

TURNERS AUTOMOTIVE GROUP LIMITED

NOTICE OF ANNUAL MEETING

Notice is given that the 2018 annual meeting of shareholders of Turners Automotive Group Limited (*Turners* or the *Company*) will be held in the Showroom, Turners Group, cnr Penrose & Leonard Roads, Penrose, New Zealand on Wednesday 26 September 2018 commencing at 10.30am.

AGENDA

Chairman and Chief Executive Officer Presentations

Shareholder Discussion

RESOLUTIONS

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

Auditors

Resolution 1

That Staples Rodway be reappointed as auditors of the Company and that the Directors be authorised to fix the auditors' remuneration.

Directors

Resolution 2

That **Martin Berry**, who was appointed by the Board as a Director on 17 August 2018 and retires from office at the annual meeting, be elected as a Director of the Company.

Resolution 3

That **Antony Vriens**, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company.

Resolution 4

That **Paul Byrnes**, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company.

Directors Remuneration

Resolution 5

That the pool for Directors' fees be increased by \$225,000 from \$440,000 to \$665,000 per financial year, with effect for the financial year commencing 1 April 2018.

Explanatory notes regarding each of these resolutions are attached to this notice of meeting.

Notes on Voting

- 1 The resolutions will be voted on by shareholders of the Company as ordinary resolutions.
- 2 An ordinary resolution is a resolution passed by a simple majority of the votes cast of the shareholders entitled to vote and voting.
- 3 The only persons entitled to vote at the annual meeting are registered shareholders as at 5:00 pm on Monday 24 September 2018 and only the ordinary shares registered in those shareholders' names may be voted at the annual meeting.
- 4 Any shareholder who is entitled to vote at the annual meeting may appoint a proxy to attend and vote on their behalf. A shareholder wishing to appoint a proxy should complete the enclosed Voting/Proxy

form and send it to Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, New Zealand, fax it to +64 9 488 8787, or lodge online using Computershare's investorvote facility so as to ensure that it is received at least 48 hours before the time for holding the meeting. A proxy does not have to be a shareholder in the Company. A shareholder may appoint any person to act as a proxy. The Chairman or any of the other Directors is prepared to, act as a discretionary proxy for any shareholder. If, in appointing a proxy, you have inadvertently not named someone to be your proxy (either online or on the enclosed proxy form), or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy and will vote in accordance with your express direction. If appointed as a discretionary proxy, each Director intends to vote in favour of all resolutions.

- 5 To direct your proxy how to vote on each resolution, you should tick the appropriate box on the enclosed proxy form. Except as set out in the proxy form, if you appoint a proxy, but do not tick one of the boxes in relation to a resolution, you will be deemed to have granted your proxy the discretion to cast your votes as he or she decides.
- 6 Any corporation that is a shareholder may appoint a person as its representative to attend the annual meeting and vote on its behalf, in the same manner as that in which it could appoint a proxy. A corporation wishing to appoint a person must ensure that the representative brings an original of the notice appointing him or her to the meeting. To assist administration, the Company would be grateful if notices appointing representatives are delivered to Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, New Zealand, at least 48 hours before the time of the meeting. If the notice of appointment is not delivered to the Company's Share Registrar prior to the meeting, the representative must bring to the meeting an original copy of the notice of appointment signed by the relevant Company or body corporate.

For and on behalf of the Board

Barbara Badish
Company Secretary

30 August 2018

EXPLANATORY NOTES TO NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AUDITORS

Resolution 1

Staples Rodway is automatically reappointed as auditor of the Company under section 207T of the Companies Act 1993 (the *Act*). The proposed resolution seeks shareholder confirmation of this and empowers the Directors to set the remuneration of the auditors.

DIRECTORS

Under Listing Rule 3.3.6 of the NZX Main Board Listing Rules (*Listing Rules*) and in accordance with the Company's constitution, any person appointed as a Director by the Directors shall retire from office at the next annual meeting, but shall be eligible for election at that meeting. In this case, Martin Berry was appointed by the Board as a Director on 17 August 2018. He now retires from office and offers himself for election by the shareholders at the annual meeting.

Under Listing Rule 3.3.11 of the Listing Rules and in accordance with the Company's constitution, one third of the Company's Directors must retire by rotation at the annual meeting. If the Directors are eligible, they may offer themselves for re-election by shareholders at the meeting. In this case, Antony Vriens and Paul Byrnes retire by rotation and, being eligible, offer themselves for re-election by shareholders at the annual meeting.

Resolution 2

Martin Berry was appointed by the Board as a Director on 17 August 2018. He now retires from office and offers himself for election by the shareholders at the annual meeting.

Martin Berry is a seasoned global financial services executive having run large international businesses for the likes of ANZ, Citibank, Barclays and Standard Chartered. He later turned entrepreneur with a successful track record of having built, acquired and exiting several companies with values in excess of \$US100M. Martin later founded and now runs venture capital firm Brandhaus Capital Partners out of Singapore, investing across the region with a strong focus on fintech.

In terms of the Listing Rules, the Board considers that Martin Berry is a non-executive Director and is independent.

Resolution 3

Antony Vriens retires by rotation pursuant to the constitution of the Company and Listing Rules, and being eligible, has offered himself for re-election.

Antony Vriens has been a Director and chairman of Turners' insurance subsidiary, DPL Insurance (now Autosure), since 2012. He is a highly experienced insurance industry professional, with demonstrated success as a senior executive and consultant in insurance and wealth management businesses within Australia and New Zealand.

Antony currently holds the position of VP of Technical Insurance Services for Manulife Asia. He brings a hands on, practical and commercial approach and a strong technology focus to his Board role. His relationships across the insurance industry and regulators are highly valuable to the Turners business and his collaborative approach is embraced by both Board and management

In terms of the Listing Rules, the Board considers that Antony Vriens is a non-executive Director and is independent.

Resolution 4

Paul Byrnes retires by rotation pursuant to the constitution of the Company and Listing Rules, and being eligible, has offered himself for re-election.

Paul Byrnes is a chartered accountant, a professional Director and an investor with over 25 years' experience in senior and CEO roles in private and listed companies. His career has included the management buyout of previously listed Holeproof Industries, consulting and participation in merger and acquisition opportunities and business 'turnaround' management. Paul was appointed CEO and Executive Director of Dorchester Pacific in May 2008 (now Turners Automotive Group), handing over the CEO role to Todd Hunter in June 2016. Paul is entrepreneurial at heart but combines this with a wealth of top class governance experience (Top Energy and Hellaby Holdings) and the real world CEO experience of bringing a finance company positively out of the GFC. Paul has a 4.44% shareholding in Turners Automotive Group.

In terms of the Listing Rules, the Board considers that Paul Byrnes is a non-executive Director but is not independent.

DIRECTORS' REMUNERATION

Resolution 5

This resolution proposes to shareholders that the pool for Directors' fees be increased from \$440,000 to \$665,000 per annum per financial year, with effect from the financial year commencing 1 April 2018. The last increase was approved by shareholders at Turners' 2015 Annual Meeting which resulted in the current pool of \$440,000 per annum. Actual fees paid in the financial year ending 31 March 2018 were \$425,000. The Directors' fees pool is used to make remuneration payments to Turners' Directors, Chair and Board members based on their experience, role and contributions. We engaged Strategic Pay to review our Director remuneration against market standards to ensure that our Directors receive remuneration which reflects the time and experience they contribute. The review considered the current position of Turners against other New Zealand publicly listed companies. This review included considerations such as Turners' 2017 mid-year financial results which had a 44% increase in revenue, suggesting an annual turnover of \$325 million. Based on the market review, and due consideration, the Board considers the proposed increase would result in appropriate levels of Director remuneration based on market consensus at competitive levels. A copy of Strategic Pay's Directors' Fees Review is available on Turners website:

<https://www.turnersautogroup.co.nz/Investor+Centre/Annual+Meetings.html>

The proposed pool increase is based on the following allocation, however is subject to the final discretion of the Board:

Office	Current remuneration	Proposed remuneration	Amount of increase	No. of Persons holding office
Chair	110,000	150,000	40,000	1
Non-executive Director	55,000	75,000	20,000	4
Fees payable for a seventh Director	-	75,000	75,000	1
Chair of DPL Insurance Limited	60,000	35,000	(25,000)	1
Chair of DPL Insurance Limited for duties as non-executive Director for TRA	20,000	75,000	55,000	1
Chair of Audit & Risk Committee	7,500	15,000	7,500	1
Chair of Credit & Lending Committee	7,500	15,000	7,500	1
Aggregated Director's remuneration	425,000	665,000	240,000	

Note - DPL Insurance is legally required to operate a separate board because it holds an insurance license with the Reserve Bank of New Zealand. Antony Vriens is the current chairman of the DPL Insurance board and is also a non-executive director of Turners Automotive Group.