

carsales.com Limited  
ABN 91 074 444 018  
Registered Office: Level 4, 449 Punt Road, Richmond, Victoria, 3121

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### **Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting (“AGM”) of the Shareholders of carsales.com Limited (“Carsales” or “Company”) will be held virtually on 30 October 2020 at 12 noon.

#### **Virtual Participation**

To facilitate the participation of Shareholders in this AGM, the Company has in place an online platform provided by Lumi to allow Shareholders to participate in the AGM virtually. For detailed steps on how to participate in the AGM virtually, please refer to the Online Meeting Guide available at <http://shareholder.carsales.com.au>.

The AGM will be webcast live from the website at <https://web.lumiagm.com/355186713>. If you choose to participate online you will be able to view the live webcast of the meeting, ask the meeting questions (through a chat functionality) and submit your votes in real time.

Even if you are planning on participating in the meeting in real time, we encourage you to submit a proxy and any questions you may have online ahead of the AGM to avoid any technical issues that may occur on the day. This can be done online through the <https://www.investorvote.com.au> website.

Further updates (if any) on this Notice of Meeting that may be necessary in view of the COVID-19 Pandemic will be disseminated through the ASX Markets Announcements Office and on our website.

The Explanatory Notes that accompany and form part of this Notice of Meeting describe the various matters to be considered.

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#### **Questions on AGM**

In accordance with the Corporations Act and the Company’s past practice, a reasonable opportunity will be given to the Shareholders at the AGM to ask questions about, or make comments on, the management of the Company and the Remuneration Report.

Similarly, a reasonable opportunity will also be given to the Shareholders to ask the Auditor questions relevant to the Auditor’s Report or conduct of the audit, the preparation, contents of the audit report, the accounting policies adopted by the Company and the auditor’s independence.

Written questions may be submitted by Shareholders in advance of the meeting through the <https://www.investorvote.com.au> website.

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## Annual General Meeting Agenda

### Ordinary Business

#### Item 1. Financial Report

To receive and consider the Financial Report of the Company for the year ended 30 June 2020, including the Directors' declaration, the related Directors' Report and the Auditor's Report of the Company.

#### Item 2: Adoption of FY20 Remuneration Report

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

*"That the Company's Remuneration Report for the financial year ended 30 June 2020 be adopted."*

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

An explanatory note to this item appears on page 4.

#### Voting Exclusion Statement

The Company will disregard any votes cast on item 2 by:

- A member of the Company's KMP whose remuneration is included in the Remuneration Report; and
- Closely related parties of those KMPs (such as certain family members, dependents and companies they control),

as well as any votes cast as a proxy on item 2 by members of the KMP at the date of the meeting and their closely related parties, unless the votes are cast by:

- A proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; **or**
- The Chair of the AGM, voting as a proxy for a person who is entitled to vote, and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolutions and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's KMP.

#### Item 3: Re-election of Directors

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

##### Item 3(a)

*"That Mr. Patrick O'Sullivan, being a Director of the Company who retires by rotation in accordance with*

*Rule 17.1 of the Company's constitution and, being eligible offers himself for re-election, be re-elected as a Director of the Company."*

##### Item 3(b)

*"That Mr. Walter James Pisciotta OAM, being a Director of the Company who retires by rotation in accordance with Rule 17.1 of the Company's constitution and, being eligible offers himself for re-election, be re-elected as a Director of the Company."*

### Special Business

#### Item 4: Long-term incentive awards for the Managing Director (MD) and Chief Executive Officer (CEO)

To consider and if thought fit, pass the following resolutions to be voted on separately:

##### Item 4(a)

#### FY21-23 grant of Performance Rights to the MD and CEO

*"That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval be and is hereby given, to the grant of up to 80,499 Performance Rights over Shares in the Company to Mr. Cameron McIntyre, in respect of the FY21-23 LTI award, in accordance with the terms of the Company's Option Plan and as set out in the Explanatory Memorandum below."*

##### Item 4(b)

#### FY20-22 grant of Options and Performance Rights to the MD and CEO

*"That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval be and is hereby given, to the grant of up to 222,283 Options and Performance Rights over Shares in the Company to Mr. Cameron McIntyre, in respect of the FY20-22 LTI award, in accordance with the terms of the Company's Option Plan as set out in the Explanatory Memorandum below."*

#### Voting Exclusion Statement

The Company will disregard any votes cast on Items 4a and 4b, by:

- The Managing Director, Mr. Cameron McIntyre; and
- Any of his associates,

as well as any votes cast by members of the KMP and their closely related parties as proxies unless the votes cast on items 4a and 4b are cast:

- In accordance with a direction given by a person who is entitled to vote on items 4a and 4b to vote on the resolution in a particular way;
- By the Chair of the Annual General Meeting acting as a proxy and the appointment expressly authorises the Chair to exercise the proxy as the Chair decides;
- By a holder acting solely as a nominee, trustee, custodial or fiduciary capacity on behalf of a beneficiary provided:
  - Written communication being provided by the beneficiary that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting; and
  - The vote is cast in accordance with the directions of the beneficiary to the holder.

#### Item 5: Conditional spill resolution

If required, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

Subject to and conditional on at least 25% of the votes cast on Item 2, being cast against the adoption of the Company's Remuneration Report for the financial year ended 30 June 2020:

- An extraordinary general meeting of the Company (Spill Meeting) be held within 90 days of this resolution;
- All of the non-executive Directors in office when the resolution to approve the Directors' report for the financial year ended 30 June 2020 was passed and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and
- Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting are put to the vote at the Spill Meeting.

Note: If you do not want the spill meeting to take place, vote "AGAINST" this resolution. If you want the spill meeting to take place, vote "FOR" this resolution

By order of the Board.



Nicole Birman  
Company Secretary  
25 September 2020

## Voting Information

### 1. Voting by Poll:

As the Shareholders will be participating virtually in the AGM, and in accordance with Rule 13.5(a)(3) of the constitution, the Chair intends to call a poll on each of the resolutions proposed at the AGM. The Chair considers voting by poll to be in the interests of the Shareholders as a whole and ensures the views of as many Shareholders as possible are represented at the AGM.

### 2. Entitlement to vote

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that the shareholding of each Shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting will be as it appears in the Share register at 7pm (Melbourne time) on Wednesday 28 October 2020 ("**Effective Time**").

### 3. Proxies

#### Appointment of Proxies

Enclosed with this Notice of Meeting is a proxy form.

A Shareholder entitled to attend and vote at the AGM may appoint a proxy to attend virtually and vote on their behalf. To do so they must complete the proxy form. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment **does not** specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise one half of the Shareholder's votes.

A proxy need not be a Shareholder of the Company. The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with Section 127 of the Corporations Act.

A corporation which is a Shareholder of the Company may appoint a representative to act on its behalf at the AGM. Appointments of representatives must be received in accordance with the requirements set below prior to the AGM or any adjournment of the AGM.

Proxies and powers of attorney granted by Shareholders must be received by the Company by no later than 12 noon (Melbourne time) Wednesday 28 October 2020. To be valid, a duly completed proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be:

- Given electronically, by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and following the

instructions provided but a proxy cannot be appointed online if appointed under a power of attorney or similar authority; or

- b. Deposited with the Company's Share registry, Computershare Investor Services GPO Box 242, Melbourne VIC, 3001; or
- c. Successfully transmitted via facsimile to 1800 783 447 (within Australia), +613 9473 2555 (outside Australia); or
- d. Given electronically by intermediary online custodians by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

If a Shareholder has any specific questions in relation to the above, please contact the Shareholder information line on 1300 651 575 or from overseas +613 9415 4694 not later than 48 hours before the holding of the AGM or any adjournment of that AGM.

#### Directing Proxies how to vote

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If you mark the abstain box for a particular Item of business, you are directing your proxy not to vote on your behalf and your Shares will not be counted in computing the required majority on a poll. If you do not mark a voting instructions box in respect of a particular Item of business, you are directing your proxy to vote as he or she decides, subject to any voting exclusions that apply to the proxy (as described below).

#### Undirected Proxy

You may appoint the Chair of the meeting as your proxy. In addition, the Chair of the meeting is deemed appointed where a completed proxy form is submitted which does not contain the name of the proxy or where the person appointed on the form is absent from the meeting or does not vote in accordance with your directions. If you direct the Chair how to vote on an Item of business, the Chair must vote in accordance with your direction.

If you appoint the Chair of the meeting as your proxy or the Chair of the meeting is appointed as your proxy by default, and you do not mark a voting instructions box for Items 3(a), 3(b), 4(a) and 4(b), then by completing and submitting the proxy form, you will be expressly authorising the Chair of the meeting to exercise the proxy as the Chair sees fit in respect of Items 3(a), 3(b), 4(a) and 4(b) even though Items 3(a), 3(b), 4(a) and 4(b) are connected directly or indirectly with the remuneration of the Company's key management personnel. The Chair intends to vote all available proxies in favour of each Item of business, except Item 5.

## Explanatory Notes

These Explanatory Notes are intended to provide Shareholders of the Company with the information relevant to items of business set out in the Notice of Meeting, in order to assess the merits of the proposed resolutions. The Directors recommend that the Shareholders read these Explanatory Notes before making any decision relating to the resolutions set forth in this Notice of Meeting.

Further details relating to each of the resolutions are set out below.

### Item 1: Financial Report and Directors' and Auditor's Reports

The Corporations Act requires the Financial Report, Directors' Report and Auditor's Report of the Group, prepared on a consolidated single entity basis, for the most recent financial year to be laid before the Annual General Meeting. While this item of business does not require a formal resolution to be put to Shareholders, the Chair will give Shareholders a reasonable opportunity to ask questions and make comments on these reports and on the business, operations and management of the Group.

A copy of the Financial Report, Directors' Report and Auditor's Report is available on the Company's website, <http://shareholder.carsales.com.au>, by clicking "Financial Reports". You have the option of receiving, free of charge, a printed copy of these reports. Please contact Computershare on 1300 651 575 (or from overseas +613 9415 4694) if you wish to receive a printed copy of these reports.

### Item 2: Remuneration Report

A detailed Remuneration Report is included in the Annual Report (pages 40 to 61).

The Remuneration Report contains the following:

- Summary of the executive KMP remuneration framework;
- Remuneration outcomes and links to performance;
- Remuneration Governance:
  - Executive KMP statutory remuneration disclosure;
  - Details of executive service agreements; and
  - Executive KMP equity disclosures.

As required pursuant to the Act, the Remuneration Report is presented to Shareholders for consideration and adoption by a non-binding vote. This means that the vote on this resolution is advisory *only* and is not binding on the Board. However, the Board will consider the outcome of this vote as well as the discussions at the AGM on the Remuneration Report

when determining the Company's approach to remuneration.

### Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of adopting the Remuneration Report. As stated in the Notice of Meeting, each of the KMP whose remuneration is included in the Remuneration Report and closely related parties of those KMP are not eligible to vote on this Resolution, except as stated in the Notice of Meeting.

The Chair intends to vote all available proxies in favour of the adoption of the Remuneration Report.

### Item 3: Re-election of Directors

In accordance with Rule 17.1 of the Company's constitution, at every AGM as long as there are three or more "Relevant Directors" (a "Relevant Director" includes a Director but does not include a Managing Director) one third of the Relevant Directors must retire and will be eligible for re-election. As per ASX Listing Rule 14.5 and Rule 17.2 of the Company's constitution, a Director must retire from office no later than the longer of the third AGM or three years following the Directors last appointment or re-appointment.

Accordingly, Mr. Patrick O'Sullivan and Mr. Walter James Pisciotta OAM will be retiring at the AGM and being eligible, offer themselves for re-appointment.

#### Item 3(a)

##### Re-Election of Mr. Patrick O'Sullivan

Mr. O'Sullivan joined the Board on 29 June 2007. He became Chair of the Board in 2019, having been the Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee for many years.

**Skills and Experiences:** Mr. O'Sullivan brings a breadth of financial, commercial and regulatory experience to the Board, including insights to the operations of global companies. He has held a number of senior executive roles, including being the Chief Operating Officer and Finance Director of Nine Entertainment Co Pty Limited and Chief Financial Officer of Optus.

He is an experienced ASX Non-Executive Director, having held a number of ASX roles and at present is the Chair of the Afterpay Audit and Risk Committee and a member of its Remuneration and Nomination Committee.

**Degrees/Qualifications:** Mr. O'Sullivan is a member of the Institute of Chartered Accountants in Ireland and Australia and a graduate of the Harvard Business School's Advanced Management Program.

### Directors' Recommendation

The Board (excluding Mr. O'Sullivan) endorses the re-election of Mr. O'Sullivan as a Director. If re-elected, the Board considers that Mr. O'Sullivan will be an independent Non-Executive Director and continue in his role as Chair.

The Chair of the meeting intends to vote all available undirected proxies in favour of the re-election of Mr Patrick O'Sullivan.

#### Item 3(b)

##### Re-Election of Mr. Walter James Pisciotta OAM

Mr. Pisciotta joined the Board on 25 June 1996. He is a member of the Remuneration and Nomination Committee.

**Skills and Experiences:** Mr. Pisciotta has more than 35 years' experience in supplying computer services to the automotive industry and was the Chair of Carsales since its inception until August 2015. Mr. Pisciotta was recognised with the Medal of the Order of Australia for his services to the Australian Automotive Industry in the 2016 Queen's Birthday Honours. He brings to the Board extensive knowledge of the IT needs of the automotive industry as well as his extensive knowledge of the business, having been a driving force from its inception.

**Degrees/Qualifications:** Mr. Pisciotta holds a Bachelor of Science degree in Business Administration from the University of Alabama (United States).

### Directors' Recommendation

The Board (excluding Mr. Pisciotta), endorses the re-election of Mr. Pisciotta as a Director. If re-elected, the Board considers that Mr. Pisciotta will be a Non-Executive Director.

The Chair of the meeting intends to vote all available undirected proxies in favour of the re-election of Mr. Walter James Pisciotta.

### Item 4: Long-term incentive awards for the Managing Director and Chief Executive Officer

#### Item 4(a)

##### FY21-23 grant of Performance Rights to the MD and CEO

Resolution 4a seeks approval for the grant of 80,499 Performance Rights to the MD and CEO, Mr. Cameron McIntyre, in respect of the long-term variable component of his remuneration package for the 2021 financial year (FY21-23 LTI), on the terms summarised below.

### **Background**

The Company operates the carsales.com Option Plan (Plan) under which eligible executives may receive grants of Performance Rights to acquire Shares in the Company, subject to meeting certain performance and service conditions.

Performance Rights are proposed to be granted because they provide immediate Share price exposure.

In addition to changes made to the FY20-22 LTI in response to Shareholder and proxy advisor feedback at the 2019 AGM, the Board has recently refined the Plan for FY21-23 to simplify and enhance alignment with Shareholders. The following key changes are proposed for the FY21-23 LTI:

- The award will be delivered in a single vehicle, Performance Rights. While the combination of Performance Rights and Options has served us well to date, the Board has decided to simplify the plan to have only one equity vehicle, rather than two.
- The Look Through Revenue performance measure is replaced with Relative Total Shareholder Return (Relative TSR). Relative TSR enhances the alignment between executive remuneration outcomes and the Shareholders' experience. Look Through Revenue is still an important measure for the business and will continue to be measured via the Company's Short-Term Incentive plan.

Adjusted Earnings Per Share (Adjusted EPS) has been retained as a performance measure to support alignment with company specific financial outcomes.

The Performance Rights will be tested for vesting at the end of a three-year performance period against performance measures which reward executives for multi-year strategy implementation (strategic measures), financial performance (Adjusted EPS) and reflect Shareholders' experience (Relative TSR).

We are also seeking approval for the FY20-22 LTI grant in a separate resolution, as it was not approved at the 2019 AGM. Further information about the FY20-22 LTI is described in Resolution 4b.

### **Approvals sought**

ASX Listing Rule 10.14 requires the Company to obtain Shareholder approval for the issue of securities to a Director under an employee incentive scheme, and the Company wishes to have flexibility to satisfy Performance Rights by way of issuing new Shares or acquiring Shares on-market.

Accordingly, Shareholders are asked to approve the grant of 80,499 Performance Rights to the MD and CEO under the Plan, on the terms and conditions set out below. Approval of this resolution will also result in the Performance Rights granted to the MD and CEO being included as an exception to the approval requirements of ASX Listing Rule 7.1. This means the Performance Rights granted to the MD and CEO, and any other Shares issued pursuant to this approval, will not use up part of the 15% limit available under ASX Listing Rule 7.1.

If approval is not obtained from Shareholders, then the Board will consider whether to proceed with the grant, make the grant on different terms or acquire Shares on-market to satisfy the Performance Rights.

### Key terms of the Performance Rights

An overview of the key terms of the proposed grant of Performance Rights to the MD and CEO under the FY21-23 LTI are set out below.

Term	Details
Number of Performance Rights	<p>Subject to Shareholder approval, the MD and CEO will be granted 80,499 Performance Rights under the Plan.</p> <p>The number of Performance Rights to be granted has been calculated by dividing the MD and CEO's maximum FY21-23 LTI Opportunity (being 94.7% of FY21 Fixed Remuneration) by the volume weighted average price (<b>VWAP</b>) of the Company's ordinary shares for 20 trading days up to 30 June 2020 of \$17.64.</p>
Date of grant	If Shareholder approval is obtained, the Performance Rights will be granted to the MD and CEO as soon as practicable after the AGM, but in any event, within 12 months of the AGM.
Performance Rights	<p>Each Performance Right is an entitlement to receive one Share (or a cash payment of equivalent value), subject to satisfaction of the applicable performance and service-related conditions.</p> <p>Performance Rights do not carry any dividend or voting rights, or in general, a right to participate in other corporate actions such as bonus issues.</p> <p>Performance Rights are not transferable (except in limited circumstances or with the consent of the Board).</p>
Performance measures and weightings	<p>Vesting of Performance Rights is subject to:</p> <ul style="list-style-type: none"> <li>• An Adjusted EPS performance measure, reflecting the Company's financial performance;</li> <li>• A Relative TSR measure, reflecting Shareholders' experience;</li> <li>• Strategic measures, reflecting multi-year strategy implementation; and</li> <li>• The MD and CEO's continued employment with the Company.</li> </ul> <p>35% of the Performance Rights are subject to the Adjusted EPS performance measure, 35% subject to the Relative TSR measure and 30% subject to strategic measures.</p> <p><b>(1) Adjusted EPS (35% weighting)</b></p> <p>Vesting of 35% of the Performance Rights will be subject to the Adjusted EPS performance measure.</p> <p>Adjusted EPS is defined as earnings per Share calculated by dividing the Adjusted Net Profit After Tax attributable to equity holders of the Company during the performance period by the weighted average number of ordinary shares outstanding during the performance period.</p> <p>Adjusted NPAT is defined as the Group net profit after tax and non-controlling interests from continuing operations, subject to inclusions and exclusions at the discretion of the Board such as acquired intangible asset amortisation, any material one-off transactions of a corporate nature such as gains/losses on business disposals, non-cash associate revaluations, impact of capital reorganisations, or other significant non-recurring corporate transaction costs as determined by the Board. The Adjusted EPS hurdle is tested by measuring the growth in the Company's Adjusted EPS over the performance period (from 1 July 2020 to 30 June 2023) against pre-determined targets set by the Board.</p>

The percentage of Performance Rights that vest, if any, will be determined with reference to the Company's Adjusted EPS performance over the performance period, based on the table below.

CAGR	Performance Rights subject to Adjusted EPS measure that vest (%)
Less than 3% CAGR	0%
At 3% CAGR	30%
At 7% CAGR	80%
At 8% CAGR	90%
At 9% CAGR	95%
At 10% CAGR or greater	100%

As a result of exceptional circumstances relating to COVID-19, the Board exercised discretion in the FY18-20 LTI Plan to vest the financial component at the mid-target, which equates to vesting 66% of the financial component of the plan. Therefore, to ensure there is no material advantage to executives, the Adjusted EPS outcome implied by mid-target vesting will be used as the starting point for the FY21-23 base year calculation. Please see page 46 of the 2020 Annual Report for further details.

The Board retains discretion to alter the Adjusted EPS measure, CAGR growth rates or vesting schedule in exceptional circumstances, including matters outside of management's influence, to ensure there is no material advantage or disadvantage that would materially affect Adjusted EPS.

## (2) Relative TSR (35%)

Vesting of 35% of the Performance Rights will be subject to the Company's Relative TSR performance measure.

Relative TSR has been introduced as a new performance measure, replacing Look Through Revenue, to enhance alignment of executive remuneration outcomes with that of Shareholders.

Broadly, TSR calculates the return Shareholders would earn if they held a notional number of Shares over a period of time. It measures the change in the Company's Share price, together with the value of dividends during the relevant period, assuming that the dividends are re-invested into new Shares. Relative TSR compares the Company's TSR performance against the TSR of a bespoke peer group of companies.

The peer group will comprise of ASX200 companies in the media and entertainment, retailing industry and information technology sectors. Additionally, there are three international peer companies in the peer group: Auto Trader Group PLC, CarGurus Inc and Cars.com Inc. The Australian listed peer companies are those with whom the Company competes with for advertising space and talent in Australia and international markets. The inclusion of international peers reflects the Company's global footprint.

The peer group is comprised of the following companies:

Afterpay Ltd	EML Payments Ltd	Premier Investments Ltd
Altium Ltd	Harvey Norman Holdings Ltd	REA Group Ltd
Appen Ltd	IRESS Ltd	SEEK Ltd
Auto Trader Group PLC	JB Hi-Fi Ltd	Southern Cross Media Group Ltd
Bapcor Ltd	Link Administration Holdings Ltd	Super Retail Group Ltd
Bravura Solutions Ltd	Megaport Ltd	Technology One Ltd
CarGurus Inc	Nearmap Ltd	Webjet Ltd
Cars.com Inc	News Corporation	Wesfarmers Ltd
Computershare Ltd	NEXTDC Ltd	WiseTech Global Ltd
Domain Holdings Australia Ltd	Nine Entertainment Co Holdings Ltd	Xero Ltd
Eagers Automotive Ltd	Ooh!Media Ltd	

The percentage of Performance Rights that vest, if any, will be determined with reference to the Company’s TSR in comparison to that of companies in the bespoke peer group over the performance period (from 1 July 2020 to 30 June 2023) as set out in the table below.

<b>TSR rank in bespoke peer group</b>	<b>Performance Rights subject to Relative TSR measure that vest (%)</b>
Less than 50 <sup>th</sup> percentile	0%
Equal to 50 <sup>th</sup> percentile	50%
Greater than 50 <sup>th</sup> percentile and less than 75 <sup>th</sup> percentile	Straight line pro-rata between 50% and 75%
At or above 75 <sup>th</sup> percentile	100%

The Board retains discretion to adjust the Relative TSR measure or vesting schedule in exceptional circumstances, including matters outside of management’s influence, to ensure that a participant is neither advantaged nor disadvantaged by matters that may materially affect achievement of the Relative TSR measure.

**(3) Strategic measures (30% weighting)**

Vesting of 30% of the Performance Rights will be subject to performance against strategic measures.

The release of the strategic measures used to assess performance will be provided upon completion of each three-year performance period, due to competitive advantage information being withheld.

The strategic measures contain objectives in the following areas:

- international business performance metrics that reflect the strategic importance of this segment to the Group as a whole;
- trust and brand metrics that represent the importance of reputation to the Group’s success; and
- domestic business milestones that indicate successful implementation of the Group’s strategic roadmap.

	<p>Achievement of each of the strategic measures will be assessed by the Board on the following three point scale:</p> <table border="1" data-bbox="475 309 1374 607"> <thead> <tr> <th>Rating</th> <th>Performance Rights subject to strategic measures that vest (%)</th> </tr> </thead> <tbody> <tr> <td>Not achieved</td> <td>0%</td> </tr> <tr> <td>Partially achieved</td> <td>50%</td> </tr> <tr> <td>Fully achieved</td> <td>100%</td> </tr> </tbody> </table>	Rating	Performance Rights subject to strategic measures that vest (%)	Not achieved	0%	Partially achieved	50%	Fully achieved	100%
Rating	Performance Rights subject to strategic measures that vest (%)								
Not achieved	0%								
Partially achieved	50%								
Fully achieved	100%								
Performance period	<p>The Adjusted EPS, Relative TSR and strategic measures outlined above will be tested over a three-year performance period (from 1 July 2020 to 30 June 2023).</p> <p>As the Company's full-year results are not typically announced to the market until late August each year following the results announcement, the final number of Performance Rights that vest will not be determined until after this time.</p> <p>Any Performance Rights that do not vest following testing will lapse.</p>								
Allocation of Shares upon vesting	<p>Following determination of the extent to which the performance measures have been satisfied (at the end of the three-year performance period), vested Performance Rights will be automatically exercised, and one Share will be allocated for each vested Performance Right that is exercised.</p> <p>The Company's obligation to allocate Shares on vesting and automatic exercise may be satisfied by issuing new Shares, acquiring Shares on-market or by transferring from an employee share trust.</p>								
Price payable for securities	<p>No amount is payable in respect of the grant of Performance Rights, nor in respect of any Shares allocated on exercise of vested Performance Rights.</p>								
Cessation of employment	<p>Performance Rights which have not vested, will, subject to the Board's discretion, automatically lapse if the MD and CEO ceases to be employed by the Company.</p>								
Malus / Clawback	<p>The Plan provides the Board with the ability to apply malus / clawback and declare that all, or some, of the MD and CEO's Performance Rights and Shares held under the Plan are forfeited.</p> <p>The Board may apply malus / clawback in the following circumstances:</p> <ul style="list-style-type: none"> <li>a) Material breach of the participant's obligations to the Company or a Subsidiary; and</li> <li>b) Behaviour that brings the Company or Group into disrepute.</li> </ul>								
Other information	<p>There is no loan scheme in relation to the grant of Performance Rights under the Plan.</p> <p>Details of any Performance Rights issued under the Plan will be published in the Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.</p> <p>Any additional people covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Plan after this Resolution 4 is approved, and who were not named in this Notice of Meeting, will not participate until approval is obtained under that rule.</p>								

**The MD and CEO's total remuneration package for FY21.**

The MD and CEO's total remuneration package for FY21 is set out below:

Remuneration element	Opportunity
<b>Fixed Remuneration (inclusive of Base Salary plus Superannuation)</b>	\$1,500,000
<b>Short-Term Incentive (STI)</b>	110.4% of Fixed Remuneration at maximum (i.e., \$1,655,400)
<b>Long-Term Incentive – FY21 grant</b>	94.7% of Fixed Remuneration at maximum (i.e., \$1,420,000)
<b>Long-Term Incentive – FY20 grant</b>	100% of Fixed Remuneration at maximum (i.e., \$1,420,000)

Further information regarding the MD and CEO's remuneration arrangements is detailed on pages 38 to 61 of the 2020 Annual Report.

**Previous awards under the Plan**

The following table summarises the Performance Rights and Options previously granted to the MD and CEO under the Plan:

Description	Number of Performance Rights or Options Granted	Average Acquisition Price (per security)
FY18-20 LTI Performance Rights	72,530 (47,652 vested)	Nil
FY18-20 LTI Options	115,243 (115,243 vested)	\$11.41
FY19-21 LTI Performance Rights	63,551	Nil
FY19-21 LTI Options	177,632	\$14.87

**Voting exclusion**

A voting exclusion statement applicable to Resolution 4a is set out in this Notice of Meeting and Proxy Form.

**Directors' Recommendation**

The Board (other than the MD and CEO who abstains from making a recommendation because of his interest in the resolution) unanimously recommends that Shareholders **vote in favour** of this Resolution 4a.

**Item 4(b)**

**FY20-22 grant of Options and Performance Rights to the MD and CEO**

Resolution 4b seeks approval for the granting of 73,412 Performance Rights and 148,871 Options to the Managing Director and Chief Executive Officer (MD and CEO), Mr. Cameron McIntyre, in respect of the long-term variable component of his remuneration package for the 2020 financial year (FY20-22 LTI), on the terms summarised below.

Although the proposed grant relates to FY20-22, approval is sought at this year's AGM as the FY20-22 LTI grant was not approved by Shareholders at the 2019 AGM and, therefore, no grant was made to the MD and CEO in respect of FY20-22. Details of the proposed FY20-22 LTI (and a summary of the changes made by the Board) are set out below.

**Background**

The Company operates the carsales.com Option Plan (Plan) under which eligible executives receive grants of Performance Rights and Options to acquire Shares, subject to meeting certain performance and service conditions.

Performance Rights and Options are proposed to be granted because they provide immediate Share price exposure.

As noted above, the proposed grant of Performance Rights and Options under the Plan in respect of the FY20-22 LTI was not approved by Shareholders at the 2019 AGM. Shareholders and proxy advisers raised concerns regarding the lack of minimum performance thresholds / gate for financial measures.

In response to Shareholder feedback at the 2019 AGM, the Board reviewed the terms of the grant, its alignment to the Company's objectives at that time, and how the performance measures linked long-term remuneration with the economic benefit derived by Shareholders over a three-year performance period.

Following the review, the Board made the following changes to the Plan:

- Increased the weighting of financial performance (Adjusted EPS and Look Through Revenue) measures from 60% to 70% of the total LTI award. As a result, strategic measures account for 30% of the total award.
- Re-introduced a minimum 'gate' threshold for the financial performance measures. Achievement of the minimum threshold is required for the vesting of each financial measure. Further details are outlined below.
- Introduced a non-linear vesting schedule for the financial performance measures. Non-linear vesting reflects the difficulty in achieving higher growth and avoids cliff vesting.

These changes were announced to Shareholders on 29 January 2020. Accordingly, approval is sought for the FY20-22 grant, based on the revised terms, which are summarised below.

#### ***Approvals sought***

ASX Listing Rule 10.14 requires the Company to obtain Shareholder approval for the issue of securities to a Director under an employee incentive scheme, and the Company wishes to have flexibility to satisfy Performance Rights and Options by way of issuing new Shares or acquiring Shares on-market.

Accordingly, Shareholders are asked to approve the grant of 73,412 Performance Rights and 148,871 Options to the MD and CEO under the Plan, on the terms and conditions set out below]. Approval of this resolution will also result in the Performance Rights and Options granted to the MD and CEO being included as an exception to the approval requirements of ASX Listing Rule 7.1. This means the Performance Rights and Options granted to the MD and CEO, and any other Shares issued pursuant to this approval, will not use up part of the 15% limit available under ASX Listing Rule 7.1.

If approval is not obtained by Shareholders, then, the Board will consider whether to proceed with the grant, make the grant on different terms or acquire Shares on-market to satisfy the Performance Rights and Options.

### Key terms of the Performance Rights and Options

An overview of the key terms of the proposed grant of Performance Rights and Options made to the MD and CEO under the FY20-22 LTI are set out below:

Term	Details
Number of Performance Rights and Options	<p>Subject to Shareholder approval, the MD and CEO will be granted 73,412 Performance Rights and 148,871 Options under the Plan.</p> <p>The number of Performance Rights to be granted has been calculated by dividing the MD and CEO's maximum FY20-22 LTI Opportunity relating to Performance Rights (being 70% of his FY20 Fixed Remuneration) by the volume weighted average price (<b>VWAP</b>) of the Company's ordinary shares for 20 trading days up to 30 June 2019 of \$13.54.</p> <p>The number of Options was calculated by dividing the MD and CEO's maximum FY20-22 LTI Opportunity relating to Options (being 30% of his FY20 Fixed Remuneration) by the value of an Option as determined by the Black Scholes methodology.</p>
Date of grant	<p>If Shareholder approval is obtained, the Performance Rights and Options will be granted to the MD and CEO as soon as practicable after the AGM, but in any event, within 12 months of the AGM.</p>
Performance Rights and Options	<p>Each Performance Right is an entitlement to receive one Share (or a cash payment of equivalent value), subject to satisfaction of the applicable performance and service-related conditions.</p> <p>Each Option is an entitlement to receive one Share (or a cash payment of equivalent value) upon exercise and payment of the exercise price of \$13.54 per Option and subject to satisfaction of the applicable performance and or service-related conditions.</p> <p>Performance Rights and Options do not carry any dividend or voting rights, or in general, a right to participate in other corporate actions such as bonus issues.</p> <p>Performance Rights and Options are not transferable (except in limited circumstances or with the consent of the Board).</p>
Performance measures and weightings	<p>Vesting of Performance Rights is subject to:</p> <ul style="list-style-type: none"> <li>• A Look Through Revenue performance measure;</li> <li>• An Adjusted Earnings Per Share performance measure; and</li> <li>• The MD and CEO's continued employment with the Company.</li> </ul> <p>Vesting of Options is subject to:</p> <ul style="list-style-type: none"> <li>• Strategic measures, reflecting multi-year strategy implementation; and</li> <li>• The MD and CEO's continued employment with the Company.</li> </ul> <p><b>(1) Look Through Revenue (35% weighting)</b></p> <p>Vesting of 35% of the total LTI award (and 50% of Performance Rights) will be subject to the Look Through Revenue performance measure.</p> <p>Look Through Revenue is the ordinary revenue from continuing operations reported for the consolidated Group, adjusted for the ownership percentage held by the group of consolidated subsidiaries, and adding in the Group's ownership share of the underlying revenue for equity accounted associates.</p> <p>The percentage of Performance Rights that vest, if any, will be determined with reference to the Company's performance over the performance period, as set out in the table below.</p>

## Term

## Details

CAGR	Performance Rights subject to Look Through Revenue measure that vest (%)
Less than 3% CAGR	0%
At 3% CAGR	25%
At 7% CAGR	80%
At 8% CAGR	90%
At 9% CAGR	95%
At 10% CAGR or greater	100%

The Board retains discretion to adjust the Look Through Revenue performance measure or vesting schedule in exceptional circumstances, including matters outside of management's influence, to ensure that a participant is neither advantaged nor disadvantaged by matters that may materially affect achievement of Look Through Revenue.

**(2) Adjusted EPS (35% weighting)**

Vesting of 35% of the total LTI award (and 50% of Performance Rights) will be subject to the Adjusted EPS performance measure.

Adjusted EPS is defined as earnings per Share calculated by dividing the Adjusted Net Profit After Tax attributable to equity holders of the Company during the performance period by the weighted average number of ordinary shares outstanding during the performance period.

Adjusted NPAT is defined as the Group net profit after tax and non-controlling interests from continuing operations, subject to inclusions and exclusions at the discretion of the Board such as acquired intangible asset amortisation, any material one-off transactions of a corporate nature such as gains/losses on business disposals, non-cash associate revaluations, impact of capital reorganisations, or other significant non-recurring corporate transaction costs as determined by the Board.

The Adjusted EPS measure is tested by measuring the growth in the Company's EPS over the performance period (from 1 July 2019 to 30 June 2022) against pre-determined targets set by the Board.

The percentage of Performance Rights that vest, if any, will be determined with reference to the Company's performance over the performance period, as set out in the table below.

CAGR	Performance Rights subject to Adjusted EPS measure that vest (%)
Less than 3% CAGR	0%
At 3% CAGR	25%
At 7% CAGR	80%
At 8% CAGR	90%

Term	Details												
	<table border="1" data-bbox="440 293 1337 421"> <tr> <td data-bbox="440 293 1070 353">At 9% CAGR</td> <td data-bbox="1078 293 1337 353">95%</td> </tr> <tr> <td data-bbox="440 360 1070 421">At 10% CAGR or greater</td> <td data-bbox="1078 360 1337 421">100%</td> </tr> </table> <p data-bbox="376 439 1418 566">The Board also retains discretion to alter the Adjusted EPS measure, CAGR growth rates or vesting schedule in exceptional circumstances, including matters outside of management’s influence, to ensure there is no material advantage or disadvantage that would materially affect Adjusted EPS.</p> <p data-bbox="376 629 842 658"><b>(3) Strategic measures (30% weighting)</b></p> <p data-bbox="376 674 1398 703">Vesting of Options (30% of total LTI award) will be subject to satisfaction of strategic measures.</p> <p data-bbox="376 736 1418 831">The release of strategic measures that will be used to assess performance will be provided upon completion of each three-year performance period, due to competitive advantage information being withheld.</p> <p data-bbox="376 837 1070 866">The strategic measures contain objectives in the following areas:</p> <ul data-bbox="427 882 1390 1048" style="list-style-type: none"> <li>• international business performance metrics that reflect the strategic importance of this segment to the Group as a whole;</li> <li>• trust and brand metrics that represent the importance of reputation to the Group’s success; and</li> <li>• domestic business milestones that indicate successful implementation of the Group’s strategic roadmap.</li> </ul> <p data-bbox="376 1070 1382 1128">Achievement of each of the strategic measures will be assessed by the Board on the following three point scale:</p> <table border="1" data-bbox="440 1160 1337 1451"> <thead> <tr> <th data-bbox="440 1160 1070 1256">Rating</th> <th data-bbox="1078 1160 1337 1256">Options subject to strategic measures that vest (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 1263 1070 1323">Not achieved</td> <td data-bbox="1078 1263 1337 1323">0%</td> </tr> <tr> <td data-bbox="440 1330 1070 1391">Partially achieved</td> <td data-bbox="1078 1330 1337 1391">50%</td> </tr> <tr> <td data-bbox="440 1397 1070 1451">Fully achieved</td> <td data-bbox="1078 1397 1337 1451">100%</td> </tr> </tbody> </table>	At 9% CAGR	95%	At 10% CAGR or greater	100%	Rating	Options subject to strategic measures that vest (%)	Not achieved	0%	Partially achieved	50%	Fully achieved	100%
At 9% CAGR	95%												
At 10% CAGR or greater	100%												
Rating	Options subject to strategic measures that vest (%)												
Not achieved	0%												
Partially achieved	50%												
Fully achieved	100%												
Performance period	<p data-bbox="376 1473 1418 1532">The Look Through Revenue, Adjusted EPS and strategic performance measures outlined above will be tested over a three-year performance period (from 1 July 2019 to 30 June 2022).</p> <p data-bbox="376 1554 1374 1648">As the Company’s full-year results are not typically announced to the market until late August each year following the results announcement, the final number of Performance Rights and Options that vest will not be determined until after this time.</p> <p data-bbox="376 1666 1238 1695">Any Performance Rights and Options that do not vest following testing will lapse.</p>												
Exercise period and expiry date	<p data-bbox="376 1733 1418 1792">Options are exercisable following vesting of the Options until the expiry date. The expiry date of the Options is 15 years from the date of grant.</p>												
Allocation of Shares upon vesting	<p data-bbox="376 1832 1418 1921">Following determination of the extent to which the performance measures have been satisfied (at the end of the three-year performance period), vested Performance Rights will be automatically exercised, and one Share will be allocated for each vested Performance Right that is exercised.</p> <p data-bbox="376 1939 1418 2063">Following determination of the extent to which the performance measures have been satisfied (at the end of the three-year performance period), vested Options may be exercised and upon payment of the exercise price, one Share will be allocated for each vested Option that is exercised.</p>												

<b>Term</b>	<b>Details</b>
	The Company's obligation to allocate Shares on vesting and exercise may be satisfied by issuing new Shares, acquiring Shares on-market or by transferring from an employee share trust.
Price payable for securities	No amount is payable in respect of the grant of Performance Rights, nor in respect of any Shares allocated on exercise of vested Performance Rights. An exercise price of \$13.54 is payable per Option.
Cessation of employment	Performance Rights and Options which have not vested, will, subject to the Board's discretion, automatically lapse if the MD and CEO ceases to be employed by the Company. If the MD and CEO ceases employment with the Company, he will have 30 days from his date of departure to exercise any vested Options, unless such departure is under adverse conditions.
Malus / Clawback	The Plan provides the Board with the ability to apply malus / clawback and declare that all, or some, of the MD and CEO's Performance Rights, Options and Shares held under the Plan are forfeited. The Board may apply malus / clawback in the following circumstances: <ul style="list-style-type: none"> <li>a) Material breach of the participant's obligations to the Company or a Subsidiary;</li> <li>b) Behaviour that brings the Company or Group into disrepute.</li> </ul>

**The MD and CEO's total remuneration package for FY21**

The MD and CEO's FY21 total remuneration package is outlined in Resolution 4a.

**Performance Rights previously awarded under the Plan**

The Performance Rights and Options previously awarded to the MD and CEO under the Plan are outlined in Resolution 4a.

**Voting exclusion**

A voting exclusion statement applicable to Resolution 4b is set out in this Notice of Meeting and Proxy Form.

**Directors' Recommendation**

The Board (other than the MD and CEO who abstains from making a recommendation because of his interest in the resolution) unanimously recommends that Shareholders **vote in favour** of this Resolution 4b.

**Item 5: Conditional spill resolution**

The Board recommends that Shareholders vote against this resolution.

This item will only be put forward at the AGM if at least 25% of the votes validly cast on Resolution 2 to adopt the Company's Remuneration Report are cast against its adoption. If fewer than 25% of the votes are against its adoption, this item will not be put to the AGM.

If the item is put to the AGM, the spill resolution will be considered as an ordinary resolution.

If the spill resolution is put to the AGM and passed, a special meeting of Shareholders, known as a 'Spill Meeting', must be held within 90 days. All Directors (excluding the Managing Director and Chief Executive Officer) will cease to hold office at the end of the Spill Meeting unless they are re-elected at the Spill Meeting.

Even if Mr. O'Sullivan and Mr. Pisciotta are re-elected at the AGM, they will again need to be re-elected at the Spill Meeting to remain in office.

The Board consider the following factors to be relevant to a Shareholder's decision on how to vote on this item:

- The revisions made by the Board to the FY20-22 LTI to address Shareholder and proxy advisor feedback at the 2019 AGM. The Board reviewed the terms of the grant, its alignment to the Company's objectives at that time, and how the performance measures linked long-term remuneration with the economic benefit derived by

Shareholders over a three- year performance period. The revisions are outlined in Resolution 4b.

- The further revision of the Plan in FY21-23 to achieve greater alignment with Shareholder outcomes. The revisions are outlined in Resolution 4a., in particular, the addition of Relative TSR to enhance the alignment between executive remuneration outcomes and the Shareholders' experience.
- The strong performance outcomes of the Company, with the Company performing in the top 15% of both the ASX100 and 200 for TSR returns over the past three years and top 10% for the 12 months to June 2020.
- The disruption and significant cost involved in convening a Spill Meeting.

If you do not want a Spill Meeting to take place, you should vote against item 5.

**Voting exclusion**

A voting exclusion statement applicable to Resolution 5 is set out in this Notice of Meeting and Proxy Form.

**Directors' Recommendation**

The Directors unanimously recommend that Shareholders **vote against** this Resolution 5.

**Glossary**

<b>Annual General Meeting</b>	Means the Annual General Meeting of the Company to be held virtually on 30 October 2020, at 12 noon and "AGM" has the same meaning
<b>Annual Report</b>	Means the 2020 annual report of the Company accompanying this Notice of Meeting
<b>ASX Listing Rules</b>	Means the listing rules of the ASX Limited ACN 008 624 691 (also referred to as "ASX"), as amended from time to time
<b>Auditor</b>	Means PricewaterhouseCoopers
<b>Auditor's Report</b>	Means the report of the Auditor, regarding its audit of the Group, which accompanies the Financial Report
<b>Board</b>	Means the board of Directors of the Company
<b>Chair</b>	Means the individual acting as chair of the AGM
<b>Company</b>	Means carsales.com Limited (ABN 91 074 444 018)
<b>Corporations Act</b>	Means the <i>Corporations Act 2001</i> (Cth)
<b>Director</b>	Means a director of the Company
<b>Directors' Report</b>	Means the report of the Directors of the Company accompanying the Notice of Meeting
<b>Effective Time</b>	Means 7pm (Melbourne time) on Wednesday 28 October 2020
<b>KMP</b>	Has the meaning given to that term in the Financial Report
<b>Share</b>	Means a fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	Means a holder of one or more Shares

## Need assistance?



**Phone:**

1300 651 575 (within Australia)  
+61 3 9415 4694 (outside Australia)



**Online:**

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



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12 noon (AEDT) Wednesday 28 October 2020**.

# 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.

## PARTICIPATING IN THE MEETING

### Corporate Representative

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

## Lodge your Proxy Form:

### Online:

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

Your secure access information is



**Control Number: 134312**

**SRN/HIN:**

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

### By Mail:

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

### By Fax:

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



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

**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

I/We being a member/s of carsales.com Limited hereby appoint

the Chair of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chair 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 Chair 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 carsales.com Limited to be held as a virtual meeting on Friday, 30 October 2020 at 12 noon and at any adjournment or postponement of that meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Items 2, 4a, 4b & 5 (except where I/we have indicated a different voting intention in step 2) even though Items 2, 4a, 4b & 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

**The Chair of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Item 5 where the Chair of the Meeting intends to vote against.**

**Important Note:** If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Items 2, 4a, 4b & 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
Item 2 Adoption of FY20 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3a Re-election of Director - Mr Patrick O'Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3b Re-election of Director - Mr Walter James Pisciotta OAM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4a FY21-23 grant of Performance Rights to the MD and CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4b FY20-22 grant of Options and Performance Rights to the MD and CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Conditional spill resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Item 5 where the Chair of the Meeting intends to vote against. In exceptional circumstances, the Chair 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

