



carsales.com Ltd ABN 91-074 444 018

Process for Evaluation of Performance

July 2012

1. Introduction

carsales.com monitors and evaluates the performance of its Board, its Board committees, individual Directors, and Senior Executives in order to fairly review and actively encourage enhanced Board, Board Committee, individual Director and Senior Executive effectiveness.

Matters specifically reserved for the Board, as contained within the carsales.com Board Charter, include the following:

- Reviewing the performance of the Managing Director, his/her remuneration and contractual arrangements.
- Reviewing the performance and remuneration of Senior Executives on the review and recommendation of the Managing Director.
- Reviewing the composition of the Board and Board Committees, the independence of Directors, the Board's performance and for carrying out succession planning for the Chairman and other Non-Executive Directors.

carsales.com has a range of processes in place to evaluate the performance of the Board, Board Committees, individual Directors and Senior Executives.

2. Board Evaluation

The process of evaluating the performance of the Board as a whole is the responsibility of the Board under the direction of the Chairman. The evaluation of Board performance involves the setting of annual Board objectives and an assessment by the Board at the conclusion of the year as to the extent to which the Board achieved objectives.

3. Board Committees Evaluation

Each Board Committee will annually review its performance and report the results of the review to the Board. Based on the results of the performance review, where necessary, recommendations will be made to the Board for improving the effectiveness of the Committee.

The manner of the evaluation is generally to be determined by the relevant Committee Chairman, and will vary given:

- the particular responsibilities of each Committee;
- the number of Committee meetings; and
- the number of Committee members.

4. Director Evaluation

Assessment of individual Directors' performance is a process determined by the Chairman and involves the Chairman having one-on-one interviews with all Directors. In respect to the Chairman's performance, the Chairman will have one-on-one interviews with each of the Directors in respect to his/hers own performance. Following the one-on-one interviews, each Director will provide feedback on the results of their discussion concerning the Chairman's performance to the Chairman of the Audit and Risk Management Committee. The Chairman of the Audit and Risk Management Committee will then consolidate the feedback and report to the Board.

5. Executives

All carsales.com Senior Executives are subject to annual performance review. The annual performance review involves a Senior Executive being evaluated by the Managing Director.

The performance evaluation of the Managing Director is facilitated by the Chairman, with ultimate oversight by the Board. The evaluation of the Managing Director involves an assessment of a range of factors including the overall performance of the Company and the achievement of specific pre-determined goals.