

These reports explain our governance policies and procedures in detail and describe how we have applied the principles contained in the UK Corporate Governance Code 2018 (the 'Code').



## Dear shareholders

### Compliance with the Corporate Governance Code

The reports on the following pages, including the Committee reports, set out the governance arrangements we have in place, and detail how we have met the Code requirements. Once again, the Company complied with all provisions set out in the Code for the period.

### Board succession planning

Succession planning has been a major focus area during the year. The Board has approved the appointment of Matt Davies as Chair Designate with effect from 1 July 2023, to succeed me as Chair prior to the conclusion of the 2023 AGM. Two of our Non-Executive Directors (David Keens and Jill Easterbrook) will reach the end of their third three-year terms in 2024, the ninth anniversary of Auto Trader Group plc's admission to the London Stock Exchange's official list. Jeni Mundy will reach the end of her third three-year term in 2025. The Nomination Committee report sets out in some detail the succession plan for these changes, including the overarching goals, skills and experience requirements and the expected timelines. The Company will continue to update on our progress at the appropriate time, as suitable candidates are identified and appointments are made.

### Annual General Meeting

Our Annual General Meeting ('AGM') will be held at 10:00am on Thursday 14 September 2023 at 4<sup>th</sup> Floor, 1 Tony Wilson Place, Manchester, M15 4FN. Myself and the other Directors will join the meeting either in person or by telephone. We strongly encourage all shareholders to cast their votes by proxy, and to send any questions in respect of AGM business to [ir@autotrader.co.uk](mailto:ir@autotrader.co.uk).

**Ed Williams**  
Chair  
1 June 2023

### Independence<sup>1</sup>

Number of Directors as at 31 March 2023<sup>2</sup>



Percentage of independent Directors on the Board: 62.5%

● Independent ● Non-independent

### Gender diversity

Number of Directors as at 31 March 2023<sup>2</sup>

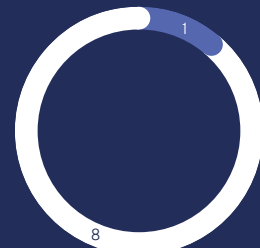


Percentage of women on the Board: 55.6%

● Women ● Men

### Ethnic diversity<sup>3</sup>

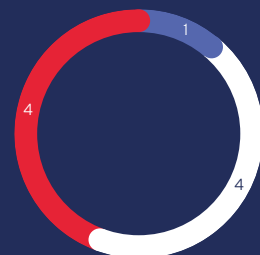
Number of Directors as at 31 March 2023<sup>2</sup>



● Ethnically diverse  
● White

### Length of tenure<sup>4</sup>

Number of Directors as at 31 March 2023



● 0-3 years  
● 3-6 years  
● 6-9 years

1. Excluding the Chair.
2. No change from 31 March 2022.
3. As per the Parker Review, a Director was defined as being ethnically diverse if they identified as Asian, Black, Mixed or Other.
4. Refers to the period since appointment to the PLC Board.

# Compliance with the 2018 Code

The Company has complied in full with all provisions of the 2018 Corporate Governance Code during the year as referenced below:

## 1 Board leadership and company purpose

The Board is responsible for setting the Group’s purpose, for determining the basis on which the Group generates value over the long term and developing a strategy for delivering the objectives of the Group. The Strategic report, which can be found on pages 2 to 57, sets out the Group’s purpose, strategy, objectives and business model. Details of how the Board assesses and monitors culture can be found on page 62. The Board’s engagement with employees, shareholders and other stakeholders is described in detail on pages 14 to 17 and page 62.

## 2 Division of responsibilities

The responsibilities of the Chair, Chief Executive Officer, Senior Independent Director, Non-Executive Directors and Company Secretary are set out on page 63. The Board has adopted a formal schedule of matters reserved for its approval and has delegated other specific responsibilities to its Committees. The schedule sets out key aspects of the affairs of the Company which the Board does not delegate and is reviewed at least annually. Each Committee has formally approved Terms of Reference which are reviewed and approved at least annually, or more frequently as circumstances require. Details are published on our website at [plc.autotrader.co.uk/investors](http://plc.autotrader.co.uk/investors).

At the date of this report, the Board consists of the Non-Executive Chair, five Independent Non-Executive Directors and three Executive Directors. Refer to page 64 for details of Board and Committee meetings and attendance, and to the biographies on pages 60 and 61 for details of Board members’ external commitments, all of which were approved by the Board.

## 3 Composition, succession and evaluation

The Board has established a Nomination Committee, chaired by Ed Williams, with all other members comprising Independent Non-Executive Directors. The main responsibilities of this Committee are to keep under review the structure, size and composition of the Board and its Committees; to identify and nominate candidates for appointment to the Board; and to ensure that there are formal and orderly succession plans in place.

During the year, the Committee focused on implementation of the succession plan for the Chair and Non-Executive Directors who are reaching their nine-year tenure. The Committee also led an evaluation of the Board, the Committees and each individual Director. The work of the Committee is described on pages 66 to 69. The Board and its Committees have an appropriate balance of skills, experience and knowledge of the Group to enable them to discharge their respective duties and responsibilities effectively. Biographies of all members of the Board appear on pages 60 and 61.

## 4 Audit, risk and internal control

The Board has established an Audit Committee, chaired by David Keens and comprised entirely of Independent Non-Executive Directors. The Chair is not a member of the Committee. The Committee has defined Terms of Reference which include assisting the Board in discharging many of its responsibilities with respect to financial and business reporting, risk management, internal control, internal audit and external audit.

The work of the Committee is described on pages 70 to 75.

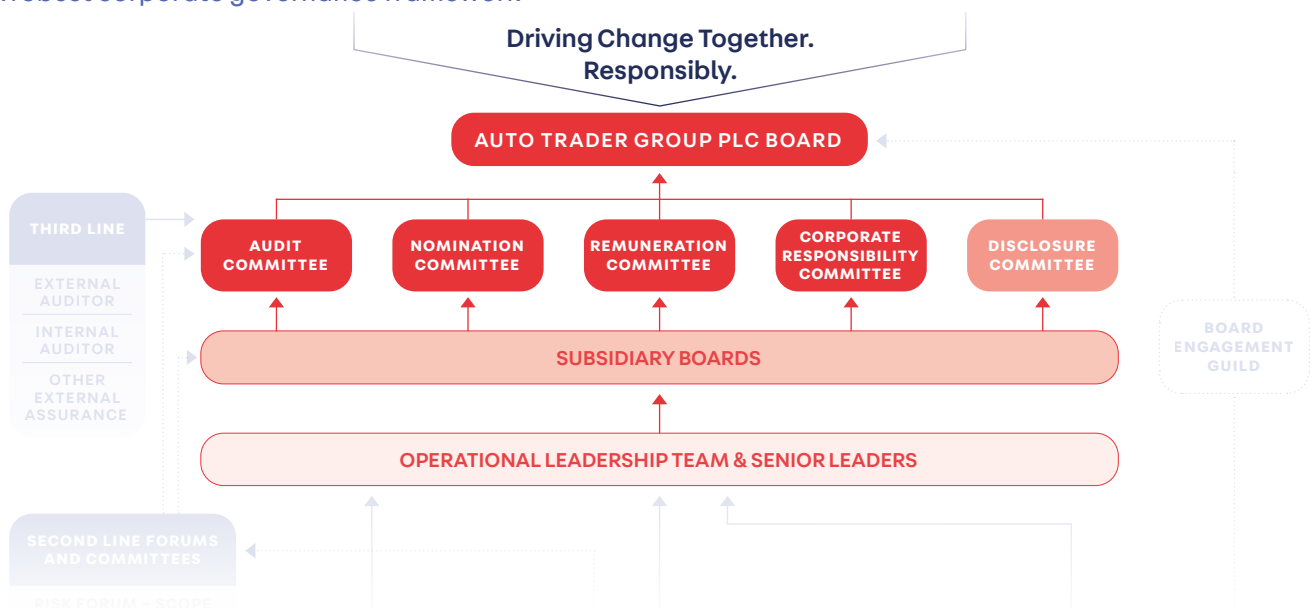
The Company does not have a separate Risk Committee; the Board is collectively responsible for determining risk appetite, and the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. Refer to page 73 for details of the evaluation of the risk management and internal control framework, and to pages 48 to 55 for details of risk management and the principal risks facing the Company.

## 5 Remuneration

The Board has established a Remuneration Committee, chaired by Jill Easterbrook and comprised entirely of Independent Non-Executive Directors. The Remuneration Committee is responsible for determining the Remuneration Policy,

and for setting remuneration for the Executive Directors, the Chair and senior employees; for monitoring the remuneration policies for the wider organisation; and for ensuring the alignment of reward with the culture of the organisation. The work of the Committee is described on pages 80 to 93.

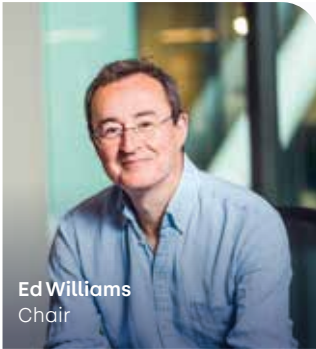
### A robust corporate governance framework



**FURTHER DETAIL**  
For the full detail on how we govern ESG:

[Being a responsible business P26](#)

[How we manage risk P48](#)



**Ed Williams**  
Chair

**Biography**

Ed was appointed as Chair of Auto Trader Group plc in February 2015. He was the founding Chief Executive of Rightmove plc, serving in that capacity from November 2000 until his retirement from the business in April 2013. Rightmove plc was floated on the London Stock Exchange in February 2006.

Prior to Rightmove, Ed spent the majority of his career as a management consultant with Accenture and McKinsey & Co.

Ed holds an MA in Philosophy, Politics and Economics from St Anne's College, Oxford.

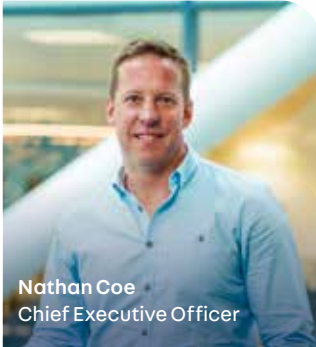
**Appointed to PLC Board**  
February 2015

**Independent on appointment?**  
Yes

**External appointments**  
• Baltic Classifieds Group plc

**Committee memberships**

**N**



**Nathan Coe**  
Chief Executive Officer

**Biography**

Nathan was first appointed to the Board as Chief Operating Officer ('COO') in April 2017 and as Chief Financial Officer ('CFO') in July 2017. Nathan was appointed Chief Executive Officer ('CEO') in March 2020, following the announcement of former CEO Trevor Mather's retirement.

Nathan joined Auto Trader in 2007 to oversee the transition from a

magazine business to a pure digital company. Prior to his appointment to the Board, Nathan was the joint Operations Director, sharing responsibility for the day-to-day operations of the business.

Prior to joining Auto Trader, Nathan was at Telstra, Australia's leading telecommunications company, where he led Mergers and Acquisitions and Corporate Development for its media and internet businesses.

He was previously a consultant at PwC, having graduated from the University of Sydney with a B.Com (Hons).

**Appointed to PLC Board**  
April 2017

**Independent on appointment?**  
N/A

**External appointments**  
None

**Committee memberships**

**D**



**Catherine Faiers**  
Chief Operating Officer

**Biography**

Catherine joined Auto Trader in August 2017 and was appointed as Chief Operating Officer ('COO') in May 2019. Catherine is responsible for the day-to-day operations of Auto Trader's business. She is also focused on guiding the Group's strategy and development.

Prior to this, Catherine was Chief Operating Officer at Addison Lee, Corporate Development Director at Trainline and a Director at Close Brothers Corporate Finance.

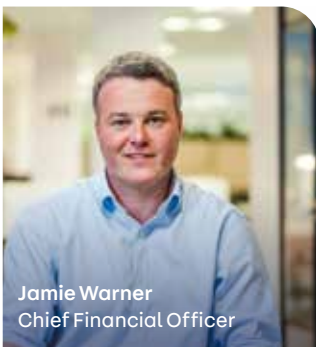
Catherine graduated from the University of Durham with a BA in Economics and is a qualified Chartered Accountant, training at PwC.

**Appointed to PLC Board**  
May 2019

**Independent on appointment?**  
N/A

**External appointments**  
• Allegro.eu Group

**Committee memberships**  
None



**Jamie Warner**  
Chief Financial Officer

**Biography**

Jamie was appointed Chief Financial Officer ('CFO') in March 2020. Prior to this he was Auto Trader's CFO-Designate and Deputy CFO. During his time at Auto Trader, Jamie has worked in a variety of different roles across finance, covering commercial finance, financial reporting, pricing and investor relations.

Jamie initially worked as a freight derivatives broker for inter-dealer broker GFI. Jamie left to join a start-up company, Swapit, developing a children's online swapping and trading community, that was subsequently acquired by Superawesome. He then joined Auto Trader in 2012.

Jamie graduated from Bristol University with a BSc in Economics and Economic History and is a qualified Chartered Management Accountant.

**Appointed to PLC Board**  
March 2020

**Independent on appointment?**  
N/A

**External appointments**  
None

**Committee memberships**

**D**



**David Keens**  
Senior Independent  
Non-Executive Director

**Biography**

David was appointed as a Non-Executive Director on 1 May 2015. David was previously Group Finance Director of NEXT plc (1991 to 2015) and its Group Treasurer (1986 to 1991). He was a Non-Executive Director and Audit Chair of J Sainsbury plc (2015 to 2021), and most recently has taken up the role as Senior Independent Non-Executive Director and Audit Chair of Moonpig Group plc.

Previous management experience includes nine years in the UK and overseas operations of multinational food manufacturer Nabisco (1977 to 1986) and prior to that seven years in the accountancy profession.

David is a member of the Association of Chartered Certified Accountants and of the Association of Corporate Treasurers.

**Appointed to PLC Board**  
May 2015

**Independent on appointment?**  
Yes

**External appointments**  
• Moonpig Group plc

**Committee memberships**

**A CR N R**



### Biography

Jill was appointed as a Non-Executive Director to the Board on 1 July 2015. Jill is also a Non-Executive Director of Ashtead Group plc, the FTSE 100 international equipment rental company; a Non-Executive Director of UP Global Sourcing Holdings plc, a FTSE small cap consumer goods business; a Non-Executive Director of Tracsis plc, an AIM listed provider of software, hardware, data analytics/

GIS and services for the transport industries; and is Chair of Headland, a PR and Communications agency.

Jill brings strong digital experience within retail environments to the Board. Previously, Jill was a member of the Executive Committee at Tesco Plc where she held a variety of senior roles, and was the Chief Executive Officer of JP Boden & Co. She also spent time as a management consultant having started her career at Marks & Spencer.

**Appointed to PLC Board**  
July 2015

**Independent on appointment?**  
Yes

### External appointments

- Ashtead Group plc
- UP Global Sourcing Holdings plc
- Verde Bidco Limited (Headland)
- Tracsis plc

### Committee memberships

R A CR N



### Biography

Jasvinder was appointed as a Non-Executive Director on 1 January 2022.

Jasvinder is currently Managing Director of Motor at Direct Line Group, leading Motor Insurance strategy and business delivery across household names such as Direct Line, Churchill and Privilege, and is a member of the Direct Line Group Executive Team. Prior to this, she held a number of roles

within Direct Line including most recently Chief Strategy Officer and before that, Managing Director of Direct Line for Business.

Jasvinder is a champion of gender diversity and women in top positions in business. She has been named on Green Park's BAME100 Board Talent Index, on the Cranfield University Top 100 women to watch in 2018 list and also featured on the Northern Power Women list of 'Top 50 Women to Watch'.

**Appointed to PLC Board**  
January 2022

**Independent on appointment?**  
Yes

### External appointments

- UK Insurance Business Solutions Limited

### Committee memberships

A CR N R



### Biography

Jeni was appointed as a Non-Executive Director on 1 March 2016.

Jeni is currently Visa Inc's SVP Global Head of Merchant Sales and Acquirers responsible for driving the growth of digital commerce for the world's sellers. She joined Visa in 2018 as the Managing Director for UK and Ireland. Jeni was previously at Vodafone Plc (1998 to 2017). Most recently she held Group

Director roles across product management and sales. Prior to that she was Chief Technology Officer on the UK and New Zealand Executive Boards.

Jeni started her career as a Telecommunications Engineer in New Zealand and holds an MSc in Electronic Engineering from Cardiff University.

**Appointed to PLC Board**  
March 2016

**Independent on appointment?**  
Yes

### External appointments

None

### Committee memberships

CR A N R



### Biography

Sigga was appointed as a Non-Executive Director to the Board effective 1 November 2019.

Sigga is currently part of the UK executive team at Experian and is responsible for their UK Direct to Consumer Business. Sigga has worked in the financial services industry since 2001, pioneering digital transformation at both American Express and Santander

UK. She was responsible for the development and launch of Asto, a Santander Fintech business, providing innovative cash flow solutions to small businesses.

Sigga holds a doctorate in Leadership and Innovation from Manchester Business School, an MBA from IESE Business School as well as a BS degree in Marketing from the University of South Carolina.

**Appointed to PLC Board**  
November 2019

**Independent on appointment?**  
Yes

### External appointments

- Frumtak Ventures

### Committee memberships

A CR N R



### Biography

Claire joined Auto Trader in July 2015 and is Company Secretary and Director of Governance. She is responsible for corporate governance; legal services; regulatory compliance; customer security; procurement; and risk management.

Claire was previously Deputy Company Secretary at Betfair

Group plc and prior to that was Company Secretary at Centaur Media plc.

Claire is a qualified accountant, a member of the Institute of Chartered Secretaries and Administrators and holds an MBA from Manchester Business School.

### Committee memberships

D

### Committee memberships

- A Audit
- CR Corporate Responsibility
- D Disclosure
- N Nomination
- R Remuneration
- Chair

This Corporate governance statement explains key features of the Company's governance framework. The Company has complied in full with all provisions of the 2018 UK Corporate Governance Code during the year.

This statement also includes items required by the Listing Rules and the Disclosure Guidance and Transparency Rules ('DTRs'). The UK Corporate Governance Code (the 'Code') is available on the Financial Reporting Council website at [frc.org.uk](http://frc.org.uk).

#### **Culture**

Auto Trader has a distinctive culture that is values-oriented and underpinned by a diverse and inclusive workforce. The Board plays an important role in ensuring that this culture remains aligned with our long-term strategy, in setting values, demonstrating behaviours consistent with these values, and in monitoring the culture and behaviours of the organisation.

The Board receives a quarterly Cultural Scorecard, designed to allow monitoring of various cultural indicators such as staff retention, diversity, investment in training, absences, employee engagement, customer feedback and complaints.

#### **Workforce engagement**

A Board Engagement Guild has been established as the core mechanism by which the Board engages with the workforce. The Board Engagement Guild comprises members from across different parts of the business, all of whom are members of the Company's other existing guilds covering areas such as family & wellbeing, diversity & inclusion and sustainability. Each member canvasses views and opinions from their colleagues to share with the Board.

The Board has decided that it is not appropriate to designate a specific Non-Executive Director to carry out this role and instead shares this role across all Non-Executive Directors, and so the Guild meets with the Chair and all Non-Executive Directors (without Executive Directors or any members of senior management present).

Additionally there are a number of well established ways in which the Company engages with the workforce, for example, regular check-in surveys; an annual employee engagement survey; attendance by Non-Executive Directors at some of our Diversity and Inclusion Guild events; an annual conference and quarterly virtual conferences and updates; regular sharing of information from the CEO via emails and videos; and informal open forums.

#### **Whistleblowing**

A whistleblowing policy has been adopted which includes access to a whistleblowing telephone service run by an independent organisation, allowing employees to raise concerns on an entirely confidential basis. Reports are directed to the Audit Committee Chair and the Company Secretary. The Audit Committee receives regular reports on the use of the service, any significant reports that have been received, the investigations carried out and any actions arising as a result.

#### **Engagement with shareholders**

The Board has a comprehensive investor relations programme to ensure that existing and potential investors understand the Company's strategy and performance. As part of this programme, the Executive Directors give formal presentations to investors and analysts on the half-year and full-year results. These updates are webcast live and posted on the Group's investor relations website.

The results presentations are followed by formal investor roadshows covering UK and overseas shareholders.

In September 2022, an investor day was held, attended by institutional investors, buy-side and sell-side analysts, during which the Executive Directors and members of senior management outlined the evolution of our strategy. The investor day presentations are available on the Company's website: [plc.autotrader.co.uk/investors](http://plc.autotrader.co.uk/investors).

There is also an ongoing programme of attendance at conferences, one-to-one and group meetings with institutional investors, fund managers and analysts. These meetings cover a wide range of topics, but care is exercised to ensure that any price-sensitive information is released to all shareholders, institutional and private, at the same time. Meetings which relate to governance are attended by the Chair or another Non-Executive Director and the Company Secretary as appropriate. Private shareholders are encouraged to give feedback and communicate with the Board through [ir@autotrader.co.uk](mailto:ir@autotrader.co.uk).

The Board receives regular reports on issues relating to share price, trading activity and movements in institutional investor shareholdings. The Board is also provided with current analyst opinions, forecasts and feedback from its joint corporate brokers, Bank of America and Numis, on the views of institutional investors on a non-attributed and attributed basis, and on the views of analysts from its financial PR agency, Powerscourt. Any major shareholders' concerns are communicated to the Board by the Executive Directors.

The Chair, the Senior Independent Director and other Non-Executive Directors are available to meet with shareholders and arrangements can be made through the Company Secretary.

#### **Annual General Meeting**

At the 2022 AGM, all resolutions were passed with votes in support ranging from 92.26% to 100%. The 2023 AGM will take place at 10:00am on Thursday 14 September 2023 at the Company's registered office: 4<sup>th</sup> Floor, 1 Tony Wilson Place, Manchester, M15 4FN. Myself and the other Directors will join the meeting.

All proxy votes received in respect of each resolution at the AGM are counted and the balance for and against, and any votes withheld, are indicated. At the meeting itself, voting on all the proposed resolutions is conducted on a poll rather than a show of hands, in line with recommended best practice. We encourage shareholders to cast their votes by proxy, and to send any questions in respect of AGM business to [ir@autotrader.co.uk](mailto:ir@autotrader.co.uk). Following the meeting, responses to questions will be published on the website at [plc.autotrader.co.uk/investors](http://plc.autotrader.co.uk/investors).

The Notice of the AGM can be found in a booklet which is being mailed out at the same time as this Annual Report. The Notice of the AGM sets out the business of the meeting and an explanatory note on all resolutions. Separate resolutions are proposed in respect of each substantive issue.

Results of resolutions proposed at the AGM will be published on the Company's website: [plc.autotrader.co.uk/investors](http://plc.autotrader.co.uk/investors) following the AGM.

## DIVISION OF RESPONSIBILITIES

## THE BOARD

**Main responsibilities include:**

- Providing leadership for the long-term success of the Group.
- Monitoring delivery of business strategy and objectives; responsibility for any necessary corrective action.
- Overall authority for the management of the Group's business, strategy, objectives and development.
- Oversight of operations including effectiveness of systems of internal control and risk management and high standards of business conduct.
- Approval of the Annual Report and Financial Statements, equitable engagement with shareholders and the wider investment community.
- Approval of changes to the capital, corporate and/or management structure of the Group, the dividend policy and capital policy.
- Engagement with and consideration of the interests of employees and other stakeholders.
- Consideration of the business's impact on the community and the environment, and oversight of climate related risks and opportunities.

## COMMITTEES

**Nomination Committee**

Reviews the structure, size and composition of the Board and its Committees, evaluates their performance and makes recommendations to the Board. Also covers diversity, talent development and succession planning.

**Read more P66**

**Audit Committee**

Reviews and reports to the Board on the Group's financial reporting, internal control, whistleblowing, internal audit and the independence and effectiveness of the external auditor.

**Read more P70**

**Corporate Responsibility Committee**

Assists the Board in fulfilling its oversight responsibilities in respect of corporate responsibility and sustainability for the Company and the Group as a whole.

**Read more P76**

**Remuneration Committee**

Responsible for all elements of the remuneration of the Executive Directors, the Chair and senior employees.

**Read more P80**

**Disclosure Committee**

Assists the Board in discharging its responsibilities relating to monitoring the existence of inside information and its disclosure to the market.

**Read more online**

## BOARD ROLES

**Chair**

- Leadership and governance of the Board.
- Creating and managing constructive relationships between the Executive and Non-Executive Directors.
- Ensuring ongoing and effective communication between the Board and its key stakeholders.
- Setting the Board's agenda and ensuring that adequate time is available for discussions.
- Ensuring the Board receives sufficient, pertinent, timely and clear information.

**Chief Executive Officer**

- Responsible for the day-to-day operations and results of the Group.
- Developing the Group's objectives, strategy and successful execution of strategy.
- Responsible for the effective and ongoing communication with stakeholders.
- Delegates authority for the day-to-day management of the business to the Operational Leadership Team (comprising the Executive Directors and senior management) who have responsibility for all areas of the business.

**Non-Executive Directors**

- Scrutinise and monitor the performance of management.
- Constructively challenge the Executive Directors.
- Monitor the integrity of financial information, financial controls and systems of risk management.

**Senior Independent Director**

- Acts as a sounding board for the Chair.
- Available to shareholders if they have concerns which the normal channels through the Chair, Chief Executive Officer or other Directors have failed to resolve.
- Meets with the other Non-Executive Directors without Executive Directors present.
- Leads the annual evaluation of the Chair's performance.

**Company Secretary**

- Available to all Directors to provide advice and assistance.
- Responsible for providing governance advice.
- Ensures compliance with the Board's procedures, and with applicable rules and regulations.
- Acts as secretary to the Board and its Committees.

The full schedule of matters reserved for the Board and the Terms of Reference of each Committee are published on the Company's website at [plc.autotrader.co.uk/investors](http://plc.autotrader.co.uk/investors).

To ensure a clear division of responsibility at the head of the Company, the positions of Chair and Chief Executive Officer are separate and not held by the same person. The division of roles and responsibilities between the Chair and the Chief Executive Officer is set out in writing and has been approved by the Board. David Keens is the Senior Independent Director.

At the date of this report, the Board consists of the Non-Executive Chair, five Independent Non-Executive Directors and three Executive Directors.

Ed Williams was considered to be independent on appointment. All of the Non-Executive Directors (David Keens, Jill Easterbrook, Jeni Mundy, Sigga Sigurdardottir and Jasvinder Gakhal) are considered to be independent in character and judgement, and free of any business or other relationship which could materially influence their judgement. The Chair's fees and the Non-Executive Directors' fees are disclosed on page 87, and they received no additional remuneration from the Company during the year. Therefore, at 31 March 2023 and to the date of this report, the Company is compliant with the Code provision that at least half the Board, excluding the Chair, should comprise Independent Non-Executive Directors.

## Attendance at meetings

	Board	Nomination Committee	Audit Committee	Corporate Responsibility Committee	Remuneration Committee
<b>Number of scheduled meetings held</b>	11	3	4	3	5
<b>Director</b>					
Ed Williams	11/11	3/3	N/A	N/A	N/A
Nathan Coe	11/11	N/A	N/A	N/A	N/A
Catherine Faiers	11/11	N/A	N/A	N/A	N/A
Jamie Warner	11/11	N/A	N/A	N/A	N/A
David Keens <sup>1</sup>	10/11	3/3	4/4	3/3	4/5
Jill Easterbrook	11/11	3/3	4/4	3/3	5/5
Jeni Mundy <sup>1</sup>	10/11	3/3	4/4	3/3	5/5
Sigga Sigurdardottir <sup>1</sup>	10/11	2/3	4/4	3/3	5/5
Jasvinder Gakhal	11/11	3/3	4/4	3/3	5/5

1. Where Directors were unable to attend a meeting date, this was either due to unavoidable personal circumstances or work commitments. Directors all received the meeting papers and had an opportunity to feed comments in to the Board and Committee Chairs prior to the meetings.

In addition to the scheduled Board meetings detailed above, ad hoc calls took place throughout the year relating to various financial and transactional decisions.

### Board and Committee meetings attendance

Board meetings are planned around the key events in the corporate calendar, including the half-yearly and final results, and the Annual General Meeting ('AGM'), and a strategy meeting is held each year.

A monthly financial update call is also held at which the Board discusses results with operational management. Once a year the Directors spend a day visiting customers.

During the year, the Chair and Non-Executive Directors have met without Executive Directors present. In addition, the Non-Executive Directors have met without the Chair and the Executive Directors present, and the Senior Independent Director has met with the Executive Directors.

### Board and Committee activities in 2023

The Board makes decisions in order to ensure the long-term success of the Group whilst taking into consideration the interests of wider stakeholders, such as employees, consumers, customers and suppliers, and other factors as required of it under s172 of the Companies Act 2006. Board meetings are one of the mechanisms through which the Board discharges this duty, and in order to formalise this process, a stakeholder framework has been established which is applied to all Board papers and discussions. Further information about engagement with the Group's stakeholders is included on pages 14 to 17.

The Board's activities are structured through the year to develop and monitor the delivery of the Group's strategy and financial results; to receive feedback from and engage with stakeholder groups such as employees, customers and suppliers; and to maintain a robust governance and risk management framework. Some of the key activities during the year are shown in the diagram on page 65.

### Induction and development

All newly appointed Directors receive an induction briefing on their duties and responsibilities as Directors of a publicly quoted company. There is a formal induction programme to ensure that newly appointed Directors familiarise themselves with the Group and its activities, either through reading, meetings with the relevant member

of senior management or through sessions in the Board meetings.

Specific focus areas in the induction schedule include: statutory and regulatory information, Board and Committee specific information, business overview and deep dives into people and culture, technology and digital retailing.

The majority of Board meetings contain a presentation from senior management on one of the strategic priorities for the year. Specific business-related presentations are given to the Board by senior management and external advisors when appropriate.

All Directors are offered the opportunity to meet with customers and take part in sales calls to understand the business from a customer's perspective, or to take part or observe focus groups with consumers who use our website. Directors receive regular feedback from our sales and service team to ensure they are kept informed of the latest customer dialogue and sentiment.

The Board as a whole is updated, as necessary, in light of any governance developments as and when they occur, and there is an annual legal and regulatory update provided as part of the Board meeting. All Directors are required to complete our annual compliance training modules covering anti-bribery, anti-money laundering, data protection, information security and other relevant subjects.

As part of the Board evaluation, the Chair meets with each Director to discuss any individual training and development needs.

### Information and support available to Directors

Full and timely access to all relevant information is given to the Board. For Board meetings, this consists of a formal agenda, minutes of previous meetings and a comprehensive set of papers including regular operational and financial reports, provided to Directors in a timely manner in advance of meetings.

All Directors have access to the advice and services of the Company Secretary, Claire Baty. The appointment or removal of the Company Secretary is a matter for the whole Board.

### Concerns over operation of the Board

All of the Directors have the right to have their opposition to, or concerns over, any Board decision noted in the minutes. Directors are entitled to take independent professional advice at the Company's expense in the furtherance of their duties, where considered necessary.

### Letters of appointment

The Chair and the Non-Executive Directors have letters of appointment which are available for inspection at the registered office of the Company during normal business hours and at the place of the AGM from at least 15 minutes before and until the end of the meeting; or on request from [ir@autotrader.co.uk](mailto:ir@autotrader.co.uk). These letters set out the expected time commitment from each Director. Non-Executive appointments to the Board are for an initial term of up to three years. Non-Executive Directors are typically expected to serve two three-year terms, although the Board may invite the Director to serve for an additional period.

### Conflicts of interest

In accordance with the Company's Articles of Association, the Board has a formal system in place for Directors to declare conflicts of interest and for such conflicts to be considered for authorisation.

Any external appointments or other significant commitments of the Directors require the prior approval of the Board. We recognise that our Executive Directors may be invited to become non-executive directors of other companies. Such non-executive duties can broaden a Director's experience and knowledge which can benefit Auto Trader. Following the year end, Catherine Faiers has been appointed as a Non-Executive Director of Allegro.eu Group. The Board approved the directorship in advance to ensure that there was no conflict of interest. None of the other Executive Directors has any external directorships as at the date of this report. The Board is comfortable that external appointments of the Chair and the Non-Executive Directors do not create any conflict of interest.

### Time commitment

Any external appointments or other significant commitments of the Directors require the prior approval of the Board. The Chief Operating Officer holds one external directorship as at the date of this report. The Board is comfortable that external appointments of the Chair, the Non-Executive Directors and the Chief Operating Officer do not impact on the time that any Director devotes to the Company.

### Election of Directors

The Board can appoint any person to be a Director, either to fill a vacancy or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next AGM and shall then be eligible for election by the shareholders. The AGM Notice sets out the specific reasons for reappointing each Director.

### Risk management and internal control

The Board acknowledges its responsibility for establishing and maintaining the Group's system of risk management and internal controls and it receives regular reports from management identifying, evaluating and managing the risks within the business. The system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The processes in place for assessment, management and monitoring of risks are described in Principal risks and uncertainties on pages 48 to 55.

The Board, assisted by the Audit Committee, has carried out a review of the effectiveness of the system of risk management and internal controls during the year ended 31 March 2023 and for the period up to the date of approval of the Consolidated financial statements contained in the Annual Report. The review covered all material controls, including financial, operational and compliance controls and risk management systems. The Board considered the weaknesses identified and reviewed the developing actions, plans and programmes that it considered necessary. The Board confirms that no significant weaknesses or failings were identified as a result of the review of effectiveness.

### Financial and business reporting

Assisted by the Audit Committee, the Board has carried out a review of the 2023 Annual Report and considers that, in its opinion, the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. Refer to the Report of the Audit Committee on pages 70 to 75 for details of the review process.

See pages 56 to 57 for the Board's statement on going concern and the viability statement.

## KEY ACTIVITIES OF THE BOARD AND COMMITTEES DURING FY23



### STRATEGY & GROWTH

- Review and approve the mid-term financial plan for viability scenarios.
- Strategy session focused on how our customers are thinking about digital retailing and the wider eco-system that we operate in.
- Reviewed the technology strategy with a focus on cyber and risk.
- Autorama post acquisition review.
- Disposal of Webzone Ltd.



### OPERATIONAL

- Deep dives into Auto Trader as a platform.
- Deep dive into digital retailing's end-to-end consumer journey.
- Overview of competitive landscape.
- Reviewed audience and marketing plans.
- Deep dive into the core advertising business and main revenue drivers.



### FINANCIAL

- Review and approve financial year 2024 Plan.
- Approval of half-yearly report, Annual Report and Preliminary Results.
- Amendment and extension of debt facility, reducing the commitment from £250m to £200m and extending the term to February 2028.
- Review of capital policy.
- Review of tax compliance.
- Review of managing core marketplace revenue and costs in a high inflationary period.



### PEOPLE & CULTURE

- Board Engagement Guild meetings covering topics including: gender and ethnicity pay gap, navigating the cost of living crisis, executive remuneration, Connected Working and our annual employee engagement survey results.
- Review of people changes, recruitment, resourcing needs and employee engagement.
- Review of remuneration framework and target setting.
- Approval of FY22 bonus outturn and Single Incentive Plan vesting for senior management.
- FY23 PSP and Single Incentive Plan targets and grants.
- Approval of cost of living bonuses and increased levels of salary review.
- Succession planning for senior management.
- Director and senior management salary reviews.
- Gender and ethnicity pay gap reporting.



### SHAREHOLDERS AND OTHER STAKEHOLDERS

- Review of cultural KPIs.
- Review of stakeholder materiality assessment.
- ESG rating agencies update.
- Approval of science based targets and progress on net zero strategy.
- Quarterly shareholder analysis.
- Review of feedback from analysts and investors from results roadshows.
- Review of dividend policy and capital structure.
- Review of feedback from investors and proxy advisory agencies in advance of Annual General Meeting ('AGM').



### GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL

- Governance and regulatory updates including: Carbon Literacy training and external legal and regulatory update.
- Review and approval of Group risk register.
- Internal audit update including reviews of IT General Controls; FCA Consumer Duty readiness; and key financial controls at Autorama.
- Review of insurance programme.
- Review and approval of modern slavery statement.
- Review of internal and risk management framework and internal controls.
- Review of external audit effectiveness.
- Board evaluation feedback and action plan.
- Review of succession plans.
- Review of crisis management framework.
- Business continuity planning.
- Approval of material contracts.





**Ed Williams**  
Chair of the Committee



The focus of the Committee’s work during the year was on developing and implementing a plan to renew the Non-Executive Directors, including the Chair, in 2024.

**AT A GLANCE**

Reviewing the Board’s size and composition, and ensuring effective succession planning for the business.

**OVERVIEW**

- Composed of the Chair and five Independent Non-Executive Directors.
- At least one meeting held per year. A significantly higher number of meetings held this year due to increased activity levels.
- Meetings are attended by the Chief Executive Officer and other relevant attendees by invitation.

**OUR PROGRESS IN 2023**

- Progressing the implementation of succession plans for the Chair, Senior Independent Director and Audit Committee Chair in 2024.
- Concluding selection process for appointment of Chair Designate.
- Continuing to monitor succession plans for other Board members and senior management succession.
- Held an internal Board evaluation and reviewed the results.

**FOCUS AREAS FOR 2024**

- Implementing succession plans for the Non-Executive Directors.
- Following up on the Board evaluation recommendations.
- Continuing to monitor Board and senior management succession.

[Board of Directors P60](#)



**For more information on the Committee’s Terms of Reference:** [plc.autotrader.co.uk/investors](https://plc.autotrader.co.uk/investors)

**Dear shareholders,**

I am pleased to present the Report of the Nomination Committee for 2023.

**Role of the Committee**

The Committee’s main role is to keep under constant review the size and composition of the Board and its Committees including its gender and ethnic diversity, its independence, and the skills, knowledge and experience required for the effective oversight of the Group. The Committee is also responsible for ensuring that there are formal and orderly succession plans in place for the members of the Board.

**How the Committee operates**

All members of the Committee are Independent Non-Executive Directors. The Chair of the Board chairs all meetings of the Committee unless they relate to the appointment of his successor or such other matters in which he may have a potential conflict of interest. For those meetings, the Senior Independent Director (‘SID’) takes the Chair unless the SID is in contention for the role or also has a potential conflict of interest.

The Committee meets at least once a year, and on an ad hoc basis as required. Only members of the Committee have the right to attend meetings; however, the Chief Executive Officer attends for all or part of meetings so that the Committee can understand his views, particularly on key talent within the business.

**Board evaluation**

We carried out an internal Board evaluation during the year. No significant issues were identified. The results are included in the table opposite.

**Appointments to the Board**

No new appointments were made during the year, however, since the year end the Board has appointed Matt Davies as a Non-Executive Director and Chair Designate.

The Senior Independent Director led the process for finding the next Chair, working closely with the CEO. A detailed role specification was drawn up, identifying the skills and experience required. A wide search was conducted, taking into consideration the requirements of the role, and with due regard to the benefits of diversity including gender and ethnicity. Ereveva, a recruitment consultancy who has no other connection with the Company, were used to identify candidates. Extensive interviews were conducted, including with all Executive and Non-Executive Directors. Following this process, the Committee identified Matt Davies as the successful candidate, and therefore Matt will be appointed as Chair Designate with effect from 1 July 2023, and will assume the role of Chair from the 2023 AGM.

### Policy on appointments to the Board

Appointments are made on merit, against objective criteria and with due regard to the benefits of diversity on the Board. The Committee takes account of a variety of factors before recommending any new appointments to the Board, including relevant skills to perform the role, experience, knowledge and diversity, including gender and ethnic diversity.

As set out in the table on page 41, 56% of our Board Directors are women, exceeding the targets set by the Listing Rules. We do not currently have a woman in one of the roles of Chair, SID, CEO or CFO. However, we do have a female Executive Director, Catherine Faiers, in the role of COO, which we believe to be of equal status to those roles. One of our Board Directors is from a minority ethnic background.

At a leadership level, 56% of the Operational Leadership Team ('OLT') and 38% of the OLT's direct reports were women, a combined total of 40%.

### Succession planning

The focus of the Committee's work during the year was on developing and implementing a plan to renew the Non-Executive Directors, including the Chair. A detailed description of the approach we are adopting is set out overleaf.

We also conducted a long-term review of executive succession with two areas of focus. The first was to confirm the identity of our preferred internal candidate as the eventual successor to our CEO, Nathan Coe. The second area of focus was in regard to the composition and potential of the next level of executives outside the Executive Director group. The intention is to both enlarge the OLT and to communicate clearly to those with the potential to join the OLT in the relatively near term. We believe we have the talent within the business to fill potentially all of our future needs and we believe that offering greater clarity to people in this group will contribute to their retention.

### Election and re-election of Directors

In accordance with the UK Corporate Governance Code, all Directors will retire and offer themselves for election or re-election to the Board. Since the last report, Sigga Sigurdardottir has entered into her second three-year term. Following the appointment of Matt Davies as Chair Designate, I will not be standing for re-election. Matt will be standing for election and will assume the role of Chair at the conclusion of the 2023 AGM. Following confirmation by the Committee and Board that they are satisfied that all Directors continue to be effective in, and demonstrate commitment to, their respective roles on the Board and that each makes a valuable contribution to the leadership of the Company,

## Board evaluation and effectiveness

An internal evaluation was conducted in 2022/23. The internal review included the completion of a detailed questionnaire by each of the Board Directors, covering the following areas:

- Board meetings and information flows;
- the Board's role, knowledge and skills;
- Board composition and succession planning;
- business strategy, performance and culture;
- risk management;
- engagement with shareholders and other stakeholders;
- the operation of each of the Board's Committees; and
- a follow up on the recommendations raised in the previous review.

The results were reviewed by the Chair and then discussed with the Board in March 2023.

In addition, an assessment of the Chair's performance was carried out, led by the Senior Independent Director, and feedback was provided to him individually. Overall, the results showed that the Board and its Committees continue to operate both effectively and efficiently, and that each individual Director continues to make an effective contribution.

The next external evaluation is due in 2023/24.

## Results of the 2023 internal review

Areas of strength	Areas for improvement
The Board is a very inclusive environment, open to discussion, feedback and alternative views. Key relationships are excellent and there is a high level of transparency between Executives and Non-Executives.	Although Board papers generally are of high quality and clarity, more work could be done to reduce jargon, focus on salient points and to provide background and context. This will become even more important as new members join the Board in future.
The wider consequences of decisions and the impact on different stakeholder groups is well considered and articulated in Board papers and Board discussions, and is further enhanced by the Employee Engagement Guild.	Whilst it was noted that it is unusual for Non-Executive Directors to attend investor meetings (unless in their capacity as a Committee Chair), it was agreed it would be useful for Non-Executive Directors to attend investor days/analyst presentations from time to time.
The induction process for newly appointed Board Directors was noted to be very good, and training/upskilling sessions for the Board are excellent. This will be of considerable importance in the coming year as new members join the Board.	It was noted that, taking into account the need to renew the Board, we need to ensure that we continue to have strong finance experience, and that the Board should evolve in line with changes in business and strategy.

the Board recommends that shareholders approve the resolutions to be proposed at the 2023 AGM relating to the election and re-election of the Directors.

I welcome any questions in respect of the work of the Committee, which can be submitted to [ir@autotrader.co.uk](mailto:ir@autotrader.co.uk), or in person at our Annual General Meeting.

### Ed Williams

Chair of the Nomination Committee  
1 June 2023

**Board succession plan**

Much of the time of the Nomination Committee over the last year has been taken up with planning for and implementing the plan for the renewal of Non-Executive Directors.

The need for a plan arises from the Code’s requirement for independent directors and the deemed loss of independence after nine years’ service. Auto Trader became a public company in March 2015. Part of that process was the replacement of a private equity board with a public company board. The Committee believes that it made sound choices of the initial set of public company Non-Executive Directors.

As a consequence, the Company faced a need to replenish the majority of its Non-Executive Directors over the next two years, including the Chair. It is in part a result of the belief that a smaller Board has been very beneficial for the business and is likely to remain so into the future. The Committee will look to stagger as much as possible through this next round of appointments.

The panel opposite lists the Non-Executive Board members by length of service, their roles, the experience they bring and identifies when they will be deemed to lose their independence under the Code.

Following the appointment of Matt Davies as Chair Designate, the Committee will now be able to refine the criteria to be applied in the search for other Non-Executive Directors knowing the experience and skills the new Chair brings to the business. It also allows for the new Chair to play a role in making the other appointments.

At the time of the IPO, it was felt important to have a Chair with both public company experience and a depth of knowledge in online classifieds. These were complementary to the then CEO who had a strong technology background and experience of building a global, though at the time private, entrepreneurial business. Online marketplace experience is no longer essential given the depth of experience among the executive leadership, and so the focus was on candidates with public company experience, and a belief that the person understands, values and will seek to preserve and build on the Auto Trader culture including the desire for inclusivity and diversity.

The panel opposite sets out the plan in some detail and highlights the areas that are seen as potentially the most challenging in its successful execution.

The composition of your Board today

**EXECUTIVE BOARD MEMBERS**

<p><b>Nathan Coe</b> Chief Executive Officer</p>	<p><b>Catherine Faiers</b> Chief Operating Officer</p>	<p><b>Jamie Warner</b> Chief Financial Officer</p>
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**Chair of the Board, Senior Independent Director & Non-Executive Directors**



**Name**  
Ed Williams

**Role(s)**

- Chair of the Board
- Nomination Committee Chair

**Executive experience**

- Online marketplaces
- Public company CEO

**Deemed loss of independence**  
March 2024<sup>1</sup>



**Name**  
David Keens

**Role(s)**

- Senior Independent Director
- Audit Committee Chair

**Executive experience**

- Retail
- Public company CFO

**Deemed loss of independence**  
May 2024



**Name**  
Jill Easterbrook

**Role(s)**

- Remuneration Committee Chair

**Executive experience**

- Retail
- Business partnerships

**Deemed loss of independence**  
July 2024



**Name**  
Jeni Mundy

**Role(s)**

- Corporate Responsibility Committee Chair

**Executive experience**

- Telcos
- Payments & technology

**Deemed loss of independence**  
March 2025



**Name**  
Sigga Sigurdardottir

**Role(s)**

- Non-Executive Director

**Executive experience**

- Retail banking
- Technology

**Deemed loss of independence**  
November 2028



**Name**  
Jasvinder Gakhel

**Role(s)**

- Non-Executive Director

**Executive experience**

- Insurance
- Data

**Deemed loss of independence**  
January 2031

**63%**  
Board independence, excluding the Chair, as at 31 March 2023 (no change from 31 March 2022)

**56%**  
of our Board are female as at 31 March 2023 (no change from 31 March 2022)

**Goals for the replacement of NEDs over the next two years**

Comply with the requirements of the Corporate Governance Code during and at the end of this process

Maintain the current number of Board members (or possibly reduce the number from nine to eight)

1. Although Ed Williams joined the Auto Trader business as a Non-Executive Director in November 2010 when it was under private ownership, the understanding of the Committee and the Board, having consulted with the FRC, is that the nine-year period commences on the date that Auto Trader listed on the London Stock Exchange.

## The composition of your Board in the future

### PLANNED APPOINTMENT TIMINGS

#### 1 Chair of the Board

The Senior Independent Director led the process of finding the next Chair, working closely with the CEO. Matt Davies has been appointed as Chair Designate from 1 July 2023 and will assume the role of Chair after the 2023 AGM.

#### 2 Audit Committee Chair

Now the next Chair has been identified, the Committee will focus on the role of Audit Committee Chair. There are a number of candidates in mind, though this will be influenced by wanting complementary experience to that of the new Chair. It will not be a requirement that the successful appointee also perform the role of SID, though the experience required to perform both roles is often found together.

#### 3 Senior Independent Director

If the Audit Committee Chair is not also appointed as SID, we will seek an additional appointment to take on the role of SID, and David Keens will remain in the role until such time as a new SID has been announced.

#### 4 Remuneration Committee Chair

The Committee expects to be able to appoint one of the existing Remuneration Committee members as Remuneration Committee Chair in succession to Jill Easterbrook, meeting the recommendation to have served on a Remuneration Committee for at least 12 months on appointment. Therefore, Jill may not be directly replaced when she steps down from the Board in 2024.

#### 5 Non-Executive Director

The Committee expects to make at least one further appointment during 2025 (the end of Jill Easterbrook's nine years falls in July 2024 and the end of Jeni Mundy's nine years falls in March 2025). Jeni Mundy's replacement as Chair of the Corporate Responsibility Committee may either be an existing Board member or be a new Director, appointed during 2025.

### EXECUTIVE BOARD MEMBERS

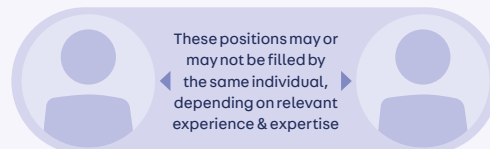
**Nathan Coe**  
Chief Executive Officer

**Catherine Faiers**  
Chief Operating Officer

**Jamie Warner**  
Chief Financial Officer



**Chair & Nomination Committee Chair**  
Name  
Matt Davies  
From  
September 2023



**Senior Independent Director ('SID')**  
Target date: 2024

**Audit Committee Chair**  
Target date: 2024



Name  
Sigga Sigurdardottir  
Role(s)  
Non-Executive Director



Name  
Jasvinder Gakhral  
Role(s)  
Non-Executive Director



**Non-Executive Director**  
Target date: 2025

### Skills sought from our new Chair and Non-Executive Directors



**Recent financial experience**



**Experience as a public company CEO or CFO**



**Retail industry or online media experience**

Maintain the record of having women constitute at least 40% of the Board

Ensure the right mix of experience including prior public company experience as a CEO or CFO, financial experience and ideally some continued online and retail industry experience

Achieve a greater staggering of Board appointment dates to reduce the risk of being in a similar position in nine years' time



**David Keens**  
Chair of the Committee

**AT A GLANCE**

Monitoring the integrity of financial reporting, internal controls and the effectiveness of internal and external audit.

**OVERVIEW**

- Five Independent Non-Executive Directors.
- David Keens is considered by the Board to have recent and relevant experience. All members have significant commercial and operating experience in consumer and digital businesses.
- At least three meetings held per year.
- Meetings are attended by the Chair of the Board, CEO, COO, CFO, internal auditor and external auditor by invitation.

**ACTIVITIES IN 2023**

- Assess the Group’s going concern and viability statements.
- Review the acquisition accounting for Autorama.
- Discuss key areas of financial judgement.
- Evaluate the quality, effectiveness and independence of external audit.
- Review the effectiveness of internal audit, internal controls and risk management.
- Appointment of new internal auditors.

**PLANNING FOR 2024**

- Review the integration and control environment of Autorama.
- Agree with KPMG any changes for their 2024 audit.
- Consider the impact and timing of forthcoming Audit and Corporate Governance Reform and any other regulatory changes or implications.

[How we manage risk P48](#)



**For more information on the Committee’s Terms of Reference:** [plc.autotrader.co.uk/investors](http://plc.autotrader.co.uk/investors)



We reviewed the Annual Report including: recognition of revenue, acquisition accounting, impairment of assets, and the assumptions and scenarios in the viability statement.

**Dear shareholders,**

I am pleased to present the Report of the Audit Committee for 2023.

The Committee is comprised entirely of Independent Non-Executive Directors. I fulfil the requirement for a Committee member to have recent and relevant financial experience. All members (and therefore the Committee as a whole) have competence in consumer and digital businesses.

The Board approves the Terms of Reference and duties of the Committee, which include: monitoring the integrity of the Group’s financial reporting, effectiveness of the internal control and risk management framework, internal audit, and the quality, independence and effectiveness of external audit.

Our Internal Audit function has been co-sourced with Deloitte LLP for the eight years since we became a listed plc in 2015. They have provided an excellent, independent, professional service for which we thank them. Jointly, we determined that it was appropriate to make a change in view of the longevity of their tenure. We conducted a competitive process and have appointed BDO LLP as our new co-sourced Internal Audit provider.

Our external auditor, KPMG LLP, and internal auditor regularly attend Audit Committee meetings. The Chair of the Board, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and other members of management attend by invitation.

The Committee has reviewed the content of the Annual Report, including the acquisition accounting for Autorama; the presentation of segmental reporting and profit measures; and the Group's policies over revenue recognition, impairment of assets, and the assumptions and scenarios in the viability statement.

The Annual Report explains our strategy, financial performance and position in a way which we believe is fair, balanced and understandable.

Whilst this Report of the Audit Committee contains some of the matters addressed during the year, it should be read in conjunction with the external auditor's report starting on page 98 and the Auto Trader Group plc financial statements in general.

At the 2022 AGM, shareholders approved the re-appointment of KPMG as our external auditor. The Committee has carried out a review of the effectiveness and independence of KPMG and has recommended to the Board that they are re-appointed at the 2023 AGM.

**David Keens**  
Chair of the Audit Committee  
1 June 2023

## Financial reporting

The primary role of the Committee in relation to financial reporting is to review and monitor the integrity of the financial statements, including annual and half-year reports, results announcements, dividend proposals and any other formal announcement relating to the Group's financial performance.

The Committee assessed the accounting principles and policies adopted, and whether management had made appropriate estimates and judgements. In doing so, the Committee considered management reports and the basis of judgements made. The Committee reviewed external audit reports on the 2023 half-year statement and 2023 Annual Report.

The Committee, with assistance from management and KPMG, identified areas of financial statement risk and judgement as described below:

### Description of significant area

#### Acquisition accounting

Management's assessment of the allocation and valuation of goodwill and intangible assets as part of the acquisition of Autorama.

### Audit Committee action

The Committee reviewed the assumptions made by management in respect of the identification and valuation of intangible assets, and the allocation of consideration, and was satisfied that these were appropriately accounted for and disclosed under IFRS 3.

#### Revenue recognition

Revenue recognition for the Group's revenue streams is not complex. However this remained an area of focus due to the large volume of transactions, the new revenue streams from Autorama, and as revenue is the largest figure in the income statement.

The Committee was satisfied with the explanations provided and conclusions reached in relation to the Group's revenue recognition, including management's assessment of Autorama revenue streams.

#### Going concern and viability statement

The Directors must satisfy themselves as to the Group's viability and confirm that they have a reasonable expectation that it will continue to operate and meet its liabilities as they fall due. The period over which the Directors have determined it is appropriate to assess the prospects of the Group has been defined as five years. In addition, the Directors must consider if the going concern assumption is appropriate.

The Committee reviewed management's schedules supporting the going concern assessment and viability statements. These included the Group's Medium Term Plan and cash flow forecasts for the period to March 2028. The Committee discussed with management the appropriateness of the five-year period, and discussed the correlation with the Group's principal risks and uncertainties as disclosed on pages 50 to 55. The feasibility of mitigating actions and the potential speed of implementation to achieve any flexibility required were discussed. Scenarios covering events that could adversely impact the Group were considered. The Committee evaluated the conclusions over going concern and viability and the proposed disclosures in the financial statements and satisfied itself that the financial statements appropriately reflect the conclusions.

### Other areas of focus

#### Carrying value of goodwill

Following the acquisition of Autorama, the Group has two cash-generating units ('CGUs'), being the Digital CGU and Autorama CGU, which require annual impairment testing. Management's assessment of the recoverability of the goodwill is based on future cash flow forecasts.

### Audit Committee action

The Committee reviewed the assumptions made by management, in particular the judgements around allocation of goodwill to CGUs and the estimates that underpin the value in use (Auto Trader CGU) and fair value (Autorama CGU) recoverable amounts. The Committee concluded that the judgements and estimates applied were appropriate.

#### Investment value in joint venture

The Group has a joint venture with Cox Automotive UK, Dealer Auction. Management's assessment of the recoverability of the investment value, including goodwill, is based on future cash flow forecasts.

The Committee reviewed the assumptions made by management, particularly in relation to cash flow forecasts to support the carrying value, and was satisfied that these were appropriately accounted for.

**Fair, balanced and understandable**

At the request of the Board, the Committee has reviewed the content of the 2023 Annual Report and considered whether, taken as a whole, in its opinion it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy. The Committee was provided with a draft of the Annual Report and the opportunity to comment where further clarity or information should be added. The final draft was then recommended for approval by the Board. When forming its opinion, the Committee had regard to discussions held with management and reports received from internal and external auditors. In particular, the Committee considered:

<b>Is the report fair?</b>	<ul style="list-style-type: none"> <li>• Is a complete picture presented and has any sensitive material been omitted that should have been included?</li> <li>• Are key messages in the narrative aligned with the KPIs and are they reflected in the financial reporting?</li> <li>• Are the revenue streams described in the narrative consistent with those used for financial reporting in the financial statements?</li> </ul>
<b>Is the report balanced?</b>	<ul style="list-style-type: none"> <li>• Is there a good level of consistency between the reports in the front and the reporting in the back of the Annual Report?</li> <li>• Do you get the same messages when reading the front end and the back end independently?</li> <li>• Is there an appropriate balance between statutory and adjusted measures and are any adjustments explained clearly with appropriate prominence?</li> <li>• Are the key judgements referred to in the narrative reporting and significant issues reported in the Report of the Audit Committee consistent with disclosures of key estimation uncertainties and critical judgements set out in the financial statements?</li> <li>• How do these compare with the risks that KPMG include in their report?</li> </ul>
<b>Is the report understandable?</b>	<ul style="list-style-type: none"> <li>• Is there a clear and cohesive framework for the Annual Report?</li> <li>• Are the important messages highlighted and appropriately themed throughout the document?</li> <li>• Is the report written in accessible language and are the messages clearly drawn out?</li> </ul>

Following the Committee's review, the Directors confirm that, in their opinion, the 2023 Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

### Risk management and internal control

The Committee's responsibilities include a review of Auto Trader's risk management arrangements and internal controls to ensure that they remain effective and that any identified weaknesses are remediated fully and in a timely manner. The Committee:

- reviews annually the effectiveness of the Group's risk management systems;
- reviews annually the effectiveness of the Group's internal control framework;
- monitors and oversees the response to any alleged instances of fraud, bribery and whistleblowing complaints;
- commissions reports on the effectiveness of business processes and controls and ensures recommendations are implemented where appropriate;
- receives reports from the Group's outsourced Internal Audit function and ensures recommendations are implemented where appropriate; and
- reviews reports from the external auditor on any issues identified in the course of their work, including any internal control reports highlighting control weaknesses, and ensures that there are appropriate responses from management.

The Group has internal controls and risk management arrangements in place in relation to its financial reporting processes and preparation of consolidated accounts. These systems include policies and procedures to ensure that adequate accounting records are maintained, and transactions are recorded accurately and fairly to permit the preparation of financial statements in accordance with IFRS. The internal control systems include the elements described below:

Element	Approach and basis for assurance
<b>Risk management</b>	<p>Details of our governance structure can be found in the Risk management section of this Annual Report. Risk management operates throughout all levels of our governance structure. The Board as a whole is accountable for risk management. The day-to-day responsibility for managing key risks resides with the Operational Leadership Team ('OLT'). Assurance over the effectiveness of risk management activity is provided under the three lines of defence model as described below.</p> <p>Reports on the effectiveness of risk management and internal controls are presented to executive management at monthly Risk Forum meetings, to the Audit Committee, and to the Board.</p> <p>The Risk Forum agenda includes risk-based 'deep dives' into key risk areas and in the last year these have included: crisis management; enterprise risk management; cyber security; audit and corporate governance reform; FCA Consumer Duty; IT controls over key financial applications; and financial controls at Autorama.</p> <p>Key risks and controls are documented in a Group risk register with OLT members designated as risk owners. A review of the Group risk register is undertaken on a quarterly basis. The process for reviewing and updating the risk register is facilitated by the Governance, Risk and Compliance function and overseen by the Board.</p> <p>A risk-based internal audit programme provides independent, third-line assurance over the effectiveness of the risk management arrangements and this year's internal audit plan included reviews of the following areas: IT General Controls; FCA Consumer Duty readiness; and key financial controls at Autorama.</p>
<b>Financial reporting</b>	<p>Group consolidation is performed on a monthly basis with a month-end pack produced that includes an income statement, balance sheet, cash flow and detailed analysis. The pack also includes KPIs and these are reviewed by the OLT and the Board. Results are compared against the Plan or re-forecast and narrative is provided by management to explain significant variances.</p> <p>The effectiveness of the controls within the financial reporting and consolidation process is reviewed on a quarterly basis by the Governance, Risk and Compliance function. The Risk Forum reviews and oversees these reports.</p>
<b>Budgeting and forecasting</b>	<p>An annual Plan is produced and monthly results are reported against this. The Plan is prepared using a bottom-up approach, informed by a high-level assessment of market and economic conditions. Reviews are performed by the OLT and the Board. The Plan is also compared to the top-down Medium Term Plan ('MTP') as a sense check. The Plan is approved by the OLT and the Board.</p> <p>A detailed monthly rolling forecast is produced, with inputs provided from all business owners. The rolling forecast is then used to help identify potential risks and opportunities by comparison to the original budget plan. A business review then takes place with the relevant OLT member, COO and CFO to agree actions.</p>
<b>Delegation of authority and approval limits</b>	<p>A documented structure of delegated authorities and approval for transactions is maintained within the Board's Terms of Reference. This is reviewed regularly by management to ensure it remains appropriate for the business.</p>
<b>Segregation of duties</b>	<p>Procedures are defined to segregate duties over significant transactions, including: procurement, payments to suppliers, payroll, discounts and refunds. Regular reviews of IT system access take place to ensure that segregated duties remain enforced. Key reconciliations are prepared and reviewed on a monthly basis to ensure accurate reporting.</p>



#### Internal audit

Deloitte were the Group's outsourced Internal Audit function. The Internal Audit function is accountable to the Audit Committee and uses a risk-based approach to provide independent assurance over the adequacy and effectiveness of the control environment. The internal audit work plan for 2022/23 included internal audit assignments in relation to the following areas of risk:

- Follow up into the timeliness and appropriateness of responses to previous internal audit recommendations.
- IT General Controls over key financial applications.
- Key financial controls at Autorama.
- Readiness for the FCA Consumer Duty across Auto Trader Ltd and Autorama UK Limited.

In 2023, following a competitive tender exercise, the provision of co-source Internal Audit services was awarded to BDO LLP. Under the co-source arrangement, BDO will continue to report to the Audit Committee. The arrangements with BDO will enable the Group to leverage existing internal resource to provide assurance over core areas of risk, and also leverage BDO's expertise and independence.

The risk-based internal audit plan for FY24 was approved by the Audit Committee and covers a broad range of core financial and operational processes and controls, focusing on specific risk areas. Whilst the plan has been approved, the Audit Committee will continue to review it regularly to ensure that any new and emerging significant areas of risk are considered.

Management actions that are recommended following the internal audits are tracked to completion and reviewed by the Risk Forum and then by the Audit Committee to ensure that identified risks are mitigated in a timely manner.

Without management present, the Committee met with both Deloitte and the newly appointed BDO. The Committee has also met with management without the presence of Deloitte or BDO. There were no significant issues raised during these meetings.

A risk-based programme of key controls testing takes place on a quarterly basis. We continue to monitor the resource within our Governance, Risk and Compliance function to ensure that we are able to meet future requirements which may arise following the BEIS consultation into the future of audit and corporate governance.

#### External auditor

The Committee oversees the relationship with the external auditor, KPMG, and reviews their findings in respect of audit and review work. The Committee received and discussed KPMG's review of the half-year report to 30 September 2022 and their audit of the financial statements for the year to 31 March 2023. The Committee met with KPMG without management present and with management without KPMG present, to ensure that there were no issues in the relationship between management and the external auditor to be addressed. There were none.

One of the Committee's roles is to evaluate the quality and effectiveness of audit services provided, and the level of professional scepticism applied. The Committee has carried out a review based on discussion of audit scope and plans, materiality assessments, review of auditor's reports and feedback from management on the effectiveness of the audit process. The review concluded that the external auditor remained effective and applied professional scepticism throughout. The review of the audit report and feedback from management also confirmed that the external auditor challenged management's judgements and estimates where necessary.

The Committee is also responsible for ensuring the external auditor remains independent. The Committee has reviewed, and is satisfied with, the independence of KPMG as the external auditor. In particular, discussions have been held with KPMG's senior management to verify the Group's audit partner's performance and standing within KPMG. There were no conflicts or matters of concern conveyed. The year ended 31 March 2023 was the third year the Group's audit partner has been involved in the audit of the Group.

### Non-audit services provided by the external auditor

The external auditor is primarily engaged to carry out statutory audit work. There may be other services where the external auditor is considered to be the most suitable supplier by reference to their skills and experience. It is the Group's practice that it will seek quotes from more than one firm, which may include KPMG, before engagements for non-audit projects are awarded. Contracts are awarded based on individual merits. A policy is in place for the provision of non-audit services by the external auditor, to ensure that the provision of such services does not impair the external auditor's independence or objectivity, and will be assessed in line with FRC Ethical and Auditing Standards.

#### Non-audit service

##### Audit-related services directly related to the audit

For example, the review of interim financial statements, compliance certificates and reports to regulators.

#### Policy

Pre-approval by the Committee is required for all non-audit services. Permissible services may be approved to a maximum of £100,000 for each individual engagement, and to a maximum aggregate in any financial year of 70% of the average audit fees paid to the audit firm in the last three consecutive years.

#### Prohibited services

In line with the EU Audit Reform, services where the auditor's objectivity and independence may be compromised. Prohibited services are detailed in the FRC Revised Ethical Standard 2019 and include tax services, accounting services, internal audit services, valuation services and financial systems consultancy.

Prohibited, with the exception of certain services which are subject to derogation if certain conditions are met and will be assessed going forward in line with the new FRC Ethical and Auditing Standards.

Refer to [plc.autotrader.co.uk/investors](http://plc.autotrader.co.uk/investors) for full details of the policy.

During the year, KPMG charged the Group £48,000 (2022: £43,841) for audit-related assurance services directly relating to the audit for the review of the Group's interim report for the six months ended 30 September 2022.

### The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 – statement of compliance

A competitive tender was carried out in 2016 and KPMG LLP were first appointed as statutory auditor for the year to March 2017. We have therefore complied with the requirement that the external audit contract is tendered within the 10 years prescribed by UK legislation and the Code's recommendation. The Group confirms that it complied with the provisions of the Competition and Markets Authority's Order for the financial year under review.

#### David Keens

Chair of the Audit Committee  
1 June 2023



**Jeni Mundy**  
Chair of the Committee

#### AT A GLANCE

Providing oversight, scrutiny and challenge on matters relating to the Group's ESG strategy.

#### OVERVIEW

- Composed of five Independent Non-Executive Directors.
- The Chair of the Board, Executive Directors and other relevant individuals attend the meetings when appropriate by invitation.
- The Assistant Company Secretary acts as secretary to the Committee.
- At least three meetings held per year.

#### OUR PROGRESS IN 2023

- Long-term net zero targets validated and approved by the SBTi.
- Carbon Literacy training completed by all members of the Board.
- Continued roll out of the Diverse Talent Accelerator programme.
- Launch of the Continuous Leadership Development programme.
- Launch of our Social Mobility Network.
- Review of our cyber security controls.

#### FOCUS AREAS FOR 2024

- Review our materiality assessment to ensure we are prioritising and focusing on the right issues.
- Oversee and monitor the development of the Group's carbon reduction plan.
- Continued education and training for the Board as new ESG challenges emerge and ESG regulation continues to grow.

Being a responsible business P26



For more information on the Committee's  
Terms of Reference: [plc.autotrader.co.uk/investors](https://plc.autotrader.co.uk/investors)



We continue to make good progress on setting our near-term and longer-term goals across all ESG matters, but we know there is still more to do.

#### Dear shareholders,

I am pleased to present the Report of the Corporate Responsibility Committee for March 2023.

The Committee was formed to oversee the progress towards fulfilling our Environmental, Social and Governance ('ESG') strategy.

We recognise that our activities – and the way we carry them out – have impacts that reach well beyond our financial performance. Our business activities impact a wide range of stakeholders and we strive to make this impact a positive one.

#### Our progress in 2023

We continue to make good progress with our ESG strategy and our cultural KPIs:

#### Materiality assessment

In the prior year, the Group identified the ESG issues that mattered most to its stakeholders and where our ESG activities should focus. The Committee continues to support the areas identified by management as areas of focus: diversity and inclusion; employee wellbeing; engagement and safety; product innovation; customer satisfaction; and climate.

### Environmental strategy

The Committee has reviewed the Group's environmental strategy and recognises the progress made during the year. Each of the pillars making up the environmental strategy has achieved key milestones and the Committee commends the positive progress made towards the Group's ambitious targets.

Key achievements during the year include verification of our long-term (2040) net zero targets by the Science Based Targets initiative ('SBTi') and the achievement of the Platinum Award for Carbon Literacy (meaning 80% of our employees are now certified).

We have continued to report consistently with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'). As part of this, the Group has undertaken climate scenario analysis and refined its assessment of the risks and opportunities posed by climate change and how they might impact our business. The Committee has reviewed the analysis conducted and recognises that this analysis will need to continually evolve as the Group grows and changes and as we respond to the risks and opportunities identified.

In addition, the Group has undertaken work to understand the impact of the Autorama acquisition on the Group's carbon footprint and has included them in the calculation of our GHG emissions for the year. Our GHG emissions have been audited by a third party, EcoAct, providing an assurance over our emissions reporting.

I am pleased to see the progress made in our aim to become the number one electric car destination and it is encouraging to see the Group meet significant milestones in this area.

Looking ahead to next year, the Committee looks forward to seeing the Group's progress with its carbon reduction plan - with the Group's commitment to net zero and the increased volume of emissions as a result of the Autorama acquisition, a clear plan and focused action will be required if we are to achieve our ambitious target to be net zero by 2040.

### Diversity and inclusion

There has been a growing emphasis on the 'Social' pillar within ESG and I am pleased that the Group has continued to focus on and make progress to improve the diversity and inclusion within the organisation. The Group has targeted programmes for employees at different stages of their careers including early careers, mid-career and senior leaders. During the year, the Committee received an update on the Diverse Talent Accelerator programme and it is encouraging to see positive progress with a high proportion of participants benefiting from opportunities within the business. The Continuous Leadership Development programme launched during the year which is focused on supporting senior leaders within the business.

I am pleased that work has already begun to roll out our diversity and inclusion courses and initiatives within Autorama, including our 'One Auto Trader' workshops, and further work will continue in the coming year.

As we face the additional challenges of a growing opportunity gap in the wake of COVID-19 and the cost of living crisis, Auto Trader is committed to ensuring everyone has the opportunity to succeed, regardless of their background, and this includes socio-economic diversity. This year we launched our Social Mobility Network. The Group has supported social mobility for a number of years and has made many changes to its outreach, recruitment, application and onboarding processes. The Social Mobility Network is committed to taking steps to boost opportunities at a time when social mobility is more challenging than ever. This commitment has been recognised by the Group being featured in the Top 75 Employers in the Social Mobility Index by the Social Mobility Foundation.

### Ongoing ESG training

During the year all Board members completed Carbon Literacy training - the course covers a broad range of climate change related topics and creates greater awareness of the carbon costs and impacts of everyday activities, as well as understanding how individuals and organisations can reduce their emissions.

ESG continues to receive heightened stakeholder focus and disclosure requirements for companies continue to evolve, requiring companies to enhance and standardise their disclosures, particularly in relation to climate. In addition, as the Group continues to evolve its ESG strategy to incorporate risks and opportunities and their impact on the long-term business strategy, it is essential that the Committee remains abreast of ESG issues and regulation. To assist the Committee in successfully overseeing the Group's ESG strategy, the Committee will continue to receive regular training and education as new ESG challenges and regulations emerge.

### Non-financial reporting frameworks

We continue to evolve our Environmental, Social and Governance ('ESG') reporting to meet the requirements of leading industry frameworks and our stakeholders' expectations. Our reporting focuses on the Task Force on Climate-related Financial Disclosures ('TCFD') and the Sustainability Accounting Standards Board ('SASB') standards referencing the SASB's reporting framework for the Internet and Media Services and Media & Entertainment industries. We have also identified the UN Sustainable Development Goals ('SDGs'), which we believe Auto Trader can make a meaningful contribution to.

### Measuring progress

We feel it is important to assess the progress being made across the Group's commitments and goals. This is the third year that we have reported our cultural KPIs to sit alongside the existing financial and operational KPIs and I am pleased to see that there has been positive progress with all of our diversity and inclusion KPIs. Whilst they may seem like small changes year on year, we recognise meaningful change takes a number of years and the main focus has to be systemic change resulting in sustainable progress.

It is encouraging to see that employee engagement scores remain high despite these challenging times.

Progress towards our net zero target will continue to be monitored throughout the year to ensure that the Group is on target to reach our goals.

Over the next year the Committee will continue to oversee and monitor the business's commitments in relation to ESG and continue to push forward our ESG strategy.

### Jeni Mundy

Chair of the Corporate Responsibility Committee  
1 June 2023

**TCFD alignment at a glance**

The Task Force on Climate-related Financial Disclosures ('TCFD') recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets. We have summarised our progress below and pages 30 to 35 in our Being a responsible business section includes disclosures consistent with the recommendations of the TCFD.



TCFD recommended disclosure	Group progress
<p><b>Governance</b></p> <ol style="list-style-type: none"> <li>Describe the Board's oversight of climate related risks and opportunities.</li> <li>Describe management's role in assessing and managing climate related risks and opportunities.</li> </ol>	<p>We have integrated climate governance into our existing governance processes and sought to embed responsibility for the risks associated with climate change throughout our business.</p> <p>Oversight of climate risks and opportunities is described in 'Our environment' in the Being a responsible business section on pages 30 and 31.</p>
<p><b>Strategy</b></p> <ol style="list-style-type: none"> <li>Describe the climate related risks and opportunities the organisation has identified over the short, medium and long term.</li> <li>Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy and financial planning.</li> <li>Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios.</li> </ol>	<p>The global threat of climate change and the Paris Agreement are forcing action and car buyers want to make the shift to more environmentally friendly vehicles. Public policy is pushing de-carbonisation with the ban on petrol and diesel vehicles before 2030. We have also strengthened our environmental strategy to focus on the following areas:</p> <ul style="list-style-type: none"> <li>(i) Auto Trader's net zero commitments;</li> <li>(ii) Supporting the automotive industry; and</li> <li>(iii) Supporting our consumers.</li> </ul> <p>We have undertaken climate scenario analysis and refined its assessment of the risks and opportunities posed by climate change and how they might impact our business, including consideration of the resilience of our business strategy.</p> <p>See pages 32 and 33 for more information.</p>
<p><b>Risk management</b></p> <ol style="list-style-type: none"> <li>Describe the organisation's processes for identifying and assessing climate related risks.</li> <li>Describe the organisation's processes for managing climate related risks.</li> <li>Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation's overall risk management.</li> </ol>	<p>We have a well-established risk management framework that separates responsibilities into three lines of defence - our OLT, oversight functions and committees and independent assurance.</p> <p>The Group Risk Register includes risk of climate change as a principal risk.</p> <p>We have considered various risks and opportunities, which includes both physical and transition factors. We are looking to take advantage of the opportunities presented by a shift towards electric vehicles and mitigate risks. We have modelled a climate related scenario in our viability statement and have also undertaken climate scenario analysis.</p> <p>See pages 32 and 33 for more information.</p>
<p><b>Metrics and targets</b></p> <ol style="list-style-type: none"> <li>Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.</li> <li>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions, and the related risks.</li> <li>Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.</li> </ol>	<p>To help us accurately assess and develop strategies to reach our net zero target, we have broadened the reporting of our GHG emissions to include a full inventory of Scope 3. We have updated our reporting to include the impact of Autorama.</p> <p>We are committed to the Science Based Targets initiative and our near-term (2030) and long-term (2040) targets have both been validated by the SBTi. We are committed to:</p> <ul style="list-style-type: none"> <li>(i) Reduce absolute Scope 1 and 2 GHG emissions 50% by FY2030/31 from a FY2019/20 base year;</li> <li>(ii) Reduce absolute Scope 3 GHG emissions 46.2% over the same timeframe; and</li> <li>(iii) Reduce absolute Scope 1, 2 and 3 GHG emissions 90% by FY2040/41 from a FY2019/20 base year.</li> </ul> <p>Our GHG emissions have been audited by a third party, EcoAct, providing an assurance over our emissions reporting.</p> <p>See page 34 for more information.</p>



### SASB disclosure topics and accounting metrics

SASB standards enable businesses around the world to identify, manage and communicate financially material sustainability information to their investors. The SASB standards are industry specific and identify the minimum set of financially material sustainability topics and their associated metrics for the typical company in an industry. SASB assigns Auto Trader to Internet & Media Services and the following disclosure sets out our progress according to the SASB standard for that sector.

Topic	Accounting metric	Group progress
<b>Environmental footprint of hardware infrastructure</b>	1. Total energy consumed 2. Percentage grid electricity 3. Percentage renewable	Scope 1, 2 and 3 GHG emissions disclosed. See page 34 for further information.
	Discussion of the integration of environmental considerations into strategic planning for data centre needs.	We have continued with the migration of our data centres to the cloud. We will have completed the migration by June 2023.
<b>Data privacy, advertising standards and freedom of expression</b>	Description of policies and practices relating to behavioural advertising and user privacy.	See pages 44 to 47 for more information on our approach to data privacy.
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering or censoring.	None, Auto Trader is a UK based company with a predominantly UK based target audience.
<b>Data security</b>	1. Number of data breaches 2. Percentage involving personally identifiable information ('PII') 3. Number of users affected.	We report qualifying incidents to the relevant regulators (for example, the Information Commissioner's Office ('ICO') in the UK) and impacted individuals, where we are legally required to do so and within the mandated timeframes. To the extent that the relevant regulators ever find fault with our data breach management and/or data security practices, they publish their findings/sanctions on their websites. There were no such sanctions in 2022/23.
	Description of approach to identifying and addressing data security risks, including use of third-party cyber security standards.	See pages 44 to 47 for our approach to data security and privacy. We have adopted the National Institute of Standards and Technology ('NIST') Cybersecurity Framework to manage and reduce cyber security risks.
<b>Employee recruitment, inclusion and performance</b>	Percentage of employees that are foreign nationals.	The Group has a total of 79 foreign nationals, representing 6.4% of total employees as at 31 March 2023.
	Employee engagement as a percentage.	91%, see page 20 for further information.
	Percentage of gender and racial/ethnic group representation for: 1. Management. 2. All other employees.	See pages 41 to 43 for further information.
<b>Intellectual property protection and competitive behaviour</b>	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations.	No monetary losses as a result of legal proceedings.



**Jill Easterbrook**  
Chair of the Committee



The Committee is conscious of the impact of cost of living on our colleagues and we have taken steps to support them during the year, including one-off payments and various initiatives including salary finance.

#### AT A GLANCE

Advising and overseeing all elements of remuneration for the Chair, Executive Directors and senior management.

#### OVERVIEW

- Composed of five Independent Non-Executive Directors.
- The Chair of the Board, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and other relevant individuals including external advisors are invited to attend the meetings when appropriate – no person is present during any discussion relating to their own remuneration.
- Ed Williams, Chair of the Board, was in attendance at all meetings by invitation.

#### OUR PROGRESS IN 2023

- Continued to monitor our approach to remuneration to ensure it remains aligned with our strategy, including our ESG ambitions, and the creation of sustainable long-term value and that it is appropriate in the context of evolving shareholder guidance and corporate governance.
- Reviewed pay arrangements considering the impact of inflation and cost of living increases on the wider workforce.
- Considered the treatment of the acquisition of Autorama and the disposal of Webzone Limited (trading as 'Carzone') on the FY23 annual bonus and 2021 and 2022 PSP awards.
- Assessed the achievement of targets for the FY23 annual bonus and 2020 PSP awards.
- Set appropriate targets for the FY24 annual bonus and the PSP awards to be granted in 2023.
- Reviewed fees for incoming Chair.

#### FOCUS AREAS FOR 2024

- Assess the achievement of targets for the FY24 bonus and 2021 PSP awards.
- Review our Directors' Remuneration Policy to ensure that it continues to support our strategy, is aligned with our purpose and values and provides appropriate motivation for our Executive Directors.
- Continue to monitor our remuneration arrangements in the context of our approach to the wider workforce, executive pay environment, governance developments and market practice.



For more information on the Committee's  
Terms of Reference: [plc.autotrader.co.uk/investors](https://plc.autotrader.co.uk/investors)

Key performance indicators P18

## Annual statement by the Chair of the Remuneration Committee

### Dear shareholders,

I am pleased to present, on behalf of the Board, the Report of the Remuneration Committee (the 'Committee') for the year ended 31 March 2023.

### Performance and reward in 2023

#### Annual bonus

As detailed in last year's Directors' remuneration report, the FY23 annual bonus was based 75% on Operating profit and 25% on progress made against our digital retailing strategy. Performance was measured excluding the impact of the acquisition of Autorama and the disposal of Webzone Limited (trading as 'Carzone') to allow for a like-for-like comparison with the original targets set.

However, in order to recognise that the performance of Autorama has disappointed compared to initial expectations, the Committee has reduced the bonus outcome by 7.9%. The Committee determined this reduction taking into account the level of performance versus initial expectations. Following these adjustments, the Operating profit element of the award will vest at 54.9% out of a maximum of 75%. The Committee assessed that the stretching digital retailing strategic and operational milestones were met at a level that justified a payout of 17.5% out of a maximum of 25%. The overall bonus payout is therefore 72.4%, which the Committee believes is a fair reflection of the performance during the year.

#### Performance Share Plan ('PSP')

PSP awards granted in 2020 will vest in August 2023 based on performance over the three years to 31 March 2023. The awards were based 100% on relative total shareholder return ('TSR') compared to the FTSE 350 (excluding investment trusts). These awards were granted during the COVID-19 pandemic, when, due to the uncertainty at the time it was considered very challenging to set robust and fair financial targets for the PSP and therefore the Committee took the approach to base the awards solely on TSR to ensure our focus on long-term recovery rather than short to medium-term performance. As detailed on page 88, relative TSR was below the threshold requirement, and this resulted in 0% of the award vesting.

When reviewing the PSP outcome the Committee recognised that management has performed extraordinarily well over the last three years. For much of the performance period this award was tracking to achieve some level of vesting. However, relative TSR performance is measured versus the general FTSE 350 market and Auto Trader has recently suffered with the cross-sector impact on share prices in the tech sector which meant TSR performance fell below median at the end of the performance period. The Committee reviewed performance relative to our TSR tech sector peers, which would have resulted in some vesting of the award. However, given shareholder sensitivity we have decided not to apply positive discretion in this case.

### Performance and reward in 2024

#### Our 2024 salary review

During the year, the Board and Committee were mindful of the challenging circumstances in the macro-economic environment as inflation began to rise and the cost of living crisis began to impact daily life. The Board was conscious that these pressures were impacting all employees, in particular those on lower salaries. Allowance is being made for this in the annual pay review, which will weight increases towards employees on lower incomes, with the lowest paid employees planned to receive on average c.9% and with a planned average overall increase of c.6%, which is higher than in previous years. In addition, a one-off payment of £700 per employee (excluding the OLT and the Board) was made in December 2022.

Having taken into account the above, the Committee approved salary increases of 5% for the Executive Directors and for the Chair, which is below the planned average Company-wide pay increase of c.6% for 2024. The Board also approved increases of 5% to Non-Executive Director fees.

As referenced in my 2022 statement, and detailed further in the Nomination Committee report, the Board is in the process of implementing the succession plan for the Chair and the Non-Executive Directors that were on the Board at IPO. The Committee has noted that the current Chair's fee is significantly behind market practice, and therefore this will be increased on appointment of the incoming Chair. Similarly, the Board has reviewed the current Non-Executive Director fees and will also apply market-based increases to the Committee Chair fees within the coming year. Further details of the new fees are set out on page 86.

### Variable pay in 2024

For 2024 we will continue with the approach we introduced for 2023 awards. The annual bonus for 2024 will continue to be based 75% on Operating profit and 25% on strategic measures linked to the achievement of stretching strategic and operational milestones against our digital retailing objectives. PSP awards granted in 2023 will again be based on 70% Operating profit growth, 20% Revenue growth, and 10% Carbon reduction targets, with an underpin linked to progress on our diversity ambitions. The PSP targets are disclosed in full on page 82 onwards.

I hope that you will support our Directors' remuneration report at the AGM in September. I will be available at the AGM to answer any questions. Over the next year, we will be undertaking a review of our Directors' Remuneration Policy, and will consult with our shareholders prior to proposing any changes. In the meantime, I welcome any feedback that you may have, which can be submitted to [ir@autotrader.co.uk](mailto:ir@autotrader.co.uk).

### Jill Easterbrook

Chair of the Remuneration Committee  
1 June 2023



**REMUNERATION AT A GLANCE: HOW EXECUTIVES WILL BE PAID IN FUTURE YEARS**

An overview of our Policy and how it is proposed to apply in 2024 is set out below:

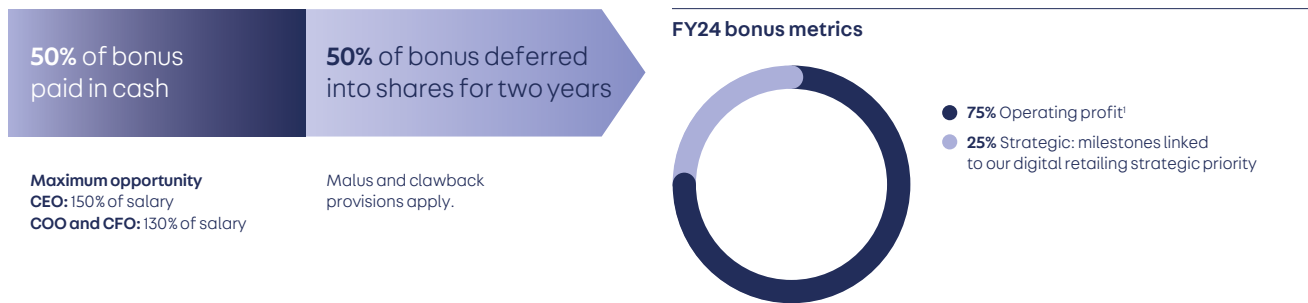
**Fixed pay: to recruit and reward executives of a high calibre**

Remuneration for the year ending 31 March 2024

<b>Salary</b>	CEO: £626,578 COO: £347,485 CFO: £364,032	A 5% increase below the planned average Company-wide increase of c.6%. The salary review date is 1 July 2023 to align with the approach for the wider workforce. The COO's salary has been pro-rated to reflect that she works 4.5 days per week. Her full-time equivalent salary is £386,094.
<b>Pension</b>	7% of salary	Aligned with the maximum pension opportunity for the wider workforce.
<b>Benefits</b>	Includes private medical cover, life assurance and income protection insurance.	

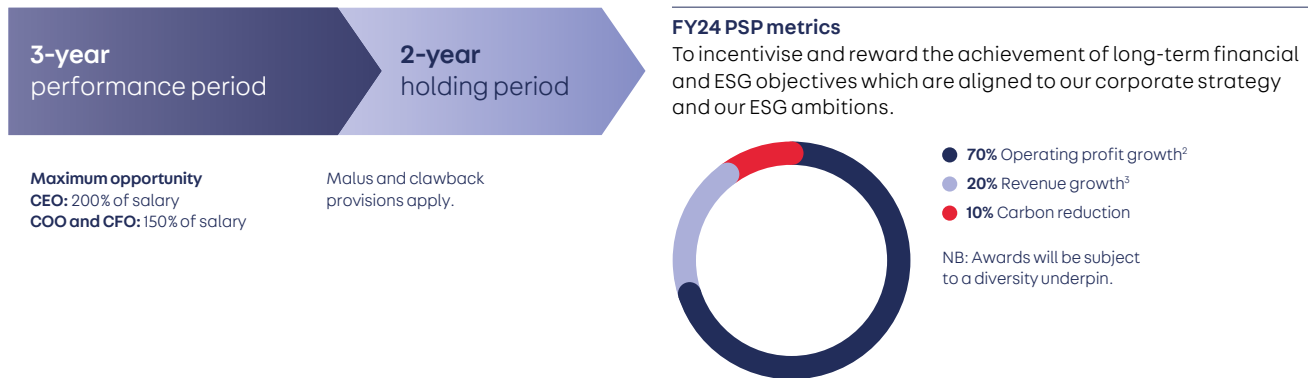
**Annual bonus**

To incentivise and reward the achievement of annual financial and operational objectives which are closely linked to the corporate strategy.



**Performance Share Plan**

To incentivise and recognise successful execution of the business strategy over the longer term. To align the long-term interests of Executive Directors with those of shareholders.



**Shareholding guidelines**

**Guidelines apply in-post, and extend beyond tenure in-post guidelines**  
200% of salary.

**Post-employment guidelines**  
100% of in-post shareholding guideline (or actual shareholding if lower) for a period of two years following departure.

1. Operating profit will be based on Group operating profit, but excluding the impact of the deferred consideration charge in relation to the acquisition of Autorama.  
 2. Compound annual growth rate targets have been set as three-year growth targets with reference to performance for 31 March 2023 as the base year. Operating profit will be based on Group operating profit, but excluding the impact of the deferred consideration charges in relation to the acquisition of Autorama, which are being spread over 2023 and 2024. This approach provides a like-for-like comparison for assessing performance across the three-year performance period.  
 3. Revenue will be based on Group revenue, but excluding Vehicle & Accessory Sales attributable to Autorama, as this revenue does not generate any profit.

## Annual Report on Remuneration

This report has been prepared in accordance with the Companies Act 2006, Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013) and the UKLA's Listing Rules. This report is subject to an advisory shareholder vote at the AGM on 14 September 2023.

### Summary of Directors' Remuneration Policy ('Policy') and implementation for 2024

Our Policy was put to shareholders for approval at the AGM on 17 September 2021 and applies to payments made from this date. We consulted with shareholders when designing and implementing this Policy and received a strong level of support with 99.69% of votes cast.

The following provides a summary of the Policy along with details of how the Policy will be implemented during 2024.

For full details of the Policy approved by shareholders please refer to the 2021 Annual Report and Accounts which can be found at [plc.autotrader.co.uk/investors](http://plc.autotrader.co.uk/investors).

Element	Overview of operation	Maximum opportunity	Performance assessment	Implementation for 2024
<b>Salary</b>	Salaries are normally reviewed annually with changes effective from 1 July but may be reviewed at other times if considered appropriate.	There is no prescribed maximum salary level or salary increase; however, any base salary increases will normally be in line with the percentage increases awarded to other employees of the Group.	N/A	CEO Nathan Coe: £626,578 (2023: £596,741) COO Catherine Faiers: £347,485 (2023: £330,939) CFO Jamie Warner: £364,032 (2023: £346,698) A 5% increase, below the planned average Company-wide increase of c.6%.
<b>Benefits</b>	Benefits include life assurance, income protection insurance and private medical insurance.	The value of benefits is not capped as it is determined by the cost to the Company, which may vary.	N/A	No change.
<b>Pension</b>	Directors are eligible to receive employer contributions to the Company's pension plan (which is a defined contribution plan), a salary supplement in lieu of pension benefits (or a combination of the above) or similar arrangement.	Maximum contribution in line with other employees in the Group, currently 7% of salary.	N/A	7% of salary, aligned with the pension opportunity available to the wider workforce.
<b>Annual bonus</b>	Based predominantly on achievement of performance over the financial year. Half of any bonus earned is paid in cash with half deferred into shares under the Deferred Annual Bonus Plan ('DABP') subject to continued employment only. Dividend equivalents provision applies to DABP awards. Recovery and withholding provisions apply, described on page 86.	Maximum 150% of salary as determined by the Committee.	Financial measures will normally represent the majority of the bonus, with strategic or operational non-financial targets representing the balance (if any). Not more than 20% of each part of the bonus will be payable for achieving the relevant threshold hurdle. Measures and weightings may change each year to reflect any year-on-year changes to business priorities. The Committee has the discretion to adjust targets for any exceptional events (including acquisitions or disposals) that may occur during the year. The Committee also has the discretion to adjust the bonus outcome if it is not considered to be reflective of underlying financial or non-financial performance of the business over the period.	No changes. The maximum annual bonus opportunity for the CEO will be 150% of base salary and for the COO and CFO will be 130% of base salary. The FY24 award will continue to be based on the following measures: 75% linked to Operating profit (excluding deferred consideration). 25% linked to strategic milestones linked to our digital retailing strategic priorities. Further detail on these measures can be found on page 84.

Element	Overview of operation	Maximum opportunity	Performance assessment	Implementation for 2024
<b>Performance Share Plan ('PSP')</b>	<p>Awards normally vest after three years subject to performance conditions and continued employment.</p> <p>Awards will normally be made annually under the PSP and will take the form of nil-cost options or conditional share awards.</p> <p>Executive Directors are required to retain vested shares delivered under the PSP for at least two years from the point of vesting.</p> <p>Recovery and withholding provisions apply, as described on page 86.</p> <p>A dividend equivalent provision applies.</p>	<p>Normal circumstances: maximum of 200% of salary as determined by the Committee.</p> <p>Exceptional circumstances: maximum of 300% of salary as determined by the Committee.</p>	<p>The metrics and weightings for each award will be set out in the Annual Report on Remuneration. Any strategic measure(s) will account for no more than 25% of the award.</p> <p>No more than 25% of the award vests for achieving threshold performance.</p>	<p>No changes. PSP awards for the CEO will be made at 200% of base salary and for the COO and CFO, 150% of base salary.</p> <p>The 2023 PSP award will be based on the following measures:</p> <ul style="list-style-type: none"> <li>• 70% linked to Operating profit growth (excluding deferred consideration).</li> <li>• 20% linked to Revenue growth (excluding vehicle and accessory sales).</li> <li>• 10% linked to Carbon reduction.</li> <li>• Awards will be subject to a diversity and inclusion underpin.</li> </ul> <p>Further detail on these measures can be found on page 85.</p>
<b>All-employee share plans: SIP &amp; SAYE</b>	<p>The Company operates two all-employee tax-advantaged plans, namely a Save As You Earn ('SAYE') and a Share Incentive Plan ('SIP') for the benefit of Group employees.</p> <p>Executive Directors will be eligible to participate on the same basis as other employees.</p>	Maximum permitted based on HMRC limits from time to time.	N/A	No change.
<b>Share ownership guidelines</b>	<p>Executive Directors are expected to build and maintain a holding of shares in the Company. This is expected to be built through retaining a minimum of 50% of the net of tax vested PSP and DABP shares, until the guideline level is met.</p> <p>Post-cessation: following stepping down from the Board, Executive Directors will normally be expected to maintain a minimum shareholding of 200% of salary (or actual shareholding if lower) for two years. The Committee retains discretion to waive this guideline if it is not considered to be appropriate in the specific circumstance.</p>	The minimum share ownership guideline is 200% of salary for current Executive Directors.	N/A	No change.

#### Additional information

##### FY24 Annual bonus

The maximum annual bonus opportunity will continue to be 150% of base salary for the CEO, and 130% of base salary for the COO and CFO. Awards will be subject to the following performance measures and targets:

Measure	Weighting	Basis	Threshold (0% vesting)	Stretch (100% vesting)
Operating profit	75%	Operating profit for the year ended 31 March 2024 <sup>1</sup>	£315m	£365m
Strategic targets	25%	<p>Progress made against our digital retailing strategic objectives.</p> <p>In assessing whether the target has been satisfied, the Committee will consider a range of quantitative and qualitative indicators to inform its decision, including the achievement of stretching strategic and operational milestones against our digital retailing strategic priority, and measures relating to the engagement of car buyers and retailer customers.</p>		

1. Operating profit will be based on Group operating profit, but excluding the impact of the deferred consideration charge in relation to the acquisition of Autorama.

### 2023 PSP awards

PSP awards for the CEO will be made at the level of 200% of base salary and PSP awards for the COO and CFO will be made at the level of 150% of base salary. Awards will be subject to the following performance measures and targets:

Measure	Weighting	Basis	Threshold (25% vesting)	Stretch (100% vesting)
Operating profit	70%	Operating profit compound annual growth rate for the three years ended 31 March 2026. <sup>1</sup>	5.5%	11%
Revenue growth	20%	Revenue compound annual growth rate for the three years ended 31 March 2026. <sup>2</sup>	6%	11%
Carbon reduction	10%	Reduction of carbon emissions by 31 March 2026. <sup>3</sup>	13%	20%
Diversity underpin	N/A	<p>The vesting under any of the performance conditions will be subject to a diversity underpin.</p> <p>The Committee will determine whether there has been acceptable progress made against the key gender and ethnic diversity objectives, including considering the proportion of our staff who are women and who are ethnically diverse as well as the proportion of leadership<sup>4</sup> who are women and who are ethnically diverse.</p> <p>In assessing whether the underpin has been satisfied, the Committee will consider a range of quantitative and qualitative benchmarks to inform its decision, including 'how' performance has been achieved and 'what' performance has been achieved over the performance period.</p> <p>Should the Committee consider that the underpin has not been met, the Committee would consider whether a discretionary reduction in the number of shares vesting was required.</p>		

1. Compound annual growth rate targets have been set as three-year growth targets with reference to performance for 31 March 2023 as the base year. Operating profit will be based on Group operating profit, but excluding the impact of the deferred consideration charges in relation to the acquisition of Autorama, which are being spread over 2023 and 2024. This approach provides a like-for-like comparison for assessing performance across the three-year performance period.
2. Revenue will be based on Group revenue, but excluding Vehicle & Accessory Sales attributable to Autorama, as this revenue does not generate any profit.
3. Carbon emissions are calculated based on the financial consolidation approach as defined in the Greenhouse Gas Protocol, and include emissions from Scopes 1, 2 and 3. Our total carbon emissions for the year to 31 March 2023 (the base year) have been independently verified. Refer to page 34 for further details.
4. Leadership is defined as the Operational Leadership Team ('OLT') and their direct reports ('OLT-1').

The Committee set these targets taking into account internal and external expectations of performance and organic growth of the business. The Committee believes that these targets are appropriately stretching. For performance between the threshold and stretch targets, vesting will be calculated on a pro-rata basis. There is no vesting for performance below the threshold target.

As noted on page 34, our carbon emissions for 2023 were impacted by the acquisition of Autorama, as we are required to account for the projected life time carbon emissions of vehicles purchased and held temporarily on the balance sheet. To the extent that our approach to the purchase of vehicles changes during the performance period, which would impact our disclosed carbon emissions, the Committee would review the targets set to ensure that they remain stretching. The carbon reduction targets set are consistent with our original commitment set in 2022 to reduce our carbon emissions by 90% by 2040.

Each element will be assessed independently of the other at the end of the performance period. In line with best practice and shareholder expectations the Committee will then consider the wider context and retains the discretion to adjust the payout from the PSP if it is not considered to be reflective of underlying financial or non-financial performance of the business or the performance of the individual over the performance period or where the outcome is not considered appropriate in the context of the experience of shareholders or other stakeholders.

### UK Corporate Governance Code

The Directors' Remuneration Policy has been developed taking into account the following principles as recommended in the revised 2018 UK Corporate Governance Code:

- **Clarity:** The Policy is designed to allow our remuneration arrangements to be structured such that they clearly support, in a sustainable way, the financial and strategic objectives of the Company. The Committee remains committed to reporting on its remuneration practices in a transparent, balanced and understandable way.
- **Simplicity:** The Policy consists of three main elements: fixed pay (salary, benefits and pension), an annual bonus and a long-term incentive award. The metrics used in our incentive plans directly link back to our key strategic ambitions and values and provide a clear link to the shareholder experience. The Committee may change measures for future years to ensure they continue to be aligned with our strategy.
- **Risk:** The Policy is in line with our risk appetite. A robust malus and clawback policy is in place, and the Committee has the discretion to reduce pay outcomes where these are not considered to represent overall Company performance or the shareholder experience. Furthermore, our bonus deferral, post-cessation shareholding requirement and PSP holding period ensure that Executive Directors are motivated to deliver sustainable performance.
- **Predictability:** The Committee considers the impact of various performance outcomes on incentive levels when determining quantum. These can be seen as part of the Directors' Remuneration Policy in the 2021 Annual Report and Financial Statements.
- **Proportionality:** A substantial portion of the package comprises performance-based reward, which is linked to our strategic priorities and underpinned by a robust target-setting process. We are mindful of the alignment with our workforce, the shareholder experience and our values and culture when considering the right and proportional approach to pay.
- **Alignment to culture:** When developing our Policy, the Committee reviewed our approach to remuneration throughout the organisation to ensure that arrangements are appropriate in the context of the wider workforce. The themes considered include workforce demographics, engagement levels and diversity to ensure that executive remuneration is appropriate from a cultural perspective. Our 2024 PSP award includes carbon reduction objectives with the vesting of the award subject to a diversity underpin.

**Recovery and withholding provisions**

Recovery and withholding provisions apply to variable pay, to enable the Company to recover amounts paid under the annual bonus and PSP in the event of the following negative events occurring within three years of the payment of a cash bonus, the grant date of an award under the DABP or the vesting date of PSP awards:

- a material misstatement of, or restatement to, the audited financial statements or other data;
- an error in calculation leading to over-payment of bonus;
- individual gross misconduct;
- serious reputational damage;
- corporate failure; or
- any other circumstance which the Committee considers is similar in nature or effect.

Should such an event be suspected, there will be a further two years in which the Committee may investigate the event. The amount to be recovered would generally be the excess payment over the amount which would otherwise be paid, and recovery may be satisfied in a variety of ways, including through the reduction of outstanding deferred awards, reduction of the net bonus or PSP vesting and seeking a cash repayment.

**Service contracts and policy for payments on loss of office**

The service contracts for the Executive Directors are terminable by either the Company or the Executive Director on 12 months' notice and make provision for early termination by way of payment of a cash sum equal to 12 months' salary and pension. The Company may continue to provide benefits until the end of the notice period or may make a payment to the value of 12 months' contractual benefits.

Payment in lieu of notice can be paid either as a lump sum or in equal monthly instalments over the notice period and will normally be subject to mitigation. The Committee will consider the particular circumstances of each leaver and retains flexibility as to at what point, and the extent to which, payments are reduced.

The Executive Directors are subject to annual re-election at the AGM. Service contracts are available for inspection at the Company's registered office or on request from [ir@autotrader.co.uk](mailto:ir@autotrader.co.uk). The CEO's service contract date is 1 April 2017, the CFO's service contract date is 1 March 2020, and the COO's service contract date is 1 May 2019.

**Remuneration Policy for the Chair and Non-Executive Directors**

Element	Overview of operation	Implementation for 2024
Fees	<p>Both the Chair and the Non-Executive Directors are paid annual fees and do not participate in any of the Company's incentive arrangements, or receive any pension provision or other benefits.</p> <p>The Chair receives a single fee covering all of his duties.</p> <p>The Non-Executive Directors receive a basic Board fee, with additional fees payable for chairing the Audit, Remuneration and Corporate Responsibility Committees and for performing the Senior Independent Director role.</p>	<p>Fees were reviewed and will be increased by 5% with effect from 1 July 2023 as follows:</p> <p><b>Base fees</b></p> <ul style="list-style-type: none"> <li>• Chair: £206,931 (2023: £197,078)</li> <li>• Non-Executive Directors: £63,904 (2023: £60,861)</li> </ul> <p><b>Additional fees</b></p> <ul style="list-style-type: none"> <li>• SID: £10,954 (2023: £10,433)</li> <li>• Audit Committee Chair: £10,954 (2023: £10,433)</li> <li>• Remuneration Committee Chair: £10,954 (2023: £10,433)</li> <li>• Corporate Responsibility Committee Chair: £10,954 (2023: £10,433)</li> </ul> <p>There is no additional fee payable to the Chair of the Nomination Committee as the Chair of the Board is currently Chair of the Nomination Committee.</p> <p>As set out on page 92, the fees for the Chair role and for the additional fees have been reviewed and will be increased as the succession plan is implemented.</p>

All Non-Executive Directors have letters of appointment with the Company for an initial period of three years, subject to annual re-appointment at the AGM. Appointment is terminable on six months' written notice. The appointment letters for the Non-Executive Directors provide that no compensation is payable upon termination of employment. The letters of appointment are available for inspection at the Company's registered office. Details of the appointment terms of the Non-Executive Directors are as follows:

	Start of current term	Expiry of current term
Ed Williams	6 March 2021	5 March 2024
David Keens	1 May 2021	30 April 2024
Jill Easterbrook	1 July 2021	30 June 2024
Jeni Mundy	1 March 2022	28 February 2025
Sigga Sigurdardottir	1 November 2022	31 October 2025
Jasvinder Gakhal	1 January 2022	31 December 2024

**Single figure of remuneration for the year ended 31 March 2023 (audited)**

The table below shows the aggregate emoluments earned by the Directors of the Company in the year ended 31 March 2023.

£'000	Salary and fees	Benefits	Other	Annual bonus <sup>1</sup>	Long-term incentives <sup>2</sup>	Pension	Total fixed remuneration	Total variable remuneration	Total
<b>Executive</b>									
Nathan Coe	592	1	–	648	–	40	633	648	1,281
Catherine Faiers <sup>3</sup>	329	1	–	311	–	21	351	311	662
Jamie Warner	344	1	2 <sup>4</sup>	326	–	22	369	326	695
<b>Non-Executive</b>									
Ed Williams	195	–	–	–	–	–	195	–	195
David Keens	81	–	–	–	–	–	81	–	81
Jill Easterbrook	70	–	–	–	–	–	70	–	70
Jeni Mundy	70	–	–	–	–	–	70	–	70
Sigga Sigurdardottir	60	–	–	–	–	–	60	–	60
Jasvinder Gakhal	60	–	–	–	–	–	60	–	60
<b>Total</b>	<b>1,801</b>	<b>3</b>	<b>2</b>	<b>1,285</b>	<b>–</b>	<b>83</b>	<b>1,889</b>	<b>1,285</b>	<b>3,174</b>

- Performance against annual bonus targets resulted in an overall outcome of 72.4% of maximum.
- 0% of PSP awards granted in 2020 will vest in 2023 for performance over the three-year period to 31 March 2023. The award was based 100% on Relative Total Shareholder Return ('TSR') compared to the FTSE 350 (excluding investment trusts). These awards were granted during the COVID-19 pandemic and due to the uncertainty at the time it was considered very challenging to set robust and fair financial targets for the PSP and therefore the awards were based solely on TSR to ensure our focus on long-term recovery rather than short to medium-term performance.
- Catherine Faiers works a 4.5 day working week and her salary has been pro-rated accordingly.
- Jamie Warner was granted 1,341 shares under the Company's Save As You Earn scheme, at a discount of 20% to the market price. The total value of the discount was £1,529 and has been included in the 'Other' column above.

**Single figure of remuneration for the year ended 31 March 2022 (audited)**

The table below shows the aggregate emoluments earned by the Directors of the Company in the year ended 31 March 2022.

£'000	Salary and fees	Benefits	Other	Annual bonus	Long-term incentives <sup>2</sup>	Pension	Total fixed remuneration	Total variable remuneration	Total
<b>Executive</b>									
Nathan Coe	577	1	–	652	403	40	618	1,055	1,673
Catherine Faiers <sup>1</sup>	320	1	–	313	280	21	342	593	935
Jamie Warner	335	1	1 <sup>3</sup>	328	96 <sup>4</sup>	23	360	424	784
<b>Non-Executive</b>									
Ed Williams	187	–	–	–	–	–	187	–	187
David Keens	77	–	–	–	–	–	77	–	77
Jill Easterbrook	68	–	–	–	–	–	68	–	68
Jeni Mundy	68	–	–	–	–	–	68	–	68
Sigga Sigurdardottir	58	–	–	–	–	–	58	–	58
Jasvinder Gakhal <sup>5</sup>	14	–	–	–	–	–	14	–	14
<b>Total</b>	<b>1,704</b>	<b>3</b>	<b>1</b>	<b>1,293</b>	<b>779</b>	<b>84</b>	<b>1,792</b>	<b>2,072</b>	<b>3,864</b>

- Catherine Faiers works a 4.5 day working week and her salary has been pro-rated accordingly.
- 50.1% of PSP awards granted in 2019 vested in 2022 for performance over the three-year period to 31 March 2022. In last year's report, for the purpose of the single figure the vested shares were valued based on the three-month average share price to 31 March 2022 of 663.06p, giving a value of £457k for Nathan Coe, £318k for Catherine Faiers, and £109k for Jamie Warner including dividend equivalents. The amounts in the table above have been revalued based on the share price on the date of vesting of 584.24p. 4% of the vested value is due to share price appreciation since the date of award.
- Jamie Warner was granted 1,009 shares under the Company's Save As You Earn scheme, at a discount of 20% to the market price. The total value of the discount was £1,484 and has been included in the 'Other' column above.
- Jamie Warner's long-term incentive vesting in the year was granted before he joined the plc Board.
- Jasvinder Gakhal was appointed to the Board on 1 January 2022.

**Additional information to support the single figure****Benefits**

Benefits included in the single figure relate to private healthcare. Directors also receive life assurance and income protection insurance, the cost of which is not disclosed above as these are non-taxable benefits.

**Pension**

Employer's pension contributions of between 5% and 7% of salary were paid in respect of Executive Directors in line with those received for the wider UK employee population. Once Executive Directors have reached their annual pension limit, a salary supplement of 7% is paid in lieu of pension benefits.

**Annual bonus for the year ended 31 March 2023 (audited)**

The performance measures, targets and performance outcomes for the annual bonus for the year ended 31 March 2023 are shown in the following table:

Performance measures		Weighting	Threshold	Stretch	Actual performance	Payout (as a % of maximum)
Financial	Operating profit for year ending 31 March 2023 <sup>1</sup>	75%	Below or equal to £300m	Equal to or above £340m	£332.9m	61.7%
	Addition to reflect Webzone Limited disposal <sup>2</sup>				£0.6m	1.1%
	Reduction to reflect Autorama performance <sup>3</sup>				(£4.2m)	(7.9%)
<b>Financial element</b>						<b>54.9%</b>
Strategic targets	Milestones linked to our digital retailing strategy	25%	0%	100%	70%	17.5%
<b>Total payout</b>						<b>72.4%</b>

- To allow for comparison with the original targets set the Committee excluded the impact of the acquisition of Autorama during the year and therefore has used the Auto Trader segmental Operating profit.
- The Committee has added back an element to reflect the expected performance of Webzone Limited, as included in the target, had the disposal not occurred.
- Whilst the performance of Autorama has been excluded from the performance calculation to ensure like-for-like performance with the targets set, in order to recognise the performance of Autorama, an operating loss of £11.2m compared to initial expectations (at the bottom of the range) of a loss of £7m, the Committee has reduced the bonus outcome by 7.9%.

Operating profit is a key performance indicator of the business and the Board believes continuing to deliver Operating profit performance will generate long-term value for shareholders. Adjustments were made by the Committee to allow like-for-like comparison with the targets set, as set out in the table above. The Committee also exercised its discretion to reflect Autorama's performance.

In 2022, the Committee decided that 25% of the annual bonus would be determined based on progress relating to our digital retailing strategy which would involve consideration of a range of quantitative and qualitative indicators, the achievement of stretching strategic and operational milestones against our digital retailing pillar and measures relating to engagement of car buyers and retailer customers. These milestones have been assessed based on the Committee's holistic assessment of progress made. In reviewing performance in FY23, the Committee considered that during the year, the business successfully executed the completion of Deal Builder, one of the largest and most complex product development projects in the Company's history, enabling our car retailer customers to provide a complete transactional service to car buyers on the Auto Trader platform. The product was launched in summer 2022 as a trial with selected retailers. This has now started to scale, and so by the end of the financial year there were over 50 retailers live and over 200 deals submitted in the year, with encouraging conversion rates and positive feedback from both consumers and retailers. Overall, the Committee concluded that the operational development and delivery of the software build had been exceptional, and satisfactory progress was being made towards commercialisation. Based on these achievements, the Committee assessed performance under the digital retailing strategy milestones to be at a level that results in an award of 17.5% out of the possible 25% of the overall maximum bonus.

The overall bonus payout is therefore 72.4%.

**Performance Share Plan vesting for year ended 31 March 2023 (audited)**

The PSP award granted in 2020 was based on performance to 31 March 2023. The performance conditions this award was based on and the targets and performance delivered are set out in the table below:

Measure	Weighting	Threshold (25% vesting)	Stretch (100% vesting)	Actual performance	Payout (as a % of maximum)
Relative total shareholder return compared to FTSE 350 (excluding investment trusts)	100%	Equal to Index TSR (23%)	Equal to Index TSR plus 25% or above (48%)	14.39%	0%
<b>Total vesting</b>					<b>0%</b>

When reviewing the PSP outcome the Committee recognised that management has performed extraordinarily well over the last three years, and for much of the performance period this award was tracking to achieve some level of vesting. However, relative TSR performance is measured versus the general FTSE 350 market and Auto Trader has recently suffered with the cross-sector impact on share prices in the tech sector which meant TSR performance fell below median at the end of the performance period. The Committee reviewed performance relative to our TSR tech sector peers, which would have resulted in some vesting of the award. However, given shareholder sensitivity we have decided not to apply positive discretion in this case.

Overall, the Committee considers that the Remuneration Policy has operated as it was intended during 2022/23. The performance-driven focus of our total remuneration directly supports the sustainable long-term success of the business.

**Scheme interests awarded during the year (audited)**

Awards granted in the year under the PSP are shown below. Awards are granted as nil-cost options.

Executive Director	Number of shares awarded	Multiple of salary	Face value of awards <sup>2</sup>	% award vesting at threshold (% maximum)	Performance period
<b>PSP awards<sup>1</sup></b>					
Nathan Coe	194,795	200%	£1,158,720	25%	1 April 2022 to 31 March 2025
Catherine Faiers	81,021	150%	£481,950	25%	1 April 2022 to 31 March 2025
Jamie Warner	84,879	150%	£504,900	25%	1 April 2022 to 31 March 2025

- PSP awards will normally be eligible to vest three years from grant (23 June 2022) based on performance over the three years to 31 March 2025 and continued employment. The net value of the vested awards is subject to a two-year holding period.
- As disclosed last year, face value was calculated based on the three-month average share price to the day before grant date (23 June 2022) of 594.8p. This approach has been used to smooth out share price volatility and ensure that the number of shares awarded is not overly impacted by short-term changes in the share price.

The performance conditions applying to the 2022 PSP awards shown in the table on the previous page are set out below:

Measure	Weighting	Basis	Threshold (25% vesting)	Stretch (100% vesting)
<b>Operating profit</b>	70%	Operating profit compound annual growth rate for the three years ended 31 March 2025. <sup>1</sup>	5.5%	10.5%
<b>Revenue growth</b>	20%	Revenue compound annual growth rate for the three years ended 31 March 2025. <sup>1</sup>	5.5%	10.5%
<b>Carbon reduction</b>	10%	Reduction of carbon emissions over the three years to 31 March 2025.	23%	36%
<b>Diversity underpin</b>	N/A	<p>The vesting under any of the performance conditions will be subject to a diversity underpin.</p> <p>The Committee will determine whether there has been acceptable progress made against the key gender and ethnic diversity objectives, including considering the proportion of our staff who are women and who are ethnically diverse as well as the proportion of leadership who are women and who are ethnically diverse.</p> <p>In assessing whether the underpin has been satisfied, the Committee will consider a range of quantitative and qualitative benchmarks to inform its decision, including 'how' performance has been achieved and 'what' performance has been achieved over the performance period.</p> <p>Should the Committee consider that the underpin has not been met, it would consider whether a discretionary reduction in the number of shares vesting was required.</p>	N/A	N/A

1. Operating profit and Revenue growth measures will be assessed excluding Autorama, Group central costs and with Webzone Limited removed from the base year, being the year ended 31 March 2022. This approach provides a like-for-like comparison for assessing performance across the three-year performance period.

When determining vesting the Committee will consider the overall experience of shareholders and wider stakeholders over the performance period.

#### Directors' shareholding and share interests (audited)

Executive Directors are required to maintain a shareholding in the Company equivalent in value to 200% of salary. If an Executive Director does not meet the guideline, they will be expected to retain at least half of the net shares vesting under the Company's discretionary share-based employee incentive schemes until the guideline is met. Non-Executive Directors do not have shareholding guidelines.

The table below sets out the number of shares held or potentially held by Directors (including their connected persons where relevant) as at 31 March 2023. There have been no changes in these interests up until 1 June 2023.

Director	Beneficially owned shares <sup>1</sup>	Number of awards held under the PSP conditional on performance	Number of awards held under the DABP conditional on continued employment	Number of unvested Sharesave options and Share Incentive Plan shares	Number of vested but unexercised nil cost options	Number of vested Sharesave options and Share Incentive Plan shares	Target shareholding guideline (as a % of salary)	Percentage of salary held in shares as at 31 March 2023 <sup>2</sup>
<b>Executive Directors</b>								
Nathan Coe	3,186,555	662,975	54,786	–	–	–	200%	3,290%
Catherine Faiers	76,106	329,672	26,332	–	–	–	200%	142%
Jamie Warner	39,666	327,989	27,586	3,695	–	1,392	200%	70%
<b>Non-Executive Directors</b>								
Ed Williams	5,375,444	–	–	–	–	–	N/A	N/A
David Keens	50,000	–	–	–	–	–	N/A	N/A
Jill Easterbrook	–	–	–	–	–	–	N/A	N/A
Jeni Mundy	–	–	–	–	–	–	N/A	N/A
Sigga Sigurdardottir	–	–	–	–	–	–	N/A	N/A
Jasvinder Gakhal	–	–	–	–	–	–	N/A	N/A

1. Includes shares owned by connected persons. Only beneficially owned shares count towards the shareholding guideline.

2. Based on the Director's salary and the mid-market price at close of business on 31 March 2023 of 616.2p. Includes net (after tax) of options vested but not exercised.



### Gains on exercise of share options (audited)

During the year, Directors exercised share options in relation to long-term incentive plans, resulting in an aggregate gain of £1,406,993.

### Payments to former Directors (audited)

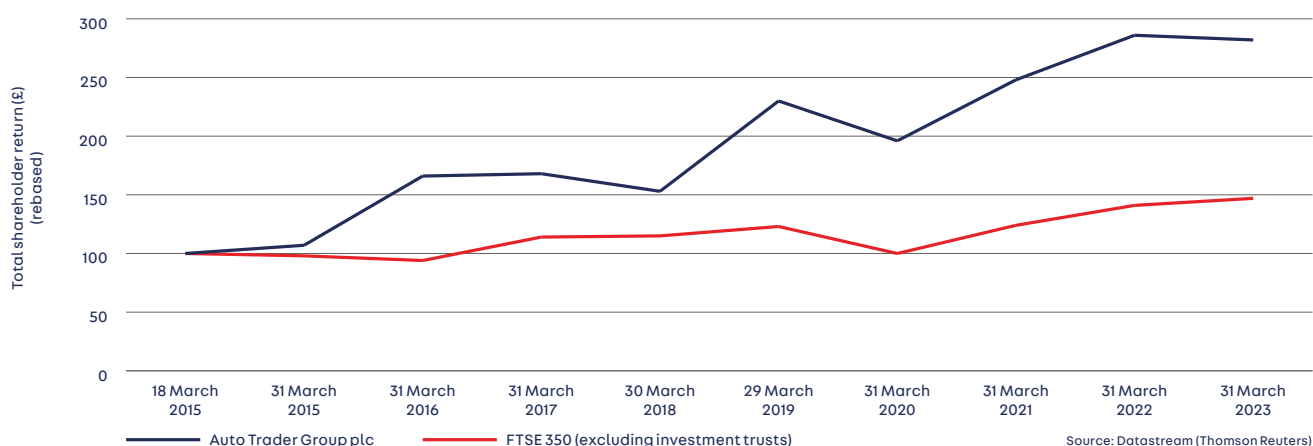
There were no payments made to former Directors during the year.

### Payments for loss of office (audited)

There were no payments for loss of office during the year.

### Performance graph and CEO remuneration table

The graph below illustrates the Company's TSR performance relative to the FTSE 350 Index (excluding investment trusts) from the start of conditional share dealing on 18 March 2015. This index has been selected as it is a broad all-sector group of which the Company is a constituent. The graph shows the performance over that period of a hypothetical £100 invested.



### CEO remuneration

The table below sets out the CEO's single figure of total remuneration together with the percentage of maximum annual bonus awarded over the same period.

	2023	2022	2021	2020 <sup>1</sup>	2019 <sup>1</sup>	2018 <sup>1</sup>	2017 <sup>1</sup>	2016 <sup>1</sup>	2015 <sup>1,2</sup>
CEO total remuneration (£'000)	<b>1,281</b>	1,673 <sup>3</sup>	523	1,659	2,052	2,929	980	1,339	20
Annual bonus (% of maximum)	<b>72.40%</b>	75.00%	N/A <sup>4</sup>	N/A <sup>5</sup>	76.75%	50.30%	51.80%	100.00%	N/A <sup>6</sup>
PSP vesting (% of maximum)	<b>0.00%</b> <sup>7</sup>	50.10%	0.00% <sup>8</sup>	73.60%	51.20%	100.00%	N/A <sup>9</sup>	N/A <sup>9</sup>	N/A <sup>9</sup>

1. 2015 to 2019 figures reflect Trevor Mather's service as CEO. The 2020 figures reflect Trevor Mather's service as CEO to 29 February 2020, and Nathan Coe's service as CEO from 1 March 2020.

2. From the date of Admission in March 2015.

3. The 2022 CEO total remuneration has been updated to reflect the value of the PSP based on the share price on the date of vesting of 584.24p rather than the three-month average share price to 31 March 2022 of 663.06p.

4. No bonus plan operated in 2020/21.

5. The CEO elected to waive his bonus in respect of 2019/20.

6. Private company when bonus plan implemented in 2015.

7. PSP award vesting in 2023 was based solely on Relative Total Shareholder Return ('TSR') compared to the FTSE 350 (excluding investment trusts) due to the impact of COVID-19 on our business. As threshold was not met this award will lapse.

8. PSP awards lapsed in 2020/21 as performance conditions were not met.

9. No awards were eligible to vest in respect of long-term performance ending in 2015, 2016 or 2017.

### CEO pay ratio

The table below shows the ratio between the CEO's total single figure (as calculated on the previous page) and the median, lower and upper quartile total remuneration for our UK-based workforce. Our median all-employee to CEO pay ratio is 26.9.

A significant proportion of the CEO's pay is in the form of variable pay through the annual bonus and the PSP. CEO pay will therefore vary year on year based on Company and share price performance. The CEO to all-employee pay ratio will therefore also fluctuate taking this into account.

It should be noted that the pay ratio when comparing 2022 to 2023 has reduced, due to the fact the CEO's single figure of remuneration in 2022 included an annual bonus and a PSP award vesting. However, in 2023, only the annual bonus paid out, as the PSP award vested at 0%. In 2023 our figures also included Autorama UK Limited employees. As part of the integration into Auto Trader, we are working on the alignment of benefits to ensure a consistent offering.

The Board has confirmed that the ratio is consistent with the Company's wider policies on employee pay, reward and progression, and is appropriate for the Company's size and structure.

Year	Method	25 <sup>th</sup> percentile pay ratio	Median pay ratio	75 <sup>th</sup> percentile pay ratio
<b>FY23</b>	<b>A</b>	<b>36.6:1</b>	<b>26.9:1</b>	<b>18.2:1</b>
FY22	A	46.6:1	33.5:1	23.7:1
FY21	A	15.9:1	10.9:1	7.8:1
FY20	A	50.4:1	34.2:1	24.8:1

- Method A has been used to determine the relevant employees on the basis that this approach is in line with the approach used to calculate the single total figure for the CEO and therefore is the most robust.
- For 2023, Autorama UK Limited employees have been included in the figures.
- For 2023, the salary for the P25 employee was £29,736 and total remuneration was £34,995. The salary for the P50 employee was £42,250 and total remuneration was £47,649. The salary for the P75 employee was £61,625 and total remuneration was £70,227.
- The P25, P50 and P75 employees were determined as at 31 March 2023 based on full-time equivalent remuneration. Only employees who were employed as at the end of the financial year were included; salaries were annualised, taking account of mid-year increases. The total remuneration includes salary, allowances, taxable benefits, pension contributions, bonus, commission and share-based payments. Taxable benefits are based on the previous tax year (2021-2022) for company cars and the latest tax year (2022-2023) for healthcare benefits. Options under the SAYE scheme are included as at the date of grant, based on the difference between the market value at grant date and the exercise price. Options under discretionary plans (PSP and Single Incentive Plan Award) are based on the date that the performance conditions were achieved, and valued using the three-month average share price to 31 March 2023 of 588.34p.
- For 2020, the CEO single figure reflects amounts to Trevor Mather (stepped down 29 February 2020) and Nathan Coe (appointed CEO 1 March 2020) for their respective time in service.
- The 2022 CEO pay ratio figures have been updated to reflect the change to the CEO total single figure of remuneration for the year ended 31 March 2022, following the revalued PSP award based on share price on date of vesting.

### Year-on-year change in pay for Directors compared to the average employee

In accordance with the requirement under The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, the table below shows the increase in each Director's pay (salary, benefits and bonus) between 2020 to 2021, 2021 to 2022, and 2022 to 2023, compared to the average increase for the employees of the Group.

	2023-2022			2022-2021			2021-2020		
	Base salary/fees	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus
<b>Executive Directors</b>									
Nathan Coe <sup>1,2</sup>	3%	(8%)	(1%)	16%	(7%)	100% <sup>8</sup>	26%	31%	(100%)
Catherine Faiers <sup>1,3</sup>	3%	(8%)	(1%)	12%	(7%)	100% <sup>8</sup>	(11%)	43%	(100%)
Jamie Warner <sup>1,4</sup>	3%	(8%)	(1%)	16%	(7%)	100% <sup>8</sup>	932%	1,477%	(100%)
<b>Non-Executive Directors</b>									
Ed Williams <sup>1</sup>	4%	-	-	36%	-	-	(25%)	-	-
David Keens <sup>1</sup>	4%	-	-	35%	-	-	(25%)	-	-
Jill Easterbrook <sup>1</sup>	4%	-	-	17%	-	-	(13%)	-	-
Jeni Mundy <sup>1,5</sup>	4%	-	-	31%	-	-	(9%)	-	-
Sigga Sigurdardottir <sup>1,6</sup>	4%	-	-	16%	-	-	108%	-	-
Jasvinder Gakhali <sup>7</sup>	315%	-	-	N/A	N/A	N/A	N/A	N/A	N/A
<b>Average employee</b>	<b>6.4%</b>	<b>(8%)<sup>10</sup></b>	<b>-<sup>9</sup></b>	<b>5.5%</b>	<b>37%</b>	<b>-</b>	<b>0%</b>	<b>27%</b>	<b>-</b>

1. Ed Williams and David Keens voluntarily waived their entire fees from 1 April 2020 to 30 June 2020. The remaining Board members voluntarily waived 50% of their salaries and fees from 1 April 2020 to 30 June 2020.
2. Nathan Coe was appointed as CEO on 1 March 2020 and his base salary increased on that date from £377,000 to £568,000.
3. Catherine Faiers was appointed to the Board on 1 May 2020 and therefore her reported salary for 2020 represents only 11 months. Further, Catherine became part-time from 1 September 2020 and therefore her salary was pro-rated from that date to reflect her 4.5 day working week.
4. Jamie Warner was appointed to the Board on 1 March 2020 and therefore his reported salary for 2020 represents only one month.
5. Jeni Mundy was appointed Chair of the Corporate Responsibility Committee from 1 January 2021 and received an additional fee of £9,742 per annum from that date.
6. Sigga Sigurdardottir was appointed to the Board on 1 November 2019 and therefore her reported fee for 2020 represents only five months.
7. Jasvinder Gakhali was appointed to the Board on 1 January 2022.
8. 100% value shown as no bonus was paid for 2021.
9. For the purpose of the annual bonus this relates to performance related schemes only and therefore figures exclude any cost of living payments made to all employees during the year.
10. The decrease in benefits relates to a reduction in our private medical insurance premiums.

**Relative importance of the spend on pay**

The following table shows the Group's actual spend on pay for all employees compared to distributions to shareholders. The average number of employees has also been included for context. Revenue and Operating profit have also been disclosed as these are two key measures of Group performance.

	2023 £m	2022 £m	% change
Employee costs (see note 7 to the Consolidated financial statements)	<b>84.5</b>	69.8	21%
Average number of employees (see note 7 to the Consolidated financial statements)	<b>1,160</b>	960	21%
Revenue (see Consolidated income statement)	<b>500.2</b>	432.7	16%
Operating profit	<b>277.6</b>	303.6	(9%)
Share buybacks and Dividends paid (see notes 26 and 28 to the Consolidated financial statements)	<b>225.0</b>	237.1	(5%)

**Fees for the Chair and Non-Executive Directors**

Fees for the Chair and Non-Executive Directors were reviewed in early 2023 and will be increased by 5% with effect from 1 July 2023.

As set out in the Nomination Committee report, the Board is in the process of implementing the succession plan for the Chair and the NEDs that were on the Board at IPO. The fee for the Chair role was set at IPO reflecting the size and complexity of the business at that time and the Chair's equity stake in the business; it has not been increased significantly during his tenure. Since IPO the Company has grown significantly and the complexity of its operations has increased, such that the current Chair's fee is significantly behind market practice. Therefore the Remuneration Committee has reviewed the fee and has approved that the fee for the incoming Chair will be set at £325,000. Furthermore, the Board has reviewed the current NED fees, and has concluded that whilst the base fees are deemed to be appropriate, the additional SID and Committee Chair fees are similarly positioned towards the lower end of market practice. Therefore the Board has decided that when the next new Non-Executive Director is appointed, the Committee Chair fees will be increased to £18,500, and the SID fee will be increased to £12,500 at the same time.

The following table sets out the new fees in financial year 2024 compared to those which applied in financial year 2023, and the new fees to be applied to new appointees during the year:

Base fees	2023	Percentage change	2024	Fees to be applied post succession plan
Chair	£197,078	5%	<b>£206,931</b>	£325,000
Non-Executive Director	£60,861	5%	<b>£63,904</b>	£63,904
Additional fees				
Senior Independent Director	£10,433	5%	<b>£10,954</b>	£12,500
Audit Committee Chair	£10,433	5%	<b>£10,954</b>	£18,500
Remuneration Committee Chair	£10,433	5%	<b>£10,954</b>	£18,500
Corporate Responsibility Committee Chair	£10,433	5%	<b>£10,954</b>	£18,500

### Funding of equity awards

Share awards may be funded by a combination of newly issued shares, treasury shares and shares purchased in the market. Where shares are newly issued or from treasury, the Company complies with Investment Association dilution guidelines on their issue. The current dilution usage of all share plans is c. 1.14% of shares in issue.

Where shares are purchased in the market, these will be held by a trust, in which case the voting rights relating to the shares are exercisable by the Trustees in accordance with their fiduciary duties. At 31 March 2023, the trust held 340,196 shares in respect of the Share Incentive Plan.

### External directorships

Auto Trader recognises that its Executive Directors may be invited to become non-executive directors of other companies. Such non-executive duties can broaden a Director's experience and knowledge which can benefit Auto Trader. Following the year end, Catherine Faiers has been appointed as a Non-Executive Director of Allegro.eu Group. The Board approved the directorship in advance to ensure that there was no conflict of interest, and the Remuneration Committee approved that Catherine will retain the remuneration from the appointment.

### Membership of the Committee

Jill Easterbrook is the Committee Chair, and its other members are David Keens, Jeni Mundy, Sigga Sigurdardottir and Jasvinder Gakhal. Refer to pages 64 and 80 for further details of the membership of the Committee, the Terms of Reference, the meetings held and activities during the year.

### External advisors

During the year the Committee received advice from Deloitte who were appointed in October 2017 following a competitive tender process. Deloitte are founding members of the Remuneration Consultants Code of Conduct and adhere to this Code in their dealings with the Committee. The Committee is satisfied that the advice provided by Deloitte is objective and independent. The Committee is comfortable that the members of the Deloitte team that provide remuneration advice to the Committee do not have connections with the Company or its Directors that may impair their independence. The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

Fees are charged on a time and materials basis. During the year Deloitte was paid £37,600 excluding VAT for advice provided to the Committee. Deloitte provided additional services to the Company in relation to internal audit, debt advisory and tax services.

### Statement of shareholder voting

Shareholder voting in relation to recent AGM resolutions is as follows:

	Votes for	% of votes cast for	Votes against	% of votes cast against	Abstentions
2022 AGM: Annual Report on Remuneration (advisory)	748,248,450	98.19%	13,814,962	1.81%	44,988
2021 AGM: Remuneration Policy (binding)	758,040,974	99.69%	2,355,178	0.31%	7,406,699

### Approval

This Directors' remuneration report has been approved by the Board of Directors.

Signed on behalf of the Board of Directors.

### Jill Easterbrook

Chair of the Remuneration Committee

1 June 2023

The Directors have pleasure in submitting their report and the audited financial statements of Auto Trader Group plc (the 'Company') and its subsidiaries (together the 'Group') for the financial year to 31 March 2023.

#### STATUTORY INFORMATION

Information required to be part of the Directors' report can be found elsewhere in this document, as indicated in the table below, and is incorporated into this report by reference:

Section of Annual Report	Page reference
<b>Employee involvement</b>	Strategic report: Being a responsible business (page 26)
<b>Employees with disabilities</b>	Strategic report: Being a responsible business (page 26)
<b>Financial instruments</b>	Financial statements: Note 32 to the Consolidated financial statements (page 150)
<b>Future developments of the business</b>	Strategic report: Our purpose-driven strategy (page 10)
<b>Greenhouse gas emissions</b>	Strategic report: Being a responsible business (page 26)
<b>Non-financial reporting</b>	Strategic report: Non-financial information statement (page 21)

#### INFORMATION REQUIRED BY LR 9.8

Information required to be included in the Annual Report by LR 9.8 can be found in this document as indicated in the table below:

Section of Annual Report	Page reference
<b>Allotment of shares during the year</b>	Financial statements: Note 26 to the Consolidated financial statements (page 142)
<b>Directors' interests</b>	Governance: Directors' remuneration report (page 80)
<b>Significant shareholders</b>	Governance: Directors' report (page 94)
<b>Going Concern and Viability</b>	Strategic report: Principal risks and uncertainties (page 50)
<b>Long-term incentive schemes</b>	Governance: Directors' remuneration report (page 80)
<b>Powers for the Company to buyback its shares</b>	Governance: Directors' report (page 94)
<b>Significant contracts</b>	Governance: Directors' report (page 94)
<b>Significant related party agreements</b>	Governance: Directors' report (page 94)
<b>Corporate Governance Code Compliance</b>	Governance: Governance overview (page 58)
<b>Directors' Service Contracts</b>	Governance: Directors' remuneration report (page 80)
<b>TCFD Disclosures</b>	Strategic report: Being a responsible business (page 26)
<b>Gender and ethnicity targets</b>	Strategic report: Being a responsible business (page 26)

#### Management report

This Directors' report, on pages 94 to 97, together with the Strategic report on pages 2 to 57, form the Management Report for the purposes of DTR 4.1.5R.

#### Strategic report

The Strategic report, which can be found on pages 2 to 57, sets out the Group's strategy, objectives and business model; the development, performance and position of the Group's business (including financial, operating and cultural key performance indicators); a description of the principal risks and uncertainties; and the main trends and factors likely to affect the future development, performance and position of the Group's business.

#### UK Corporate Governance Code

The Company's statement on corporate governance can be found in the Corporate governance statement, the Report of the Nomination Committee, the Report of the Audit Committee, the Report of the Corporate Responsibility Committee and the Directors' remuneration report and policy report on pages 62 to 93; all of which form part of this Directors' report and are incorporated into it by reference.

#### 2023 Annual General Meeting

The 2023 AGM will take place at 10:00am on Thursday 14 September 2023 at the Company's registered office: 4<sup>th</sup> Floor, 1 Tony Wilson Place, Manchester, M15 4FN. We intend to hold the AGM as a physical meeting.

We encourage all shareholders to cast their votes by proxy, and to send any questions in respect of AGM business to [ir@autotrader.co.uk](mailto:ir@autotrader.co.uk).

The AGM Notice sets out the resolutions to be proposed and specifies the deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the AGM. All proxy votes will be counted and the numbers for, against or withheld in relation to each resolution will be announced at the AGM and published on the Company's website.

### Board of Directors

The following individuals were Directors of the Company for the whole of the financial year ending 31 March 2023, and to the date of approving this report unless otherwise stated:

- Ed Williams.
- Nathan Coe.
- Catherine Faiers.
- Jamie Warner.
- David Keens.
- Jill Easterbrook.
- Jeni Mundy.
- Sigga Sigurdardottir.
- Jasvinder Gakhal.

The Board has approved the appointment of Matt Davies as Chair Designate with effect from 1 July 2023, to succeed Ed Williams as Chair at the conclusion of the 2023 AGM. Therefore, Ed Williams will not stand for re-election at the 2023 AGM. All other Directors will stand for election or re-election at the 2023 AGM in line with the recommendations of the Code.

### Appointment and replacement of Directors

At each AGM each Director then in office shall retire from office with effect from the conclusion of the meeting. When a Director retires at an AGM in accordance with the Articles of Association of the Company, the Company may, by ordinary resolution at the meeting, fill the office being vacated by re-electing the retiring Director. In the absence of such a resolution, the retiring Director shall nevertheless be deemed to have been re-elected, except in the cases identified by the Articles.

### Results and dividends

The Group's and Company's audited financial statements for the year are set out on pages 98 to 162.

The Company declared an interim dividend on 10 November 2022 of 2.8 pence per share which was paid on 27 January 2023.

The Directors recommend payment of a final dividend of 5.6 pence per share (2022: 5.5 pence) to be paid on 22 September 2023 to shareholders on the register of members at the close of business on 25 August 2023, subject to approval at the 2023 AGM.

### Share capital and control

The Company's issued share capital comprises ordinary shares of £0.01 each which are listed on the London Stock Exchange (LSE: AUTO.L). The ISIN of the shares is GB00BVYVFW23.

During the year, 12,893 additional shares were allotted for a consideration of £3.49 per share in relation to the exercise of share options under the Company's SAYE scheme.

The issued share capital of the Company as at 31 March 2023 comprised 923,074,657 shares of £0.01 each, and 4,371,505 shares were held in treasury. As at 1 June 2023, the issued share capital of the Company comprises 919,118,475 shares of £0.01 each, and 4,306,497 shares held in treasury.

Further information regarding the Company's issued share capital and details of the movements in issued share capital during the year are provided in note 26 to the Group's financial statements. All the information detailed in note 26 forms part of this Directors' report and is incorporated into it by reference.

Details of employee share schemes are provided in note 30 to the Group financial statements.

### Authority to allot shares

Under the 2006 Act, the Directors may only allot shares if authorised to do so by shareholders in a general meeting. At the 2022 AGM, special resolution 16 conferred upon Directors the authority to allot ordinary shares up to a maximum nominal amount of £471,574 (47,157,400 shares), for cash, on a non-pre-emptive basis.

In the Notice of the 2023 AGM (the 'AGM Notice'), ordinary resolution 15 seeks a new authority to allow the Directors to allot ordinary shares representing approximately two thirds of the Company's existing share capital as at the date of the AGM Notice, of which approximately one third of the Company's issued ordinary share capital can only be allotted pursuant to a rights issue. In accordance with the revised Statement of Principles from the Pre-emption Group, special resolutions 16 and 17 seek a new authority to allow the Directors to allot ordinary shares on a non-pre-emptive basis up to a maximum of approximately 10% of the Company's existing share capital and special resolutions 16 and 17 seek a new authority to allow the Directors to allot ordinary shares on a non-pre-emptive basis in connection with an acquisition or specified capital investment, up to a further maximum of approximately 10% of the Company's existing share capital at the date of the AGM Notice.

### Authority to purchase own shares

As described on page 25, the Company intends to continue its share buyback programme, under the authority passed at the 2022 AGM under which the Company is authorised to make market purchases of up to a maximum of 10% (94,314,767 shares) of its own ordinary shares (excluding shares held in treasury), subject to minimum and maximum price restrictions, either to be cancelled or retained as treasury shares. The Directors will seek to renew this authority at the forthcoming AGM.

### Rights attaching to shares

All shares have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as set out in the Articles, described below. Except in relation to dividends which have been declared and rights on a liquidation of the Company, the shareholders have no rights to share in the profits of the Company. The Company's shares are not redeemable. However, following any grant of authority from shareholders, the Company may purchase or contract to purchase any of the shares on or off market, subject to the Companies Act 2006 and the requirements of the Listing Rules.

No shareholder holds shares in the Company which carry special rights with regard to control of the Company. There are no shares relating to an employee share scheme which have rights with regard to control of the Company that are not exercisable directly and solely by the employees, other than in the case of the Auto Trader Group Share Incentive Plan, where share interests of a participant in such scheme can be exercised by the personal representatives of a deceased participant in accordance with the Scheme rules.

### Voting rights

Each ordinary share entitles the holder to vote at general meetings of the Company. A resolution put to the vote of the meeting shall be decided on a show of hands, unless the Directors decide in advance that a poll will be conducted, or unless a poll is demanded at the meeting. On a show of hands, every member who is present in person or by proxy at a general meeting of the Company shall have one vote. On a poll, every member who is present in person or by proxy shall have one vote for every share of which they are a holder. The Articles provide a deadline for submission of proxy forms of not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting. No member shall be entitled to vote at any general meeting either in person or by proxy, in respect of any share held by the member, unless all amounts presently payable by the member in respect of that share have been paid. Save as noted, there are no restrictions on voting rights nor any agreement that may result in such restrictions.

### Restrictions on transfer of securities

The Articles do not contain any restrictions on the transfer of ordinary shares in the Company other than the usual restrictions applicable where any amount is unpaid on a share. Certain restrictions are also imposed by laws and regulations (such as insider trading and marketing requirements relating to close periods) and requirements of the Company's share dealing code whereby Directors and certain employees of the Company require approval to deal in the Company's securities.

**Change of control**

Save in respect of a provision of the Company's share schemes which may cause options and awards granted to employees under such schemes to vest on takeover, there are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) because of a takeover bid.

**Significant contracts**

The only significant agreement to which the Company is a party that takes effect, alters or terminates upon a change of control of the Company following a takeover bid, and the effect thereof, is the revolving credit facility agreement, which contains customary prepayment, cancellation and default provisions including, if required by a lender, mandatory prepayment of all utilisations provided by that lender upon the sale of all or substantially all of the business and assets of the Group or a change of control.

**Transactions with related parties**

Compensation paid to Directors and Key Management is as disclosed in note 8 to the Group financial statements.

**Research and development**

Innovation, specifically in software, is a critical element of Auto Trader's strategy and therefore of the future success of the Group. Accordingly, the majority of the Group's research and development expenditure is predominantly related to this area. Since 30 September 2013, the Group has changed its approach to technology development such that the Group now develops its core infrastructure through small-scale, maintenance-like incremental improvements, and as a result the amount of capitalised development costs has decreased as less expenditure meets the requirements of IAS 38, Intangible Assets.

**Indemnities and insurance**

The Company maintains appropriate insurance to cover Directors' and officers' liability for itself and its subsidiaries and such insurance was in force for the whole of the financial year ending 31 March 2023. The Company also indemnifies the Directors under a qualifying indemnity for the purposes of Section 236 of the Companies Act 2006: in the case of the Non-Executive Directors in their respective letters of appointment and in the case of the Executive Directors in a separate deed of indemnity. Such indemnities contain provisions that are permitted by the Director Liability provisions of the Companies Act and the Company's Articles.

**Environmental**

Information on the Group's greenhouse gas emissions is set out in the Being a responsible business section on page 34 and forms part of this report by reference.

**Political donations**

There were no political donations made during the year or the previous year.

**Autorama UK Limited**

As set out in note 31, on 22 June 2022, the Group acquired the entire share capital of Autorama UK Limited ('Autorama') for initial consideration of £150.0m, with an additional £50.0m which will be deferred until 22 June 2023 and settled in shares to the value of £50.0m, subject to employment and customary performance conditions.

**External branches**

The Group had no active registered external branches during the reporting period.

**Financial instruments**

Details of the financial risk management objectives and policies of the Group, including hedging policies and exposure of the entity to price risk, credit risk, liquidity risk and cash flow risk, are given in note 32 to the Consolidated financial statements.

**Disclosure of information to auditor**

Each of the Directors has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**Statement of Directors' responsibilities in respect of the Annual Report and Financial Statements**

The Directors are responsible for preparing the Annual Report and Financial Statements and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent company financial statements in accordance with United Kingdom Accounting Standards and applicable law, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

**Interests in voting rights**

At the year end the Company had been notified, in accordance with Chapter 5 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, of the following significant interests in the issued ordinary share capital of the Company:

Shareholder	At 31 March 2023		At 1 June 2023	
	Number of ordinary shares/voting rights notified	Percentage of voting rights over ordinary shares of £0.01 each	Number of ordinary shares/voting rights notified	Percentage of voting rights over ordinary shares of £0.01 each
BlackRock Inc.	112,522,416	12.22%	112,522,416	12.22%
Kayne Anderson Rudnick Investment Management LLC.	56,107,221	5.95%	56,107,221	5.95%
Baillie Gifford & Co.	47,482,549	5.01%	47,482,549	5.01%

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation and EU ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate governance statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Responsibility statement of the Directors in respect of the annual financial report**

We confirm, to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic report/Directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- we consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

#### **Approval of the Annual Report**

The Strategic report and the Corporate governance report were approved by the Board on 1 June 2023.

Approved by the Board and signed on its behalf:

#### **Claire Baty**

Company Secretary  
1 June 2023