets out the remuneration arrangements in place for each director and for certain members of the senior management team; and
- explains the basis for remunerating non-executive directors and senior executives, including the Managing Director / Chief Executive Officer.

2.2 Non-binding vote

The vote on this item is advisory only and will not require the Company to alter the arrangements set out in the Remuneration Report if Resolution 1 is not passed. However, the Board will take into account any discussion on this item and the outcome of the vote when considering the future remuneration policies and practices of the Company.

2.3 Voting Exclusion

A voting exclusion statement applies to this resolution, as set out in the Notice.

2.4 Board Recommendation

The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.

2.5 Chairman's available proxies

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.

3. Resolutions 2 and 3: Re-election of Directors

3.1 Explanation

Rule 6.1(f)(i)(A) of the Constitution requires that one third of the Directors (excluding the Managing Director or any Directors appointed by the Board during the year under rule 6.1(d) of the Constitution), rounded down to the nearest whole number, retire at each Annual General Meeting of the Company.

Rule 6.1(f)(i)(B) of the Constitution further requires any other Director who, if he or she does not retire, will at the conclusion of the Meeting have been in office for three or more years or for three or more annual general meetings since he or she was last elected to office, to retire at the Meeting.

Each of Ms Therese Ryan and Ms Margaret Haseltine was last elected to office by shareholders at the Company's 2016 Annual General Meeting, and accordingly retires as a Director at this Meeting in accordance with rule 6.1(f)(i) of the Company's Constitution.

Ms Therese Ryan and Ms Margaret Haseltine, being eligible under rule 6.1(i) of the Constitution, offer themselves for re-election as Directors.

3.2 About Ms Margaret Haseltine

Name:	Margaret Haseltine
Title:	Independent, Non-Executive Director
Qualifications:	Bachelor of Arts Degree Diploma in Secondary Teaching from the Auckland University Fellow of the Australian Institute of Company Directors
Experience and expertise:	Margaret has more than 30 years' business experience in a broad range of senior positions, and ten years' experience in board directorship. A proven executive leader, Margaret has significant experience in the areas of supply chain and logistics, customer interface in the FMCG sector, change management, governance, and management within a large corporate environment. Previously, she held various senior positions with Mars Food Australia, including CEO, spanning a 20-year career.
Other current directorships:	Margaret is currently a board member of Bagtrans Pty. Ltd. (Chair) and Newcastle Permanent Building Society.
Former directorships (last 3 years):	Fantastic Holdings Ltd.
Special responsibilities:	Member of the Audit and Risk Committee (appointed as Member 1 September 2018) Chair of the Audit and Risk Committee (resigned as Chair 1 September 2018) Member of the Nomination and Remuneration Committee
Interests in shares:	32,125 ordinary shares

3.3 About Ms Therese Ryan

Name:	Therese Ryan
Title:	Independent, Non-Executive Director
Qualifications:	Bachelor of Laws from the University of Melbourne Graduate of the Australian Institute of Company Directors
Experience and expertise:	Therese is a professional non-executive director and has extensive experience as a senior business executive and commercial lawyer working in widely diversified businesses in Australia and internationally. Therese has over 20 years' experience across executive and board appointments within the automotive industry. Previously, she was Vice President and General Counsel of General Motors International Operations based in Shanghai, Assistant Secretary of General Motors Corporation and prior to that General Counsel and Company Secretary of GM Holden. In her role at General Motors, Therese had extensive involvement in GM's numerous businesses and startups across Asia, particularly China, India and ASEAN.
Other current directorships:	Therese is currently a board member of VicForests (Acting Chair), Gippsland Water (Chair), WA Super and Sustainable Timber Tasmania.
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Interests in shares:	34,730 ordinary shares

3.4 Board Recommendation

The Board, with Ms Haseltine and Ms Ryan abstaining on making a recommendation on Resolutions 2 and 3 respectively, recommends that shareholders vote in favour of Resolutions 2 and 3.

3.5 Chairman's available proxies

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 2 and 3.

4. Resolution 4: Approval of Long Term Incentive Plan

4.1 Explanation

Shareholder approval is sought for the Company's Long Term Incentive Plan (LTIP) for the purposes of the ASX Listing Rules and the Corporations Act.

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4.2 ASX Listing Rules

ASX Listing Rule 7.1 provides that a company may not issue Equity Securities, or agree to issue Equity Securities, without the approval of shareholders, if the number of Equity Securities to be issued in any 12 month period (including shares issued on the exercise of any options) exceeds 15% of the issued capital of the company preceding the issue.

ASX Listing Rule 7.2 contains a number of exceptions to the prohibition contained in ASX Listing Rule 7.1. In particular, under Exception 9 in ASX Listing Rule 7.2, any Equity Securities issued under an employee incentive scheme within three years of the date on which shareholders approve the issue of those Equity Securities are not counted for the purposes of ASX Listing Rule 7.1. Resolution 4 is designed to satisfy the requirements of Exception 9 in ASX Listing Rule 7.2 in relation to the LTIP.

4.3 Corporations Act

Section 259B(1) of the Corporations Act prohibits a company from taking security over its shares except as permitted by section 259B(2). Section 259B(2) states that a company may take security over shares in itself under an employee share scheme that has been approved by resolution passed at a general meeting of the company.

Section 260A(1)(c) of the Corporations Act prohibits a company from financially assisting a person to acquire shares in itself except as permitted by section 260(C). Section 260(C)(4) provides for special exemption for approved employee shares schemes and states that financial assistance is exempted from section 260(A) if a resolution is passed at a general meeting of the company. Accordingly, shareholder approval is sought under Resolution 4 to ensure compliance with these sections of the Corporations Act.

4.4 Purpose of LTIP

The purpose of the LTIP is to provide incentives to members of Company's management who are integral to the operations and ongoing success of the Company. These incentives are designed to encourage greater productivity from management and to better enable the Company to retain its management personnel in a highly competitive industry.

Should Resolution 4 be passed, the Company will have the necessary flexibility to issue securities as an incentive to key management, and the issue of securities under the LTIP will not be included within the Company's placement capacity pursuant to ASX Listing Rule 7.1.

A summary of the LTIP is provided below.

4.5 Summary of the LTIP

General

The objectives of the LTIP are to facilitate the Company in retaining, incentivising and motivating its management team. Under the LTIP, the Board has the discretion to grant options and performance rights to eligible employees (which may include Directors) of the Company or a related body corporate.

Both options and performance rights give a participant in the LTIP a right to acquire shares in the Company subject to the achievement of time based or performance based vesting conditions, with options requiring the payment of an exercise price to acquire the shares and a performance right not requiring the payment of an exercise price.

The Board has the discretion to amend the rules of the LTIP, but not so as to reduce the rights of participants who hold performance rights or options under the LTIP at the time. Awards under the LTIP are made at the Board's discretion.

Eligibility

The rules allow for offers under the LTIP to be made to any full-time or part-time employee of the Company or a related body corporate as the Board determines and may include Directors.

Grant of options and performance rights

Options and performance rights may be issued under the LTIP subject to vesting conditions, including time and performance based hurdles. The Board determines the details of the vesting conditions attaching to options and performance rights under the LTIP prior to offers of participation being made. Options or performance rights will only vest (under normal circumstances) upon satisfaction of any time and performance based vesting conditions. If those conditions are not met, the options or performance rights will generally expire and not be capable of exercise.

No amount is payable on the grant of options or performance rights offered under the LTIP.

Exercise of vested performance rights

Shares in the Company will be delivered to participants upon exercise of vested options or upon the vesting of performance rights. On exercise of vested options or the vesting of performance rights, the Company may deliver shares by new issue or by purchasing shares for transfer to participants. No exercise price is payable on the exercise of performance rights unless otherwise determined by the Board at the date of grant.

The Board may, in its discretion, elect to settle the vested performance rights with cash, or a combination of cash and shares, in accordance with the Plan Rules. Any cash payments will be made net of tax and any other amounts required to be deducted or withheld under applicable laws (including for the purposes of superannuation).

Disposal Restrictions on Shares

In accordance with the Plan Rules, the Board has determined the following disposal restrictions apply to shares issued or transferred on vesting of performance rights.

- Securities Trading Policy – Disposal Restrictions: The disposal of shares issued under the Plan is subject to the Company's Securities Trading Policy, as amended from time to time.
- 12 month disposal restriction: An LTIP participant is prohibited from making any Transfer (as defined in the Plan Rules) of shares issued or transferred on vesting of performance rights for a period of 12 months from the vesting date.

Change of control

On a change of control of the Company, unvested options and performance rights will vest on a pro rata basis, based on the proportion of the relevant performance period in respect of those unvested options or performance rights which has elapsed at the date of the change of control.

The Board has discretion as to how to treat remaining unvested options and performance rights, including but not limited to: vesting a portion of those unvested options and performance rights; applying the specified performance tests for the vesting conditions at an earlier date and vesting a portion appropriate to that level of achievement; allowing those unvested options or performance rights to remain 'on foot'; and/or allowing those unvested options or performance rights to be 'swapped' into the acquiring company's performance rights or options on issue.

Participation in Reorganisations of Capital

LTIP participants will participate in bonus issues, rights issues and capital reorganisations of the Company in accordance with the Plan Rules.

Plan limits

Issues of shares on exercise of vested options or vesting of performance rights granted under the LTIP will be subject to a cap of 5% of the issued share capital of the Company, inclusive of shares that may be issued under any other employee incentive schemes of the Company for employees and Non-Executive Directors, but disregarding offers made outside of Australia, made under a prospectus or other disclosure document or which do not require a disclosure document.

Lapse of unvested performance rights

Subject to the Board's overriding discretion, a performance right will lapse on the earlier of:

- the expiry date specified at the date of grant;
- where the vesting conditions in relation to the right have not been satisfied or waived by the vesting date;
- the date on which the right is deemed to lapse or be cancelled under the Plan Rules; and
- the 15th anniversary of the date on which the right was granted.

Trustee

Bapcor may appoint a trustee for the purpose of administering the LTIP, including to acquire and hold shares or other securities of the Company on behalf of participants in the LTIP or otherwise for the purposes of the LTIP.

Cessation of Employment

In the event that a participant in the LTIP ceases employment with the Group prior to vesting of his/her options or performance rights, the treatment of those options or performance rights will be determined by the Board in its absolute discretion, and in making its determination the Board may have regard for the facts and circumstances at the time of the cessation of employment, including the proportion of the performance period in which the participant was employed with the Group.

Subject to an overriding Board discretion to determine otherwise, the default position if the participant is a "Good Leaver" (as defined in the Plan Rules), is that he/she will be entitled to retain a pro-rata amount of his/her unvested options or performance rights based on the proportion of the performance period for which the participant was employed by the Group.

Clawback and forfeiture for Fraud, Dishonesty or Misstatement

If the Board, in its absolute discretion determines that:

- there has been a material misstatement in the Company's financial statements; or
- some other event (or series of events) or circumstances have occurred, arisen or come to light, such that the vesting conditions in respect of certain vested options and/or vested performance rights were not, or should not have been determined to have been, satisfied, then the relevant participant will cease to be entitled to those vested options (Affected Options) and/or vested performance rights (Affected Rights), and the Board may:
 - by written notice to the participant cancel the relevant Affected Options and/or Affected Rights for no consideration;
 - by written notice to the participant require that the participant pay to the Company the market value (as at the date of the notice and net of any tax paid or payable by the participant in relation to the receipt of shares under the Plan) of the Affected Options and/or Affected Rights which have been converted into shares; and/or
 - adjust fixed remuneration, incentives or participation in the Plan of the relevant participant in the current year or any future

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year to take account of the market value (as at the date determined by the Board and net of any tax paid or payable by the participant in relation to the receipt of shares under the Plan) of the Affected Options and/or Affected Rights.

Where the Board, in its absolute discretion, determines that a participant or former participant:

- has engaged or participated in conduct which is fraudulent or dishonest;
- has engaged or participated in conduct which adversely affects, or is likely to adversely affect, the financial position or reputation of the Group or a Group member; or
- is under investigation for misconduct, where such misconduct may result in financial and/or reputational impact to the Group member,

then, unless the Board determines otherwise:

- any unvested performance rights or unvested options held by or on behalf of that participant will lapse and the participant will be treated as having never held any right or interest in the cash or shares to which the unvested performance right or unvested option relates;
- any vested options or vested performance rights that have not been exercised are forfeited; and
- the Board may require that the participant pay to the Company the market value (as at the date specified by the board and net of any tax paid or payable by the participant in relation to the receipt of shares under the Plan) of all or part of the shares received by the participant in connection with the Plan.

Quotation

The Company will apply for official quotation of any shares issued to an LTIP participant upon exercise of any vested option or the vesting of any performance right, in accordance with the ASX Listing Rules.

Other terms

The Plan Rules contain other terms relating to the administration, variation, suspension and termination of the LTIP.

4.6 Securities issued under LTIP

The LTIP was last approved by shareholders at the 2016 Annual General Meeting on 21 October 2016. Since that date, 1,882,227 performance rights have been issued under the LTIP.

Under Resolution 5, it is proposed that Mr Darryl Abotomey be issued 209,560 performance rights for his FY20 long term incentive pursuant to the LTIP.

4.7 Voting Exclusion

A voting exclusion statement applies to this item of business, as set out in the Notice.

4.8 Board Recommendation

As Resolution 4 is in connection with the remuneration of KMP, the Directors do not make any recommendation to shareholders in relation to this Resolution.

4.9 Chairman's available proxies

The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution 4.

5. Resolution 5: Approval to issue FY20 Performance Rights to CEO under LTIP

5.1 Explanation

Resolution 5 seeks shareholder approval for the issue of performance rights to Mr Darryl Abotomey, the Company's Chief Executive Officer and Managing Director, as the long term incentive component of his total remuneration for FY20.

5.2 Why is approval being sought under Listing Rule 10.14

The Company is required by ASX Listing Rule 10.14 to obtain shareholder approval to grant securities, including performance rights, to Mr Abotomey under the LTIP.

Mr Abotomey's total remuneration includes an LTIP award, which is delivered through a grant of performance rights.

If shareholder approval is given, the performance rights the subject of Resolution 5 will be granted to Mr Abotomey immediately after the Meeting, and in any event within 12 months of the Meeting.

Exception 14 in the ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply where shareholder approval for an issue of securities is obtained under ASX Listing Rule 10.14. This means that, if shareholder approval is obtained for Resolution 5, approval is not required for the purposes of ASX Listing Rule 7.1.

For the purposes of approval sought under ASX Listing Rule 10.14 and in accordance with the requirements of ASX Listing Rule 10.15, further details in respect of Resolution 5 are provided below.

5.3 Terms of performance rights

Each performance right entitles Mr Abotomey to acquire one fully paid ordinary share in the Company if the applicable

performance hurdles are met. The performance rights will be granted on the same terms as performance rights granted to other executives participating in the FY20 LTIP performance rights offer.

5.4 Number of performance rights proposed to be granted

The maximum face value of the CEO's FY20 grant is \$1,181,925, based on the LTI opportunity of 90% of his fixed remuneration. The number of performance rights to be granted is determined by dividing the maximum value by the 10-day volume weighted average price (VWAP) of the Company's shares preceding the start of the performance period, being the 10 trading days up to and including 30 June 2019, which has been calculated as \$5.64. Based on a VWAP of \$5.64, the number of performance rights to be granted under Resolution 5 is **209,560**.

5.5 Performance Period

The performance period will be three years from 1 July 2019 to 30 June 2022.

5.6 Performance hurdles

The performance rights will vest subject to the following performance hurdles:

- (a) 50% of the performance rights will be subject to a hurdle based on the Company's Total Shareholder Return (TSR) relative to the TSR of peer group companies; and
- (b) 50% of the performance rights will be subject to a hurdle based on the Company's compound annual growth rate (CAGR) in earnings per share (EPS).

The performance hurdles are described in detail below:

Performance Hurdle	Description										
TSR Hurdle	<p>TSR will be tested following the performance period by comparing the Company's TSR performance over the performance period relative to the TSR of a set of comparator companies. The test will be conducted by an independent, external provider.</p> <p>Consistent with prior years, the FY20 comparator companies will generally be based on the ASX200 Consumer Discretionary Index (excluding media and gambling), as well as companies from the Consumer Staples and Health Care sectors.</p> <p>The Board has the discretion to adjust the comparator group for events including but not limited to takeovers, suspensions, mergers or demergers that might occur during the performance period.</p> <p>TSR incorporates both share appreciation and dividends. For Bapcor and the comparator companies, the share price at the start and end of the performance period will be determined as the 10-day VWAP of the Company's shares preceding the start and end of the performance period. Dividends will be assumed to have been reinvested on the ex-dividend date.</p> <p>The table below sets out the percentage of performance rights subject to the TSR hurdle that will vest depending on the Company's relative TSR performance:</p> <table border="1"> <thead> <tr> <th>TSR percentile ranking</th> <th>Percentage of performance rights that will vest</th> </tr> </thead> <tbody> <tr> <td>Below the 50th percentile</td> <td>Nil</td> </tr> <tr> <td>At the 50th percentile</td> <td>50%</td> </tr> <tr> <td>Between the 50th and 75th percentiles</td> <td>Pro rata vesting from 50% to 100% on a straight-line basis</td> </tr> <tr> <td>At or above the 75th percentile</td> <td>100%</td> </tr> </tbody> </table>	TSR percentile ranking	Percentage of performance rights that will vest	Below the 50th percentile	Nil	At the 50th percentile	50%	Between the 50th and 75th percentiles	Pro rata vesting from 50% to 100% on a straight-line basis	At or above the 75th percentile	100%
TSR percentile ranking	Percentage of performance rights that will vest										
Below the 50th percentile	Nil										
At the 50th percentile	50%										
Between the 50th and 75th percentiles	Pro rata vesting from 50% to 100% on a straight-line basis										
At or above the 75th percentile	100%										
EPS Growth Hurdle	<p>EPS growth will be measured over the performance period, using FY19 EPS as the base year to calculate compound annual growth over the following three years.</p> <p>EPS growth is based on basic EPS, which is calculated in accordance with AASB 133. The FY19 EPS of \$0.3440 per share will be used as the base value to determine the CAGR.</p> <p>The table below sets out the percentage of performance rights subject to the TSR hurdle that will vest depending on the Company's EPS growth rate:</p> <table border="1"> <thead> <tr> <th>Growth in EPS (CAGR)</th> <th>Percentage of performance rights that will vest</th> </tr> </thead> <tbody> <tr> <td>Below 7.5%</td> <td>Nil</td> </tr> <tr> <td>At 7.5%</td> <td>20%</td> </tr> <tr> <td>Between 7.5% and 15%</td> <td>Pro rata vesting from 20% to 100% on a straight-line basis</td> </tr> <tr> <td>At or above 15%</td> <td>100%</td> </tr> </tbody> </table>	Growth in EPS (CAGR)	Percentage of performance rights that will vest	Below 7.5%	Nil	At 7.5%	20%	Between 7.5% and 15%	Pro rata vesting from 20% to 100% on a straight-line basis	At or above 15%	100%
Growth in EPS (CAGR)	Percentage of performance rights that will vest										
Below 7.5%	Nil										
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Between 7.5% and 15%	Pro rata vesting from 20% to 100% on a straight-line basis										
At or above 15%	100%										

Explanatory Memorandum to Notice of 2019 Annual General Meeting

Performance against each hurdle will be tested separately. There will be no retesting and any performance rights that do not vest at the end of the performance period will lapse.

5.7 Restriction Period

Any shares provided on vesting of the performance rights will be held in trust for Mr Abotomey and will be subject to a restriction period of one year, during which time they cannot be sold, transferred or otherwise dealt with.

5.8 Other Terms

Mr Abotomey will receive the performance rights at no cost. No dividends will be payable on the performance rights prior to vesting. The performance rights do not carry any voting rights.

The Board has discretion:

- to reduce or cancel unvested performance rights;
- where vested performance rights have resulted in the issue or transfer of shares, to require Mr Abotomey to repay to the Company the market value of those shares (net of any tax paid or payable by Mr Abotomey in relation to the receipt of shares under the LTIP); and/or
- adjust the fixed remuneration, incentives or participation in the LTIP of Mr Abotomey,

in certain circumstances including fraud, dishonesty, misconduct, where there has been a material misstatement in the Company's financial statements, or where new circumstances have come to light such that the performance rights should not have been vested.

Mr Abotomey will participate in bonus issues, rights issues and capital reorganisation, in accordance with the Plan rules.

In the event of a change of control, and subject to the Board's absolute discretion, unvested performance rights will vest on a pro rata basis based on the proportion of the performance period that has elapsed at the date of the change of control. The Board also retains a discretion as to how to treat the remaining unvested performance rights.

No loans are provided by the Company in connection with the performance rights awarded under the LTIP.

The only person referred to in ASX Listing Rule 10.14 entitled to participate in the LTIP is Mr Abotomey. Mr Abotomey has received the following securities under the LTIP since the LTIP was last approved by shareholders at the 2016 AGM:

- 170,886 performance rights in relation to FY19
- 201,002 performance rights in relation to FY18; and
- 177,603 performance rights in relation to FY17 (of which 88,802 have vested into shares, and 88,801 have lapsed).

The grants of these performance rights were approved by shareholders at the Company's 2017 and 2018 Annual General Meetings, and each performance right was issued for nil acquisition price.

5.9 Voting Exclusion

A voting exclusion statement applies to this Resolution, as set out in the Notice.

5.10 Board Recommendation

Mr Darryl Abotomey abstains from making a voting recommendation on Resolution 5 as it relates to a grant of performance rights to him. The other Directors recommend that shareholders vote in favour of Resolution 5.

5.11 Chairman's available proxies

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 5.

6. Resolutions 6A and 6B: Approval of Provision of Financial Assistance

6.1 Background to the requirement for financial assistance approval

- (a) Pursuant to section 260A(1) of the Corporations Act a company may financially assist a person to acquire shares in the company or a holding company of the company only if:
- (i) giving the assistance does not materially prejudice:
 - (1) the interests of the company or its shareholders; or
 - (2) the company's ability to pay its creditors; or
 - (ii) the assistance is approved by shareholders under section 260B of the Corporations Act; or
 - (iii) the assistance is exempted under section 260C of the Corporations Act.
- (b) Under section 260B(1) of the Corporations Act, for a company to financially assist a person to acquire shares in itself or a holding company of the company, the financial assistance must be approved by its shareholders by:
- (i) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
 - (ii) a resolution agreed to, at a general meeting, by all ordinary shareholders.

- (c) If, immediately after the acquisition, the company will be a subsidiary of another:
- (i) domestic corporation that is listed in Australia (**Listed Australian Holding Company**); or
 - (ii) domestic corporation that is not listed in Australia and is not itself a subsidiary of another domestic corporation (**Ultimate Australian Holding Company**),
- then the financial assistance must also be approved by a special resolution passed under section 260B(2) (in the case of a Listed Australian Holding Company) or section 260B(3) (in the case of an Ultimate Australian Holding Company) of the Corporations Act at a general meeting of that corporation.
- (d) The purpose of this Statement is to explain in further detail the proposed financial assistance set out in the Notice of Meeting of Members which must be passed under section 260B(2) of the Corporations Act to enable certain subsidiaries of the Company of which the Company is a Listed Australian Holding Company to financially assist Bapcor Finance Pty Ltd (**Bapcor Finance**) in connection with the Acquisitions (as described below).

6.2 Company as Proposed Holding Company

Each Nominated Guarantor Entity (as defined below) proposes to give financial assistance in connection with the share acquisitions as described in the next paragraph and is seeking shareholder approval under section 260B(1) of the Corporations Act. The Company is a holding company of each Nominated Guarantor Entity and therefore is required to obtain a special resolution of its members approving the proposed financial assistance under section 260B in order for the proposed financial assistance to be given.

6.3 Particulars of the Proposed Financial Assistance

- (a) Specialist Wholesalers Pty Ltd, a subsidiary of the Company, has acquired all of the issued shares (**Shares**) in the capital of the following entities (the **Acquisitions**):
- (i) Commercial Parts Pty Ltd;
 - (ii) Commercial Spares Pty Ltd;
 - (iii) Don Kyatt Spare Parts (QLD) Pty Ltd;
 - (iv) He Knows Truck Parts Pty Ltd; and
 - (v) I Know Parts and Wrecking Pty Ltd,
- (each a **Nominated Guarantor Entity**).
- (b) The Acquisitions were financed in part, and subsequently, refinanced by external debt.
- (c) Following the Acquisitions, the Company became the Listed Australian Holding Company of each Nominated Guarantor Entity. As the Company has become the Listed Australian Holding Company, it is therefore a requirement of section 260B(2) of the Corporations Act that the Financial Assistance (as defined below) be approved by a special resolution of the members of the Company. It is a peculiarity of the drafting of the Corporations Act that such a resolution is required in this situation even though it is the Company (through a subsidiary) making the Acquisitions and is therefore benefiting from the grant of the proposed financial assistance for the Acquisitions, and even though the proposed financial assistance is clearly in the interests of the Company and its shareholders.
- (d) The Company is party to the Common Terms Deed (as defined below) and the Security Trust Deed (as defined below).
- (e) As is the case with the Company's current funding arrangements, and many similar funding arrangements with other companies, it is a requirement of the banks providing the Common Terms Deed and associated facility agreements that the Company's obligations be secured and guaranteed by a certain proportion of the group's wholly-owned subsidiaries and the other obligors. To comply with this requirement, the obligors are required to procure that each Nominated Guarantor Entity become guarantors by acceding to the Common Terms Deed (as defined below) and become security providers by acceding to the Security Trust Deed (as defined below) and by entering into the General Security Deed (as defined below).
- (f) It is proposed that each Nominated Guarantor Entity give financial assistance comprising entering into the following documents (each, a **Document**) in connection with the Acquisitions:
- (i) an obligor accession deed relating to the Common Terms Deed dated 29 June 2017 between, among others, each party listed in Schedule 1 as an Initial Obligor (each an Obligor) and Westpac Banking Corporation (Westpac) as the Agent and Security Trustee as amended from time to time, most recently by the document entitled 'Amendment and Refinancing Co-ordination Deed' dated 24 June 2019 (the **Common Terms Deed**);
 - (ii) an accession deed (security provider) relating to the Security Trust Deed originally dated 14 October 2011 as most recently amended and restated by an Amendment and Restatement Deed dated 29 June 2017 between, among others, each Obligor and Westpac as the Agent and Security Trustee (the **Security Trust Deed**);
 - (iii) a general security deed between, amongst others, each Nominated Guarantor Entity and Westpac as the Security Trustee (the **General Security Deed**);
 - (iv) a verification certificate from each Nominated Guarantor Entity to Westpac as the Agent; and
 - (v) any document, notice, certificate, resolution, guarantee, indemnity, covenant, representation, warranty, stipulation, promise or agreement, necessary, advisable or incidental in connection with any of the documents listed above.

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- (g) The entering into of each Document and the provision of any security, guarantee, indemnity, covenant, representation, warranty, stipulation, promise or agreement will occur in respect of the Acquisitions and may be considered to amount to financial assistance for the purposes of section 260A of the Corporations Act (the **Financial Assistance**).
- (h) As the Financial Assistance is only being given after the Acquisitions, any security and guarantee documents will only be effective upon the expiration of 14 days after notice is lodged with ASIC stating that the assistance has been approved under section 260B(6) of the Corporations Act.

6.4 Reasons for the Proposal to Give Financial Assistance

It is a requirement of the Common Terms Deed and associated facility agreements that the Company's obligations be secured and guaranteed by a certain proportion of the group's obligors and, to assist the Company to comply with these obligations, each Nominated Guarantor Entity is proposed to give the Financial Assistance. In the view of the Directors, such a requirement was a reasonable and necessary part of obtaining finance on the most favourable terms.

6.5 Advantages of the Proposed Financial Assistance

The potential benefit for the Company of each Nominated Guarantor Entity giving the Financial Assistance in the manner contemplated in these resolutions is that it will enable the related bodies corporate of the Company to comply with their obligations under each Document, as applicable, and provide the related bodies corporate of the Company with continued access to funding which will be for the benefit of the Company.

6.6 Effect of the Proposed Financial Assistance on the Interests of each Nominated Guarantor Entity and its Shareholders

- (a) Under the Documents, each Nominated Guarantor Entity will, among other things, assume liability to, and provide security and a guarantee and indemnity in favour of, the finance parties specified in the Common Terms Deed for the obligations agreed to under the Common Terms Deed.
- (b) The effect on the interests of the shareholder of each Nominated Guarantor Entity of the giving of the Financial Assistance will be that if an Obligor or any co-guarantor or other specified party does not comply with its obligations under the terms of the applicable Documents and the Common Terms Deed and associated facility agreements, or if certain other events of default occur, then:
 - (i) the finance parties will be entitled to enforce their rights under the applicable Documents and the Common Terms Deed and associated facility agreements and apply the proceeds of enforcement in satisfaction of, among other things, amounts owed by an Obligor or any co-guarantor or other specified party under the finance and transaction documents specified in the applicable Documents and the Common Terms Deed and associated facility agreements; and
 - (ii) each Nominated Guarantor Entity may be required to contribute to any claim made against any co-guarantor or other specified party.
- (c) Such events may have an adverse effect on the financial position of each Nominated Guarantor Entity, which may in turn affect the ability of each Nominated Guarantor Entity to pay dividends to shareholders and the asset pool available to shareholders in the event of a winding-up.

6.7 Effect of the Proposed Financial Assistance on the Ability of each Nominated Guarantor Entity to Pay its Creditors

- (a) The effect on the ability of each Nominated Guarantor Entity to pay its creditors of the giving of the Financial Assistance will be that if the finance parties enforce their rights under the Documents and the Common Terms Deed and associated facility agreements in the circumstances and manner noted above, this is likely to have a material effect on the financial position of each Nominated Guarantor Entity, which is in turn likely to compromise its ability to pay creditors.
- (b) As noted above, the Common Terms Deed contains events of default. However, the directors of each Nominated Guarantor Entity consider these to be reasonable and manageable and, in light of the grace periods, thresholds, materiality and other mitigating factors, do not consider there will be a substantial risk of default based on facts and circumstances known to them at the date of this statement.
- (c) Accordingly, the directors of each Nominated Guarantor Entity have considered and reached a view that, as at the date of this statement, the relevant Financial Assistance will not materially prejudice the ability of each Nominated Guarantor Entity to pay its creditors.

6.8 Other Information Material to Decision

The Financial Assistance will have no adverse effects on the Company.

6.9 Approval and Recommendation by Directors

The Directors of the Company have approved this statement and determined that it includes all information known to the company that is material to the decision on how to vote on the resolution required by section 260B(4) of the Corporations Act and recommend shareholder approval of Resolutions 6A and 6B.

6.10 Prior notice to Australian Securities & Investments Commission

As required by section 260B(5) of the Corporations Act, copies of the Notice of Meeting and this Statement as sent to shareholders were lodged with the Australian Securities & Investments Commission prior to their dispatch to the shareholders.

7. Resolution 7: Renewal of Proportional Takeover Bid Provisions

7.1 Explanation

Rule 14 of the Constitution provides that the Company must refuse to register shares acquired under a Proportional Takeover Bid unless a resolution is passed by shareholders in general meeting approving the offer.

The proportional takeover provisions set out in rule 14 of the Company's Constitution were last renewed by shareholders of the Company at the 2016 Annual General Meeting for a period of three years. In accordance with the Corporations Act and the Constitution, rule 14 will cease to have effect on 20 October 2019, being three years from the date of the 2016 Annual General Meeting.

Accordingly, it is appropriate to consider renewing the Proportional Takeover Bid Provisions by reinserting rule 14, in the form last approved by shareholders at the 2016 Annual General Meeting, for a further three years with effect from the date of the Meeting.

7.2 What is a Proportional Takeover Bid?

A Proportional Takeover Bid is a takeover offer sent to each shareholder for only a specified proportion of the shares (i.e. less than 100%) held by the shareholder. Shareholders who accept such an offer in full will only dispose of that specified proportion and retain the balance of their shares.

This may allow effective control of the Company to pass to the bidder without shareholders having the chance to sell all of their shares, and may assist the bidder to take control of the Company without paying an adequate control premium.

7.3 Effect of the Proportional Takeover Bid Provisions

The effect of the Proportional Takeover Bid Provisions in rule 14 of the Constitution is that the Directors must convene a general meeting in the event of a Proportional Takeover Bid, at which meeting those shareholders entitled to vote will be asked to vote on whether to approve the Proportional Takeover Bid (**Approving Resolution**). The meeting at which the Approving Resolution is proposed must be held before the date which is 14 days before the last day of the bid period in respect of the Proportional Takeover Bid (**Approving Resolution Deadline**).

With respect to an Approving Resolution, each shareholder who as at the end of the day on which the first offer under the Proportional Takeover Bid was made held bid class shares, will be entitled to vote and will have one vote for each fully paid share held. The vote is to be decided on a simple majority. The bidder and its associates will not be entitled to vote on the Approving Resolution and if they do vote, their votes will not be counted.

If the Approving Resolution is not passed, transfers giving effect to a takeover contract resulting from the acceptance of an offer made under the Proportional Takeover Bid will not be registered and the Proportional Takeover Bid will be taken to have been withdrawn. If the Approving Resolution is passed, then the transfers must be registered if they comply with the Corporations Act and the Constitution.

If an Approving Resolution has not been voted on as at the end of the day before the Approving Resolution Deadline, an Approving Resolution will be taken to have been passed, and the Proportional Takeover Bid will be taken to have been approved.

The Proportional Takeover Bid Provisions only apply for three years from the date of their renewal, after which time they may only continue to apply if the Company's shareholders pass a special resolution in general meeting (in accordance with section 136(2) of the Corporations Act) to renew the Proportional Takeover Bid Provisions for a further three years from the date of that general meeting.

7.4 Knowledge of Proportional Takeover Bids

As at the date of this Notice, the Directors are not aware of a proposal by any person to acquire or to increase the extent of a substantial interest in the Company.

7.5 Potential advantages and disadvantages for Directors and shareholders

Pursuant to section 648G(5)(g) of the Corporations Act, the Company provides the below information in relation to the potential advantages and potential disadvantages of the Proportional Takeover Bid Provisions for both the Directors and shareholders.

(a) Potential advantages and disadvantages to Directors

The Directors consider that the Proportional Takeover Bid Provisions have no potential advantages or disadvantages for them as Directors, as the Directors are free to make whatever recommendations to shareholders with respect to Proportional Takeover Bids as the Directors deem appropriate.

(b) Potential advantages and disadvantages to shareholders

The potential advantages of the Proportional Takeover Bid Provisions for shareholders include that the provisions:

- (i) provide the right for shareholders to meet and decide, by majority vote, whether to accept a Proportional Takeover Bid;

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- (ii) may help shareholders avoid being in a situation where they are holding residual shares as a minority, and may prevent a bidder acquiring control of the Company without paying an adequate control premium;
- (iii) potentially increase the shareholders' bargaining power and may help ensure that any bid is adequately priced; and
- (iv) may assist each individual shareholder in deciding whether to accept or reject the Proportional Takeover Bid offer, by showing each shareholder the view of the majority of their fellow shareholders.

Potential disadvantages of the Proportional Takeover Bid Provisions for shareholders include that the provisions:

- (v) may potentially discourage the making of Proportional Takeover Bids for shares in the Company; and
- (vi) may reduce the likelihood of a Proportional Takeover Bid being successful,

both of which may result in shareholders losing a potential opportunity to sell some of their shares at a premium.

The Directors consider that the potential advantages for shareholders of the Proportional Takeover Bid Provisions operating for a further three years from the date of the Meeting outweigh the potential disadvantages.

(c) **Review of advantages and disadvantages of provisions during period prior to renewal**

Section 648G(5)(f) of the Corporations Act requires that the Company provide shareholders with a review of the advantages and disadvantages of the Proportional Takeover Bid Provisions for the Directors and shareholders during the period throughout which the provisions have already been in effect. The Company advises that during the period throughout which the current Proportional Takeover Bid Provisions have been in effect, there have been no Proportional Takeover Bids for the Company against which specific advantages and disadvantages can be assessed.

However, throughout this period, the general advantages and disadvantages laid out above applied to the Proportional Takeover Provisions.

7.6 Reasons for renewing the Proportional Takeover Bid Provisions

The Board considers that it is in the interests of shareholders for the Proportional Takeover Bid Provisions to remain in force in the Constitution, such that shareholders will have the opportunity to vote on any proposed Proportional Takeover Bid during the three years from the date of the Meeting.

7.7 Board Recommendation

As stated above, the Directors consider that the passing of this Resolution will be in the interests of shareholders and that the potential advantages for shareholders of the Proportional Takeover Bid Provisions outweigh any potential disadvantages, and for this reason the Directors recommend that shareholders vote in favour of this Resolution.

7.8 Chairman's available proxies

The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution 7.

Definitions

Approving Resolution	means a resolution to be proposed at a general meeting of the Company in the event of a Proportional Takeover Bid, at which meeting those shareholders entitled to vote will be asked to vote on whether to approve the Proportional Takeover Bid.
Approving Resolution Deadline	means the date which is 14 days before the last day of the bid period in respect of any Proportional Takeover Bid.
Bapcor or Company	means Bapcor Limited ACN 153 199 912.
Bapcor Finance	means Bapcor Finance Pty Limited ACN 153 203 804
Board	means the board of directors of the Company.
Constitution	means the Company's constitution.
Corporations Act	means <i>Corporations Act 2001 (Cth)</i> .
Closely Related Party (of a member of KMP of an entity)	has the definition given to it by section 9 of the Corporations Act, and means: <ul style="list-style-type: none"> (a) a spouse or child of the member; or (b) a child of the member's spouse; or (c) a dependant of the member or of the member's spouse; or (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or (e) a company the member controls; or (f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage).
Director	means a director of the board of Bapcor.
Equity Security	means: <ul style="list-style-type: none"> (a) a share; (b) a right to a share or option; (c) an option over an issued or unissued security; (d) a convertible security; (e) any security that ASX decides to classify as an equity security.
Key Management Personnel or KMP	means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
LTIP or Plan	means the Company's Long Term Incentive Plan.
Meeting	means the Company's 2019 Annual General Meeting.
Nominated Guarantor Entities	means the following entities: <ul style="list-style-type: none"> (a) Commercial Parts Pty Ltd; (b) Commercial Spares Pty Ltd; (c) Don Kyatt Spare Parts (QLD) Pty Ltd; (d) He Knows Truck Parts Pty Ltd; and (e) I Know Parts and Wrecking Pty Ltd
Proportional Takeover Bid	means an off-market bid that is made or purports to be made under section 618(1)(b) of the Corporations Act in respect of a specified proportion of shares included in a class of shares in the Company.
Proportional Takeover Bid Provisions	means rule 14 of the Constitution.







BAPCOR LIMITED
ABN 80 153 199 912

BAP
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1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1.30pm (AEDT)** **Wednesday 30 October 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 under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at 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

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 Bapcor 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 Bapcor Limited to be held at Holding Redlich, Level 8, 555 Bourke Street, Melbourne, Victoria 3000 on Friday, 1 November 2019 at 1.30pm (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, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 4 and 5 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, 4 and 5 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
Resolution 1	Adoption of Remuneration Report (Non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Ms Margaret Haseltine as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Ms Therese Ryan as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of the Long Term Incentive Plan (LTIP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for issue of FY20 Performance Rights to CEO under the LTIP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6A	Approval of Provision of Financial Assistance (Part A)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6B	Approval of Provision of Financial Assistance (Part B)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Renewal of Proportional Takeover Bid Provisions in Constitution	<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

