

ASX RELEASE 29 JANUARY 2020

Changes to the FY20 Long Term Incentive plan

Following the carsales' Annual General Meeting (AGM) held on 25 October 2019, the Board has reviewed the structure of the Long Term Incentive (LTI) plan applicable to the CEO, Mr Cameron McIntyre and other Senior Executives of carsales. The Board has incorporated changes to the plan to reflect shareholder feedback received around the AGM.

The differences between the amended FY20 LTI plan and the plan put to shareholders at the 2019 AGM are set out below.

- The financial measures in the plan will account for 70% of total award – this reflects earlier plans, whereas the plan put to shareholders at the 2019 AGM had a 60% weighting for financial measures. As a consequence, the strategic objectives will now account for 30% of the total award.
- The Board has re-introduced a 'gate' or minimum threshold for each financial measure, which if not achieved will result in no award being made for that measure. The minimum threshold for each measure is 3% CAGR over the testing period, and the maximum target remains 10% growth for each measure.
- The introduction of a non-linear vesting schedule for the financial measures to reflect the difficulty in achieving higher growth and to avoid cliff vesting.

The company intends to seek shareholder approval for the award of options and performance rights to Mr McIntyre pursuant to this plan for FY20 at the 2020 Annual General Meeting.

Release authorised by:
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Chair of Remuneration and Nomination
Committee

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