

Dividend Reinvestment Plan

August 29, 2014

carsales.com Ltd (ASX: CRZ) today announces the introduction of a Dividend Reinvestment Plan (DRP) which offers eligible shareholders the opportunity to reinvest all or part of their dividends in additional carsales.com Ltd shares without paying brokerage or other costs.

A copy of the DRP Rules is attached and will be available at <http://shareholders.carsales.com.au>.

The DRP will operate with respect to carsales.com Ltd's FY2014 fully franked final dividend of 17.4 cents per share which was announced on August 13, 2014. The price for shares issued under the DRP will be determined using the volume weighted average daily price of carsales.com Ltd shares sold on the ASX over the period from October 3, 2014 to October 9, 2014 (inclusive). No discount will apply to the DRP share price for the FY2014 final dividend. Shares issued under the DRP will rank equally with carsales.com Ltd's existing issued fully paid ordinary shares. Shareholders eligible to participate in the DRP are currently limited to those whose registered address on the carsales.com Ltd share register is in Australia or New Zealand.

Eligible shareholders who wish to participate in the DRP can make their election online at www.computershare.com.au/easyupdate/crz or complete the DRP Form which will be sent to shareholders for completion and submission to Computershare Investor Services Pty Limited (carsales share registry). Elections to participate in the DRP for the FY2014 final dividend must be received before 5:00pm (AEST) on October 3, 2014. For further information, please contact Computershare on 1300 850 505.

CARSALES.COM LIMITED
ACN 074 444 018



DIVIDEND REINVESTMENT PLAN

TERMS AND CONDITIONS

This document does not constitute an offer of shares and does not give the right to any person to invest in securities in any jurisdiction in which it would not be lawful to make such an offer or give such a right.

This is not investment advice and does not take into account the investment objectives, financial situation and particular needs of an investor. You should consult your financial or other professional adviser prior to making a decision on whether or not to participate in this dividend reinvestment plan.

This plan is dated 29 August 2014.

Terms and conditions

1 Definitions and interpretation

1.1 When used in this Plan, unless the context requires otherwise:

"ASX" means ASX Limited ACN 008 624 691.

"Board" means the Board of Directors of the Company.

"Business Day" has the same meaning as set out in the Listing Rules.

"Company" means carsales.com Limited ACN 074 444 018.

"Election Date" has the same meaning as set out in clause 3.2.

"Election Form" means an election provided by a Shareholder (or each Shareholder in the case of joint holdings), whether by submission of an online form or in writing and signed by a Shareholder (or each Shareholder in the case of joint holdings), in the form prescribed or approved by the Board from time to time.

"Excluded Transaction" means any transaction, as determined by the Board in its absolute discretion as an abnormal transaction, including but not limited to any transaction defined or described in the ASX Operating Rules as "special", any crossing prior to the commencement of the open session state (as defined in the ASX Operating Rules), any crossing during overnight trading (as permitted by the ASX Operating Rules), any overseas trades or the exercise of options over Shares.

"Full Participation" means where a Shareholder participates in the Plan in respect of all Shares registered in that Shareholder's name.

"Listing Rules" means the official listing rules and requirements from time to time of ASX.

"Non-participating Shares" means Shares that are not Participating Shares.

"Partial Participation" means where a Shareholder participates in the Plan in respect of only some of the Shares registered in that Shareholder's name.

"Participant" means a Shareholder who participates in the Plan.

"Participating Shares" means Shares in respect of which a Shareholder is participating in the Plan.

"Participation" means Full Participation or Partial Participation.

"Plan" means the dividend reinvestment plan adopted by the Board incorporating the Terms and Conditions.

"Plan Account" means an account in the books of the Company recording the information required pursuant to clause 5.4.

"Record Date" means the date of closing the Company's share register for determination of entitlements to dividends on Shares as notified by the Company to ASX.

"Shareholders" means the persons registered in the register of shareholders maintained by the Company as the holders of Shares from time to time.

"Share" means a fully paid ordinary share in the Company.

"Terms and Conditions" means these terms and conditions as may be amended from time to time pursuant to clause 14.

"Trading Day" means a full day on which the Shares are quoted, and not suspended from quotation or made subject to a trading halt on ASX, provided that a day on which ASX is closed or on which trading on ASX is suspended is not a Trading Day.

"Variation Form" means a written variation signed by a Shareholder (or each Shareholder in the case of joint holdings) in the form prescribed or approved by the Board from time to time, which may (without limitation) be combined with or form part of any other form or notice.

1.2 In this Plan, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) words denoting any gender include all genders;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning
- (d) person includes a corporation and vice versa;
- (e) a reference to "\$", "A\$" or "dollar" is a reference to Australian currency;
- (f) a reference to a time is a reference to Australian Eastern Standard Time or Australian Eastern Daylight Time, whichever is appropriate;
- (g) any reference to any statutory enactment or law or the Listing Rules means a reference to that enactment or law or those Listing Rules as amended, modified, re-enacted or replaced from time to time and, in the case of a statutory enactment, includes regulations and statutory instruments issued under that statutory enactment; and
- (h) headings are for ease of reference only and do not affect the interpretation of these Terms and Conditions.

1.3 Except where otherwise provided, where under or pursuant to this Plan or anything done under these Terms and Conditions, the day on or by which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing will be done on the immediately succeeding Business Day.

1.4 Where the Shareholder has, in respect of distinct numbers of Shares held by it, different Shareholder numbers, then for the purpose of these Terms and Conditions, the Shareholder is deemed to be a separate and distinct Shareholder in relation to each such Shareholder number and the Shareholder from time to time allocated to that Shareholder number.

2 Participation in the Plan

2.1 Participation in the Plan:

- (a) is subject to the Terms and Conditions;
- (b) is optional;
- (c) is not transferable; and

- (d) may be varied or terminated at any time in accordance with clause 10.
- 2.2 Participation is open to all Shareholders with a registered address in Australia or New Zealand (unless otherwise determined by the Board), except that a Shareholder may not be eligible to participate in the Plan if the Board considers that their participation is unlawful, impractical or would require compliance with conditions that the Board considers unduly onerous. The Board is entitled to make a final determination as to whether any particular Shareholder is eligible to participate in the Plan for the purposes of these Terms and Conditions or not, and to change any such determination, as and when it sees fit.
- 2.3 The Company has the discretion to refuse to accept any Shareholder's Shares for Participation and to suspend or withdraw any Shareholder's Shares from Participation (including declining to issue or transfer or reducing the issue or transfer of Shares under the Plan to a Participant) if the Company considers that the Participation of those Shares might:
- (a) breach any law, the Listing Rules or the constitution of the Company; or
 - (b) otherwise prejudice the effective operation of the Plan.

3 Election to Participation

- 3.1 Election to participate in the Plan must be made on an Election Form.
- 3.2 The Company will set a time and date by which the Election Form must be received by the Company for the Shareholder to have elected to participate in the Plan in accordance with the ASX Listing Rules (**Election Date**).
- 3.3 Subject to clauses 4.5 and 4.6, Election Forms which are received by the Company which are defective or otherwise incomplete may, without notice to the Shareholder and at the discretion of the Company, be rejected by the Company.
- 3.4 Where the Company (or the Company's share registry) receives an Election Form after the Election Date, the Shareholder will be ineligible to participate in the Plan for that particular dividend payment, but will be eligible to participate in the Plan for subsequent dividend payments.

4 Degree of Participation

- 4.1 A Shareholder may participate in respect of either:
- (a) Full Participation; or
 - (b) Partial Participation.
- 4.2 A Shareholder must specify on the Election Form the degree to which it wishes to participate in the Plan by:
- (a) indicating Full Participation; or
 - (b) indicating how many Shares it wishes to have participate in the Plan for Partial Participation.
- 4.3 In the case of Full Participation, all Shares registered in the Shareholder's name on the relevant Record Date will be subject to the Plan.
- 4.4 In the case of Partial Participation, only that number of Shares indicated by the Shareholder for participation in the Plan will be subject to the Plan, for so long as that Shareholder remains registered as the owner of at least that number of Shares.

- 4.5 Election Forms received by the Company which do not indicate the degree of participation in the Plan may, without notice to the Shareholder and at the discretion of the Company, either be rejected or deemed by the Company to be elections for Full Participation. The Company is not liable to any Shareholder for any loss, damage or claim in respect of either the Shareholder's Participation or non-Participation, as the case may be, pursuant to the exercise or manner of exercise by the Company of such discretion.
- 4.6 Election Forms received by the Company from a Shareholder which indicate a number of Participating Shares in excess of the number of Shares held by that Shareholder are deemed to be Election Forms indicating Full Participation.
- 4.7 The Company may, at its discretion, limit the level of participation in the Plan in respect of a particular dividend, including without limitation, by limiting the proportion of Shares in respect of which Participants may participate in the Plan in relation to a particular Dividend.

5 Operation of the Plan

- 5.1 In respect of each Participant, the Company will establish and maintain a Plan Account.
- 5.2 The Board will determine, in its absolute discretion, whether to issue new Shares or to cause the transfer of existing issued Shares to a Participant, or to apply a combination of both options, to satisfy the obligations of the Company under this Plan. If the Board determines to cause the transfer of existing issued Shares to Participants, the Shares may be acquired in such manner as the Board considers appropriate.
- 5.3 Shares will be issued or transferred pursuant to the Plan at a price to be determined by the Board (which allows for a discount (if any, as the Board may determine from time to time) to the arithmetic average (rounded to the nearest half cent) of the volume weighted average daily prices of the Shares sold on ASX excluding any Excluded Transaction on the 5 Business Days commencing on the second Trading Day following the relevant Record Date (or such other period as the Directors determine and announce to ASX)).
- 5.4 For each dividend payable in respect of Participating Shares, the Company will for each Participant:
 - (a) determine any balance remaining in the Participant's Plan Account from previous dividends payable;
 - (b) determine the amount of dividend payable to the Participant for the current dividend, and credit such amount to the Participant's Plan Account;
 - (c) determine (where applicable) the Australian withholding tax deductible by the Company in respect of the dividend, and any other sum the Company is entitled to retain in respect of the Shares, and debit any such amount from the Participant's Plan Account;
 - (d) on behalf of and in the name of the Participant, subscribe for the maximum number of Shares as that Participant's Plan Account shall entitle that Participant to, and debit the Participant's Plan Account with the total subscription amount for those Shares;
 - (e) allot or transfer such Shares to the Participant; and
 - (f) retain in the Participant's Plan Account, without interest and on the terms set out in these Terms and Conditions, any cash balance remaining (rounded down to the nearest cent) unless and until the cash balance is applied in accordance with these Terms and Conditions.

For the purposes of clause 5.4(c), the Participant will not be entitled to subscribe for fractions of Shares.

- 5.5 Where a person who was a Participant in relation to a dividend payable by the Company is no longer a Participant in relation to the next dividend payable by the Company or the Board determines that this Plan shall not apply to the next dividend, the Participant is taken to have directed the Company to donate any residual balance in the Participant's Plan Account, on behalf of the Participant, to one or more registered charities determined by the Company from time to time. Participants will not be issued with a receipt in connection with such a donation.
- 5.6 Where the Board determines that this Plan shall not apply to the next dividend, or where the Plan is varied, modified, suspended or terminated and then re-activated by the Board, all prior elections will be reinstated and will continue to apply until a new valid Variation Form is lodged, unless the Company determines otherwise.

6 Shares Allotted or Transferred Under the Plan

- 6.1 Shares allotted or transferred under the Plan will:
- (a) be allotted or transferred in accordance with the constitution of the Company and the Listing Rules;
 - (b) rank equally in all respects with existing Participating Shares of the same class; and
 - (c) be registered on the register on which the Participant's Shares are registered.
- 6.2 Participants will be forwarded holding statements for Shares allotted or transferred pursuant to the Plan in accordance with the Listing Rules.

7 Underwriting

The Board may, in its absolute discretion, arrange for the Plan to be fully or partially underwritten, by one or more underwriters, in respect of any one or more dividends.

8 Costs to Participants

No brokerage, commission or other transaction costs will be payable by Participants in respect of any allotment or transfer of Shares under the Plan. However, the Company does not assume liability for any taxes or other imposts assessed against or imposed on a Participant.

9 Statements to Participants

After each allotment or transfer made pursuant to clause 5.4, the Company's share registry will forward to each Participant a statement detailing, as at the relevant allotment or transfer date:

- (a) the number of the Participant's Participating Shares at the Record Date;
- (b) the balance in the Participant's Plan Account immediately prior to crediting the dividend payable;
- (c) the amount of dividend payable on all of the Participant's Participating Shares;
- (d) the number of Shares allotted or transferred under the Plan on the allotment or transfer to which the statement relates;

- (e) the balance remaining in the Participant's Plan Account after such allotment or transfer; and
- (f) any additional information required to be disclosed pursuant to the Listing Rules.

10 Variation or Termination of Participation

- 10.1 Subject to clause 12, a Participant may at any time give a Variation Form to the Company to:
- (a) increase or decrease the number of Participating Shares; or
 - (b) terminate Participation.
- 10.2 If a Participant dies, Participation by that Participant will terminate upon receipt by the Company of notice of the death of that Participant. If a Participant is declared bankrupt or is wound-up, Participation by that Participant will terminate upon receipt by the Company of notice that bankruptcy or winding-up from the Participant or the Participant's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding-up of one or more joint Participants does not automatically terminate Participation provided the remaining holder or all remaining joint holders remain as Shareholders eligible to participate in the Plan.

11 Reduction or Termination when No Notice is Given

- 11.1 Where a Participant transfers a part of its holding of Shares and does not give notice otherwise, on each occasion the Shares so transferred will be taken to comprise:
- (a) first, by Non-participating Shares; and
 - (b) secondly, to the extent that the number of Shares transferred exceeds the number of Non-participating Shares, Participating Shares.
- 11.2 When the Participant transfers Participating Shares, those Participating Shares shall, upon registration of such transfer, cease to be Participating Shares.
- 11.3 Where a Participant transfers all of its holding of Shares without giving notice of termination of Participation in the Plan, the Participant is deemed to have given notice to terminate its Participation in the Plan on the last date when the Company registered the relevant transfer or instrument of disposal of the Participant's Shares.

12 Election and Notices

- 12.1 Notices to the Company must be completed online or sent in writing to the Company's share registry in the manner prescribed by the Company in an Election Form or other notice from time to time.
- 12.2 Election Forms and Variation Forms must be completed by a Participant separately in respect of each holding of Shares identified by a separate holder number in the books of the Company.
- 12.3 Election Forms and Variation Forms for a particular dividend payment will be effective on receipt by the Company (or by the Company's share registry) subject to:
- (a) these Terms and Conditions; and
 - (b) receipt by the Company (or by the Company's share registry) on or before 5.00pm on the Election Date.

- 12.4 Variation Forms which are not received by the Company (or the Company's share registry) on or before 5.00pm on the Election Date will only be effective in respect of subsequent dividends.

13 ASX Listing

- 13.1 Notwithstanding anything contained in these Terms and Conditions, while any Shares are listed on ASX:
- (a) the Company will apply for quotation of Shares allotted under this Plan on ASX;
 - (b) the Company shall not knowingly commit or allow to be knowingly committed any breach, contravention or failure to comply with the Listing Rules; and
 - (c) to the extent to which any provision of this Plan is inconsistent with the provisions of the Listing Rules, the provisions of the Listing Rules will prevail.

14 Modification and Termination of the Plan

- 14.1 This Plan may be varied, modified, suspended or terminated by the Board (subject to the Company's constitution) at any time on giving at least one month's prior notice to all Shareholders.
- 14.2 In the case of termination, the Company will send to each Participant a statement of the Participant's Plan Account.

15 Dispute Resolution

The Board may settle, in such manner as they think expedient, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of this Plan whether generally or in relation to any Participant or any Shares and the determination of the Board is conclusive and binding on all Participants and other persons to whom the determination relates.

16 Governing law

This Plan, its operation and these Terms and Conditions are governed by the laws of the State of Victoria and each Shareholder submits to the jurisdiction of the Courts of that State and the Courts which may hear appeals from those Courts.