

ASBURY AUTOMOTIVE GROUP INC
Form DEF 14A
March 14, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant ☒ X
Filed by a Party other than the Registrant
Check the appropriate box:
Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☒ X Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to §240.14a-12

Asbury Automotive Group, Inc.
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payment of Filing Fee (Check the appropriate box):
☒ X No fee required
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
(5) Total fee paid:
Fee paid previously with preliminary materials.
Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

Asbury Automotive Group, Inc.
2905 Premiere Parkway NW, Suite 300
Duluth, GA 30097

March 13, 2018

Dear Stockholders,

On behalf of the Board of Directors and management of Asbury Automotive Group, Inc., we cordially invite you to attend our 2018 Annual Meeting of Stockholders.

As you know, an important aspect of the annual meeting process is the vote by stockholders on corporate business. The matters to be voted on are described in the notice of meeting and the proxy statement, which accompany this letter. We value your vote and urge you to exercise your rights as a stockholder to vote. Whether or not you plan to attend the meeting, please read the enclosed proxy statement and complete, sign and date the enclosed proxy and return it as promptly as possible in the accompanying postage paid envelope or vote by telephone or the Internet. This will ensure that your shares are represented at the meeting.

Sincerely,

David Hult

President, Chief Executive Officer and Director

YOUR VOTE IS IMPORTANT

ASBURY AUTOMOTIVE GROUP, INC.
2905 PREMIERE PARKWAY NW, SUITE 300
DULUTH, GEORGIA 30097
(770) 418-8200

NOTICE OF THE 2018 ANNUAL MEETING OF STOCKHOLDERS AND IMPORTANT NOTICE
REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING
OF STOCKHOLDERS TO BE HELD ON
APRIL 18, 2018

To Our Stockholders:

The 2018 Annual Meeting of Stockholders of Asbury Automotive Group, Inc. (the “2018 Annual Meeting”) will be held at our corporate headquarters located at 2905 Premiere Parkway NW, Duluth, Georgia 30097 on April 18, 2018, at 8:00 a.m. Eastern Time, for the purpose of considering and acting upon the following proposals:

- 1.election of four nominees to Class I of the Board of Directors to hold office until the 2019 Annual Meeting of Stockholders and until their successors are duly elected and qualified;
- 2.approval, on an advisory basis, of the compensation of our named executive officers;
- 3.ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2018; and
- 4.any other matters that may properly come before the 2018 Annual Meeting or any adjournments or postponements of the 2018 Annual Meeting.

Only stockholders of record as of 5:00 p.m. Eastern Time on February 27, 2018, the record date, are entitled to notice of, and to vote at, the 2018 Annual Meeting and any adjournments or postponements of the 2018 Annual Meeting. A complete list of stockholders entitled to notice of, and to vote at, the 2018 Annual Meeting will be available for inspection by stockholders during normal business hours during the ten day period immediately prior to the 2018 Annual Meeting at our corporate headquarters located at 2905 Premiere Parkway NW, Suite 300, Duluth, Georgia 30097, as well as at the 2018 Annual Meeting.

Your vote is important. Please complete, date and sign the enclosed proxy. Then return it promptly in the enclosed envelope, or vote by telephone or the Internet, to ensure your shares are represented at the 2018 Annual Meeting. Any proxy you give will not be used if you thereafter choose to attend and vote in person at the 2018 Annual Meeting. This proxy statement and the Company’s 2017 Annual Report are available on the Internet at <http://www.edocumentview.com/ABG>

BY ORDER OF THE BOARD OF DIRECTORS,
George A. Villasana
Senior Vice President, General Counsel & Secretary

TABLE OF CONTENTS	
<u>INFORMATION ABOUT THE MEETING</u>	<u>1</u>
<u>SECURITIES OWNED BY MANAGEMENT AND CERTAIN BENEFICIAL OWNERS</u>	<u>5</u>
<u>Equity Ownership Guidelines</u>	<u>8</u>
<u>Asbury Policy Regarding Hedging or Pledging of Asbury Stock</u>	<u>8</u>
<u>PROPOSAL NO. 1 - ELECTION OF DIRECTORS</u>	<u>9</u>
<u>GOVERNANCE OF THE COMPANY</u>	<u>14</u>
<u>Independence of Directors and Director-Nominees</u>	<u>14</u>
<u>Nomination of Directors</u>	<u>14</u>
<u>Communications with the Board</u>	<u>15</u>
<u>Committees of the Board</u>	<u>16</u>
<u>Director Fees; Attendance at Meetings</u>	<u>17</u>
<u>2017 DIRECTOR COMPENSATION TABLE</u>	<u>19</u>
<u>Code of Business Conduct and Ethics and Corporate Governance Guidelines</u>	<u>19</u>
<u>Board Leadership Structure</u>	<u>19</u>
<u>The Board's Risk Oversight Role</u>	<u>20</u>
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>20</u>
<u>EXECUTIVE OFFICERS</u>	<u>21</u>
<u>COMPENSATION DISCUSSION & ANALYSIS</u>	<u>22</u>
<u>Overview</u>	<u>22</u>
<u>Compensation Philosophy and Guidelines</u>	<u>23</u>
<u>Elements of Compensation</u>	<u>24</u>
<u>Total Compensation Program Supporting Attainment of Operating and Strategic Imperatives</u>	<u>25</u>
<u>Policies and Practices</u>	<u>26</u>
<u>The Role of Stockholder Say-on-Pay Votes and Related Considerations</u>	<u>27</u>
<u>Compensation Consultant</u>	<u>27</u>
<u>Additional Considerations in Making Executive Compensation Decisions</u>	<u>28</u>
<u>Review of 2017 Compensation</u>	<u>28</u>
<u>Employment, Severance and Change in Control Arrangements</u>	<u>33</u>
<u>Section 162(m)</u>	<u>34</u>
<u>COMPENSATION & HUMAN RESOURCES COMMITTEE REPORT</u>	<u>35</u>
<u>COMPENSATION & HUMAN RESOURCES COMMITTEE INTERLOCKS & INSIDER PARTICIPATION</u>	<u>35</u>
<u>EXECUTIVE COMPENSATION</u>	<u>36</u>
<u>SUMMARY COMPENSATION TABLE</u>	<u>36</u>
<u>2017 GRANTS OF PLAN-BASED AWARDS TABLE</u>	<u>38</u>
<u>OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2017</u>	<u>39</u>
<u>2017 STOCK VESTED</u>	<u>39</u>
<u>EMPLOYMENT ARRANGEMENTS AND POTENTIAL PAYMENTS UPON TERMINATION AND CHANGE</u>	<u>40</u>
<u>IN CONTROL</u>	
<u>CEO PAY RATIO</u>	<u>44</u>
<u>RELATED PERSON TRANSACTIONS</u>	<u>44</u>
<u>SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS</u>	<u>45</u>
<u>PROPOSAL NO. 2 - ADVISORY APPROVAL OF EXECUTIVE COMPENSATION</u>	<u>46</u>
<u>AUDIT COMMITTEE REPORT</u>	<u>47</u>
<u>PROPOSAL NO. 3 - RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC</u>	<u>48</u>
<u>ACCOUNTING FIRM</u>	
<u>Independent Registered Public Accounting Firm Fees</u>	<u>48</u>
<u>Audit Committee's Pre-Approval Policies and Procedures</u>	<u>48</u>
<u>STOCKHOLDER PROPOSALS FOR THE 2019 ANNUAL MEETING</u>	<u>49</u>
<u>OTHER MATTERS</u>	<u>49</u>

DELIVERY OF PROXY MATERIALS TO HOUSEHOLDS

49

ADDITIONAL INFORMATION

49

Table of Contents

ASBURY AUTOMOTIVE GROUP, INC.
2905 PREMIERE PARKWAY NW, SUITE 300
DULUTH, GEORGIA 30097

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON APRIL 18, 2018

This proxy statement is furnished in connection with the solicitation of proxies by Asbury Automotive Group, Inc. ("Asbury", the "Company", "we", "us" or "our") on behalf of the Board of Directors (the "Board") for the 2018 Annual Meeting of Stockholders (the "2018 Annual Meeting"), including all adjournments or postponements of the 2018 Annual Meeting. The accompanying Notice of the 2018 Annual Meeting and Important Notice Regarding the Availability of Proxy Materials for the 2018 Annual Meeting to be held on April 18, 2018, this proxy statement and proxy card are first being mailed to stockholders, and made available on the Internet, on or about March 15, 2018. A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2017 is included with these materials.

INFORMATION ABOUT THE MEETING

What is the purpose of the 2018 Annual Meeting?

At the 2018 Annual Meeting, stockholders will be asked to consider and vote on the following proposals:

PROPOSAL 1: election of four nominees to Class I of the Board to hold office until the 2019 Annual Meeting of Stockholders and until their successors are duly elected and qualified;

PROPOSAL 2: approval, on an advisory basis, of the compensation of our named executive officers; and

PROPOSAL 3: ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2018.

We will also transact any other business that may properly come before the 2018 Annual Meeting. Representatives from our independent registered public accounting firm, Ernst & Young LLP, are expected to be present at the meeting to make a statement if they so desire and to respond to appropriate questions from stockholders.

Who is entitled to vote?

The record date for the 2018 Annual Meeting is February 27, 2018. Only stockholders of record at the close of business on that date are entitled to notice of and to vote at the 2018 Annual Meeting. Attendance at the 2018 Annual Meeting will be limited to stockholders of record, their proxies, beneficial owners having evidence of ownership on the record date and our invited guests.

Our sole outstanding class of capital stock is our common stock, par value \$0.01 per share. Except as otherwise required by law, or as described in this proxy statement, each holder of our common stock is entitled to one vote per share with respect to each director nominee and on each other matter submitted at the 2018 Annual Meeting. As of 5:00 p.m. Eastern Time on the record date there were 20,913,251 shares of our common stock issued and outstanding and entitled to vote on each matter to be voted upon at the 2018 Annual Meeting, which number includes 220,765 shares of unvested restricted stock entitled to voting rights and that are held by our employees.

How do I vote?

1. You may vote by mail. If you properly complete and sign the accompanying proxy card and return it in the enclosed envelope, your shares will be voted in accordance with your instructions. The enclosed envelope requires no additional postage if mailed in the United States.
2. You may vote by telephone or the Internet. If you are a stockholder of record (your shares are registered directly in your name with our transfer agent), you may vote by telephone or the Internet by following the voting instructions on the proxy card. If your shares are held in "street name" by a bank, broker or other nominee, you may also be able to vote by telephone or the Internet. Please check the voting form provided by your bank, broker or other nominee to see if it offers such options.
3. You may vote in person at the 2018 Annual Meeting. If you are a stockholder of record and attend the 2018 Annual Meeting and wish to vote in person, you will be given a ballot at the meeting. However, if your shares are held in

Table of Contents

the name of your bank, broker or other nominee, you will need to obtain a proxy from the institution that holds your shares indicating that you were the beneficial owner of our common stock as of the record date for the 2018 Annual Meeting. Please contact the bank, broker or other nominee holding your shares directly if you would like to obtain a proxy to vote your shares directly at the 2018 Annual Meeting. Even if you plan to attend the 2018 Annual Meeting, please complete, sign and return your proxy card, or vote by telephone or the Internet, to ensure that your shares are represented. If you attend the 2018 Annual Meeting, any votes you cast at the meeting will supersede your proxy.

How many shares must be present to hold the 2018 Annual Meeting?

A quorum must be present at the 2018 Annual Meeting for any business to be conducted. The presence at the 2018 Annual Meeting, in person or by proxy, of at least 10,456,626 shares, which represents a majority of the shares of common stock outstanding on the record date, will constitute a quorum. Proxies received but marked as abstentions or broker non-votes will be counted for the purpose of determining the presence of a quorum.

What if a quorum is not present at the 2018 Annual Meeting?

If a quorum is not present at the scheduled time of the 2018 Annual Meeting, the chairman of the 2018 Annual Meeting may adjourn or postpone the 2018 Annual Meeting until a quorum is present. The time and place of the adjourned or postponed 2018 Annual Meeting will be announced at the time the adjournment or postponement is taken, and, unless such adjournment or postponement is for more than 30 days, no other notice will be given. An adjournment or postponement will have no effect on the business that may be conducted at the 2018 Annual Meeting.

Can I change my vote after I submit my proxy?

Yes, you may revoke your proxy and change your vote at any time before the polls close at the 2018 Annual Meeting by:

- signing and properly submitting another proxy with a later date;
- voting by telephone or the Internet;
- giving written notice of the revocation of your proxy, which must be received by our Secretary at our corporate headquarters prior to the 2018 Annual Meeting; or
- voting in person at the 2018 Annual Meeting.

How does the Board recommend I vote on the proposals?

The Board recommends that you vote:

- “FOR” the election of the four nominees to Class I of the Board of Directors to hold office until the 2019 Annual Meeting of Stockholders and until their successors are duly elected and qualified;
- “FOR” the approval, on an advisory basis, of the compensation of our named executive officers; and
- “FOR” the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2018.

What if I return an executed proxy but do not specify how my shares are to be voted?

If you properly execute and return your proxy but do not indicate any voting instructions with respect to one or more matters to be voted upon at the 2018 Annual Meeting, or if your voting instructions are unclear, your shares will be voted in accordance with the recommendation of the Board as to all such matters.

Specifically, your shares will be voted FOR the election of all director nominees (Proposal 1), the approval, on an advisory basis, of the compensation of our named executive officers (Proposal 2), and FOR the ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2018 (Proposal 3), as well as in the discretion of the persons named as proxies on all other matters that may properly come before the 2018 Annual Meeting.

Will any other business be conducted at the 2018 Annual Meeting?

The Board is aware of no other business that will be presented at the 2018 Annual Meeting. If any other business properly comes before the stockholders for a vote at the 2018 Annual Meeting, the proxy holders will vote the shares for

Table of Contents

which they have been granted a proxy as recommended by our Board, or if no recommendation is given, in accordance with their own discretion.

What are abstentions, broker non-votes and withheld votes, and how are they treated?

A share voted "abstain" with respect to any proposal is considered present and entitled to vote with respect to that proposal and will be included for purposes of calculating the presence of a quorum at the 2018 Annual Meeting. You may abstain from voting on any proposal to be voted on at the 2018 Annual Meeting other than the election of directors, which by virtue of the vote required to approve such proposal, does not provide for abstentions under applicable law.

A broker non-vote with respect to a proposal occurs when shares are held by a bank, broker or other nominee in "street name", and the bank, broker or other nominee does not receive voting instructions from the beneficial owner of these shares as to how to vote such shares, and the bank, broker or other nominee does not have the authority to exercise discretion to vote on such proposal. Banks, brokers and other nominees are only able to, but are not required to, exercise discretionary voting authority on routine matters. The proposal related to the ratification of our independent registered public accounting firm (Proposal 3) is the only item on the agenda for the 2018 Annual Meeting that is considered a routine matter. If a bank, broker or other nominee does not receive specific voting instructions with respect to one or more non-routine matters, such nominee may not cast a vote on the proposal, resulting in a broker non-vote. Broker non-votes will be included for purposes of calculating the presence of a quorum at the 2018 Annual Meeting.

With respect to the election of directors (Proposal 1), our directors are elected by a plurality of the votes cast, but are subject to our director voting policy set forth in our Corporate Governance Guidelines. If you vote "withhold" with respect to the election of one or more nominees, your shares will not be voted with respect to those nominees. "Withheld" votes will be counted for purposes of determining whether there is a quorum and will have a similar effect as a vote "against" that director nominee under our director voting policy.

What vote is required to approve each proposal at the 2018 Annual Meeting?

The table below describes the vote required for approval of each matter to be brought before the 2018 Annual Meeting, as well as the treatment of abstentions, broker non-votes and withheld votes.

Proposal	Vote Required	Treatment of Abstentions	Treatment of Broker Non-Votes	Treatment of Withhold Votes
Election of Directors	Each nominee must receive the affirmative vote of a plurality of the votes cast*	Not Applicable	No Effect	Against
Advisory Approval of Executive Compensation	The affirmative vote of the holders of a majority of the voting power of shares present in person or represented by proxy and entitled to vote	Against	No Effect	Not Applicable
Ratification of Independent Registered Public Accounting Firm	The affirmative vote of the holders of a majority of the voting power of shares present in person or represented by proxy and entitled to vote	Against	No Effect	Not Applicable

*While directors are elected by a plurality of votes cast, our Corporate Governance Guidelines include a director voting policy. This policy provides that in an uncontested election, any nominee for director who is a current director and who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election shall tender his or her resignation as a director to the Board promptly following the certification of the election results. The Governance & Nominating Committee will consider each resignation tendered and recommend to the Board whether to accept or reject it. The Board will act on each tendered resignation within 90 days following the certification of the election results.

Only votes "for" or "withheld" are counted in determining whether a plurality has been cast in favor of a director nominee. If you vote "Withhold" with respect to the election of one or more nominees, your shares will not be voted with respect to those nominees. For a "withheld" vote, your shares will be counted for purposes of determining whether there is a quorum and will have a similar effect as a vote "against" that director nominee under our director voting policy. Neither

broker non-votes nor abstentions will be deemed to be votes “for” or “withheld”.

3

Table of Contents

Who pays for the costs of soliciting proxies?

We will pay the cost of soliciting proxies, including the expenses of preparing, printing and mailing the proxy materials to stockholders. We have retained Innisfree M&A Incorporated to aid in the broker search and the solicitation of proxies, for a fee of approximately \$15,000, plus reasonable out-of-pocket expenses and disbursements. We will also reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of our common stock. Our directors, officers and other employees may also solicit proxies without additional compensation. This solicitation may be in person or by telephone, email or other electronic communication methods.

SECURITIES OWNED BY MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information with respect to the beneficial ownership of shares of the Company's common stock by (1) each of our directors (including the director nominees), (2) each of our named executive officers, and (3) our directors and executive officers as a group. In addition, the table sets forth information about all other persons known to the Company to be the beneficial owner of more than five percent of the Company's common stock.

Except as set forth below, the following information is given as of February 27, 2018. In the case of percentage ownership, the information is based on 20,913,251 shares of the Company's common stock being outstanding as of February 27, 2018, which number includes 220,765 shares of unvested restricted stock that have voting rights and are held by the Company's employees. Shares issuable upon the vesting of performance share units within 60 days after February 27, 2018 are deemed to be outstanding for the purpose of computing the beneficial ownership and overall voting power of each person deemed to beneficially own such securities, but are not deemed to be outstanding for the purpose of computing the voting power of any other person.

Name of Beneficial Owner	Shares Beneficially Owned [†]	
	Number	%
Principal Stockholders		
BlackRock, Inc. ⁽¹⁾	2,517,622	12.0%
Eminence Capital, LP ⁽²⁾	1,950,986	9.3 %
The Vanguard Group ⁽³⁾	1,794,466	8.6 %
Morgan Stanley ⁽⁴⁾	1,484,809	7.1 %
Neuberger Berman Group LLC ⁽⁵⁾	1,240,010	5.9 %
Abrams Capital Management, LLC ⁽⁶⁾	1,085,091	5.2 %
Current Directors, Including Director Nominees		
Joel Alsfine	6,010	*
Bridget Ryan-Berman	—	*
Dennis E. Clements	22,283	*
Thomas C. DeLoach, Jr.	83,752	*
David W. Hult ⁽⁷⁾	51,112	*
Juanita T. James	11,179	*
Eugene S. Katz	26,659	*
Philip F. Maritz	14,411	*
Craig T. Monaghan ⁽⁸⁾	117,893	*
Thomas J. Reddin	5,915	*
Named Executive Officers Who Are Not Directors		
Sean D. Goodman ⁽⁹⁾	14,199	*
George A. Villasana ⁽¹⁰⁾	22,442	*
George Karolis ⁽¹¹⁾	8,401	*
William F. Stax ⁽¹²⁾	4,038	*
Keith R. Style	—	*

All directors and executive officers as a group (14 persons) 401,716 1.9 %

([†])The number of shares beneficially owned is determined under rules promulgated by the Securities and Exchange Commission (the "SEC"), and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days after February 27, 2018. Inclusion in the table of such shares, however, does not constitute an admission that the

director, director-nominee, named executive officer or other executive officer is a direct or indirect beneficial owner of such shares. Except as otherwise indicated, the persons listed in the table have sole voting and investment power with respect to the securities included in the table.

(*) Denotes less than 1% of the Company's common stock.

Based on a Schedule 13G/A filed with the SEC on January 19, 2018. BlackRock, Inc. has sole power to vote (1) 2,458,597 shares and to dispose of all 2,517,622 shares. The business address of Blackrock, Inc. is 40 East 55nd Street, New York, New York 10055.

Based on a Schedule 13G/A filed with the SEC on February 14, 2018. Represents shares owned by and on behalf of each Eminence Capital, LP (“Eminence Capital”), Eminence GP, LLC (“Eminence GP”) and Ricky C. Sandler (“Sandler”). Eminence Capital serves as the management company or investment advisor to several Eminence funds and a separately managed account and may be deemed to have voting and dispositive power over shares held for the accounts of the Eminence funds and the separately managed account. Eminence GP serves as general partner or manager with respect to the shares directly owned by some of the Eminence funds and may be deemed to have voting and dispositive power over the shares held for the accounts of certain Eminence funds. Sandler is the chief (2) executive officer of Eminence Capital and managing member of Eminence GP and may be deemed to have voting and dispositive power over the shares held for the accounts of the Eminence funds and the separately managed account, and individually over shares owned by certain family accounts and other related accounts over which Sandler has investment discretion. Eminence Capital and Sandler have shared voting and dispositive power with respect to all shares, Eminence GP has shared voting and dispositive power with respect to 1,354,651 shares and Sandler has sole voting and dispositive power with respect to 3,273 shares. The business address of Eminence Capital, Eminence GP and Sandler is 65 East 55th Street, 25th Floor, New York, New York 10022.

Based on a Schedule 13G/A filed with the SEC on February 12, 2018. The Vanguard Group (“Vanguard”) has sole power to vote 36,678 shares and to dispose of 1,756,960 shares and shared power to vote 2,714 shares and to dispose of 37,506 shares. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of Vanguard, is the (3) beneficial owner of 34,792 shares. Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of Vanguard, is the beneficial owner of 4,600 shares. The business address of Vanguard is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.

Based on a Schedule 13G/A filed with the SEC on February 12, 2018. Morgan Stanley has shared power to vote (4) 1,484,022 shares and shared dispositive power with respect to 1,479,371 shares. Morgan Stanley Capital Services LLC has shared power to vote and shared dispositive power with respect to 1,173,528 shares. The business address of Morgan Stanley and Morgan Stanley Capital Services LLC is 1585 Broadway, New York, NY 10036.

Based on a Schedule 13G filed with the SEC on February 15, 2018. Represents shares owned by and on behalf of each of Neuberger Berman Group LLC (“Neuberger Group”) and Neuberger Berman Investment Advisers LLC (5) (“Neuberger Investment”). Neuberger Group and Neuberger Investment have shared voting power with respect to 1,232,580 shares and shared dispositive power with respect to 1,240,010 shares. The business address of Neuberger Group and Neuberger Investment is 1290 Avenue of the Americas, New York, NY 10104.

Based on a Schedule 13G filed with the SEC on February 14, 2018. Represents shares owned by and on behalf of each of Abrams Capital Management, LLC (“Abrams LLC”), Abrams Capital Management, L.P. (“Abrams L.P.”) and David Abrams (“Abrams”). Abrams L.P. serves as investment manager for a number of private investment funds. (6) Abrams LLC is the general partner of Abrams L.P. Abrams is the managing member of Abrams LLC and may be deemed to have voting and dispositive power over shares held for the accounts of the private investment funds managed by him. Abrams LLC, Abrams L.P. and Abrams have shared voting and dispositive power with respect to all 1,085,091 shares.

Includes 26,974 shares of unvested restricted stock. Mr. Hult has the right to vote, but no right to dispose of, the shares of unvested restricted stock. Also includes 2,122 shares of common stock vested in March 2018 under the (7) 2017 performance share unit program, net of shares of common stock forfeited for the payment of taxes upon vesting of such award. Mr. Hult has the right to dispose of these shares issued to him under the 2017 performance share unit program, but no right to vote such shares at the 2018 Annual Meeting, as such shares were not outstanding and entitled to vote on the record date.

(8) Includes 16,230 shares of unvested restricted stock. Mr. Monaghan has the right to vote, but no right to dispose of, the shares of unvested restricted stock. Also includes 8,595 shares of common stock vested in March 2018 under the 2017 performance share unit program, net of shares of common stock forfeited for the payment of taxes upon vesting of such award. Mr. Monaghan has the right to dispose of these shares issued to him under the 2016 performance share unit program, but no right to vote such shares at the 2018 Annual Meeting, as such shares were

not outstanding and entitled to vote on the record date. Also includes 39,651 shares of common

stock held in The Monaghan Foundation, Inc., as to which Mr. Monaghan has the right to vote and dispose of such shares.

(9) Includes 14,199 shares of unvested restricted stock. Mr. Goodman has the right to vote, but no right to dispose of, the shares of unvested restricted stock.

Includes 7,179 shares of unvested restricted stock. Mr. Villasana has the right to vote, but no right to dispose of, the shares of unvested restricted stock. Also includes 1,217 shares of common stock vested in March 2018 under the 2017 performance share unit program, net of shares of common stock forfeited for the payment of taxes upon vesting of such award. Mr. Villasana has the right to dispose of these shares issued to him under the 2017 performance share unit program, but no right to vote such shares at the 2018 Annual Meeting, as such shares were not outstanding and entitled to vote on the record date.

(10) Includes 3,870 shares of unvested restricted stock. Mr. Karolis has the right to vote, but no right to dispose of, the shares of unvested restricted stock. Also includes 608 shares of common stock vested in March 2018 under the 2017 performance share unit program, net of shares of common stock forfeited for the payment of taxes upon vesting of such award. Mr. Karolis has the right to dispose of these shares issued to him under the 2017 performance share unit program, but no right to vote such shares at the 2018 Annual Meeting, as such shares were not outstanding and entitled to vote on the record date.

(11) Includes 3,634 shares of unvested restricted stock. Mr. Stax has the right to vote, but no right to dispose of, the shares of unvested restricted stock. Also includes 224 shares of common stock vested in March 2018 under the 2017 performance share unit program, net of shares of common stock forfeited for the payment of taxes upon vesting of such award. Mr. Stax has the right to dispose of these shares issued to him under the 2017 performance share unit program, but no right to vote such shares at the 2018 Annual Meeting, as such shares were not outstanding and entitled to vote on the record date.

Table of Contents

Equity Ownership Guidelines

We have adopted equity ownership guidelines that are applicable to our directors and named executive officers. Under our guidelines:

- each director is expected to own at least five times his or her annual retainer in value of our common stock;
- our Chief Executive Officer is expected to own at least five times his base salary in value of our common stock;
- our Chief Operating Officer and Chief Financial Officer are expected to own at least three times his or her base salary in value of our common stock; and
- our other named executive officers are expected to own at least two times his or her base salary in value of our common stock.

Equity ownership, for the purposes of these guidelines, includes the following:

- unvested restricted shares; and
- earned, but unvested, performance share units.

We expect our directors and named executive officers to comply with these guidelines within five years after the date of their election or appointment. All of our current directors and named executive officers have achieved their ownership requirements or have additional time to achieve them.

Our equity ownership guidelines are contained in our Corporate Governance Guidelines, which can be found on our web site at www.AsburyAuto.com/company/investor-relations/ under “Corporate Governance.”

Asbury Policy Regarding Hedging or Pledging of Asbury Stock

Insiders of Asbury are strongly discouraged from trading in Asbury common stock on a short-term basis. In addition, Asbury prohibits its directors and officers who are subject to the reporting requirements of the Securities Exchange Act of 1934 from pledging Asbury common stock or otherwise subjecting Asbury common stock to margin calls or the ability to be sold outside of the owner’s control. All insiders of Asbury are prohibited from engaging in hedging activities involving Asbury common stock.

Table of Contents

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Directors and Nominees for Election as Directors

The Board is currently divided into three classes. At our 2016 Annual Meeting of Stockholders, our stockholders approved our amended and restated certificate of incorporation (the "Amended and Restated Certificate"), which contains a provision declassifying our Board of Directors. Specifically, the Amended and Restated Certificate provides that, at the 2017 Annual Meeting of Stockholders, Class III directors were elected for a two-year term expiring at the 2019 Annual Meeting of Stockholders. At the 2018 Annual Meeting, Class I directors will be elected for a one-year term expiring at the 2019 Annual Meeting of Stockholders. At and after the 2019 Annual Meeting of Stockholders, our Board of Directors will be fully declassified, with each director being elected annually, serving one-year terms. Craig T. Monaghan, a Class III member of the Board who has served as a director since April 2011 and who served as our Chief Executive Officer until he retired from that position on December 31, 2017, will, as previously disclosed, retire from the Board, without further action by him, at the 2018 Annual Meeting pursuant to the terms of his Transition and Separation Agreement with the Company. In addition, Scott L. Thompson resigned as a member of the Board on February 23, 2018 and is not standing for reelection at the 2018 Annual Meeting. The Company thanks Mr. Monaghan and Mr. Thompson for their years of service to the Company.

Directors are elected by a plurality of the votes cast. This means that each of the four director-nominees will be elected if they receive more affirmative votes than any other person. The director voting policy in our Corporate Governance Guidelines states that in an uncontested election, any nominee for director who is a current director and who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election shall tender his or her resignation as a director to the Board promptly following the certification of the election results. The Governance & Nominating Committee will consider each resignation tendered and recommend to the Board whether to accept or reject it. The Board will act on each tendered resignation within 90 days following the certification of the election results.

Each director-nominee has consented to being named in this proxy statement and has agreed to serve if elected.

Management has no reason to believe that the director-nominees will not serve if elected. If a nominee is unable or unwilling to stand for election, the Board may designate a substitute nominee or may choose to reduce the size of the Board. If a substitute nominee is designated, the proxy holders will vote your shares for the substitute nominee, unless you have withheld authority for the nominee who is not standing for election.

Below is certain information about our director-nominees and our directors who will continue to serve on the Board following the 2018 Annual Meeting, their principal occupation, business experience as well as other matters, and the Board's assessment of their individual qualifications to serve on our Board. For certain additional information regarding the director-nominees and the directors who will continue to serve on the Board following the 2018 Annual Meeting, see the sections entitled "Securities Owned by Management and Certain Beneficial Owners," and "Governance of the Company" in this proxy statement.

Nominees for Election as Class I Directors

Upon the recommendation of the Governance & Nominating Committee, our Board has nominated Bridget Ryan-Berman, Dennis E. Clements, David W. Hult and Eugene S. Katz for election to Class I of the Board. All of the Class I director-nominees, except for Bridget Ryan-Berman, are currently directors of the Company. If elected at the 2018 Annual Meeting, the terms of these individuals will expire at the 2019 Annual Meeting of Stockholders and when their respective successors are duly elected and qualified.

The Board recommends you vote FOR each of these nominees.

Table of Contents

Class I Directors-Nominees

BRIDGET RYAN-BERMAN (age 57) Ms. Ryan-Berman is an independent consultant advising multi-channel brands and companies on business innovation and large-scale transformation designed around the consumer experience. From June 2016 to December 2017, Ms. Ryan-Berman served as Chief Experience and Strategy Officer of Enjoy Technology, Inc. a company that provides delivery and setup services for tech products. From 2011 to 2015, Ms. Ryan-Berman served as Chief Executive Officer of Victoria's Secret Direct, LLC, an online and catalog division of Victoria's Secret, a specialty retailer of women's lingerie, beauty, apparel and accessories. She was formerly an independent consultant advising clients in the retail, wholesale and financial investment sectors providing strategic planning, business development and executive coaching services. Ms. Ryan-Berman served as Chief Executive Officer of Giorgio Armani Corp., the wholly owned U.S. subsidiary of Giorgio Armani S.p.A., a provider of fashion and luxury goods products, from 2006 to 2007 and Vice President/Chief Operating Officer of Apple Computer Retail from 2004 to 2005. Ms. Ryan-Berman also served in various executive positions with Polo Ralph Lauren Corporation, including Group President of Polo Ralph Lauren Global Retail, from 1992 to 2004 and held various capacities at The May Department Stores Company, Federated Department Stores, Inc. and Allied Stores Corp. from 1982 to 1992. In addition, Ms. Ryan-Berman was a member of the board of directors, and served on the audit committee of J. Crew Group, Inc. from 2005 to 2006. Since January 2009, Ms. Ryan-Berman has served as a member of the Board, Compensation Committee and as Chair of the Nominating and Governance Committee of Tanger Factory Outlet Centers, Inc.

Ms. Ryan-Berman has over 32 years of experience in the retail business and as a senior level executive has helped oversee the strategies and operations of some of the leading fashion and luxury goods groups in the world. Ms. Ryan-Berman's extensive experience in retailing and other related industries will enable her to provide invaluable insight into the environment in which the Company operates.

DENNIS E. CLEMENTS (age 73) has served as a member of the Board since September 2006. Mr. Clements became a member of the Compensation & Human Resources Committee and the Governance & Nominating Committee in October 2006, a member of the Executive Committee in January 2007 (of which he was chair until May 2013) and a member of the Risk Management Committee in July 2013. He was appointed Chair of the Governance & Nominating Committee in May 2007. Mr. Clements also served as a member of the Succession Planning Committee from October 2010 until February 2011, when such Committee was disbanded. Mr. Clements is currently a consultant with Discretionary Effort L.L.C., which he founded in 2005. From June 2000 to June 2005, Mr. Clements was an Officer of Toyota Motor Sales, USA, serving as Chief Operating Officer, Group Vice President and General Manager of Lexus USA. He was President of Toyota's Central Atlantic division from June 1991 to June 2000, and held a number of other senior sales management positions at Toyota. Earlier in his career, Mr. Clements worked with Ford Motor Co. for 15 years, progressing through a variety of sales and management positions in the Ford and Lincoln-Mercury divisions. From May 2008 until December 2013, Mr. Clements served on the advisory board of Noribachi L.L.C., a company that produces smart energy products, including LED lighting, consumer electronics, solar solutions, and provides engineering and design services for such products. Since 2012, Mr. Clements has serves on the advisory board of Excellent Cultures LLC, a provider of leading-edge consulting and training services for management and sales personnel across various industries, including the automotive industry.

Mr. Clements has over 40 years of experience, including executive level appointments, in the automotive business. Most notably, with his twenty-five years of experience at Toyota and Lexus, and fifteen years of experience at Ford, the Board has determined that Mr. Clements brings a vast knowledge of the automotive industry and a valuable perspective on automotive manufacturers to the Board. Given his significant executive automotive experience, the Board believes that Mr. Clements has extensive automotive industry expertise, experience and relationships upon which to draw as he serves as the Chair of our Governance & Nominating Committee, and as a member of our Compensation & Human Resources Committee and our Risk Management Committee.

DAVID W. HULT (age 52) has served as our President & Chief Executive Officer and as a member of our Board since January 2018. Prior to becoming our President & Chief Executive Officer, Mr. Hult served as our Executive Vice President & Chief Operating Officer since November 2014 after holding the position of Chief Operating Officer

at RJI-McLarty-Landers Automotive Holdings, LLC, an automotive franchise and dealership operator, from January 2013 to November 2014. From June 2004 to July 2012, Mr. Hult held several roles with Group One Automotive, Inc., including Vice President of Fixed Operations and Marketing, Regional Vice President - East Region, and Market Director for New England. He has been an operator at the General Manager level as well as the regional level for a number of large automotive dealership groups. After serving our country in the US Army, Mr. Hult started his career as a retail sales associate within the automotive industry.

Mr. Hult has over 20 years experience as an operations executive at large auto retail companies. In his role as our President & Chief Executive Officer, Mr. Hult has primary responsibility for the day-to-day operations of the Company. Mr.

Table of Contents

Hult's in-depth knowledge of the Company allows him to effectively identify strategic priorities, provide valuable input during Board discussions, and execute the Company's strategy and business plans. Because of Mr. Hult's position and significant experience in overseeing auto retail operations at the Company, the Board has determined that it is appropriate for Mr. Hult to also serve on the Board.

EUGENE S. KATZ (age 72) has served as a member of the Board and a member of the Audit Committee since January 2007, a member of the Compensation & Human Resources Committee since February 2011 and Chair of the Audit Committee since January 2009. Mr. Katz also served as a member of the Risk Management Committee from January 2009 until February 2011. He is a former partner of PricewaterhouseCoopers ("PwC"), where he began his career in 1969, and became a partner in July 1980. Mr. Katz retired from PwC in June 2006. From 2002 and through his retirement in June 2006, Mr. Katz served as the west region risk management leader of PwC. In addition, Mr. Katz was a member of the PwC Governing Board from 1992 to 1997, and from 2001 to 2005. Mr. Katz currently serves as a member of the Board, Compensation Committee and Nominating and Governance Committee and as Chair of the Audit Committee of Workiva Inc.

Mr. Katz has over 40 years of experience in public accounting, during which time he was responsible for leading audit engagements of private and public companies and served a variety of clients ranging from start-up companies to larger public companies. Because of Mr. Katz's significant experience with complex financial reporting, accounting and risk management matters as a former public accountant, the Board has determined that Mr. Katz is well-positioned to be both the Chair of our Audit Committee, assisting the Audit Committee in fulfilling its responsibility of overseeing our independent registered public accounting firm, and a member of the Compensation & Human Resources Committee.

Current Class II Directors

The Class II directors are not standing for reelection at the upcoming 2018 Annual Meeting. Their terms expire at the 2019 Annual Meeting of Stockholders.

JOEL ALSFINE (age 48) has served as a member of the Board, and as a member of the Audit Committee and Risk Management Committee since January 2015. Mr. Alsfine is a partner at MSD Capital L.P. in New York, the investment firm formed in 1998 to exclusively manage the capital of Michael Dell and his family, which he joined in 2002. From 2000 to 2002, Mr. Alsfine was Managing Director of TG Capital Corp. in Miami. Prior to 2000, he held the post of Engagement Manager with McKinsey & Co. in New York and also worked with Fisher Hoffman Stride in Johannesburg, South Africa.

With his extensive capital markets experience and financial and investment experience as a partner at MSD Capital, the Board has determined that Mr. Alsfine has an astute understanding of market complexities that provide valuable insight into effective strategy, including within the automotive retail industry. In addition, the Board believes that Mr. Alsfine's years of financial and risk-related experience at various private equity firms appropriately position him to be a valuable member of our Audit Committee and Risk Management Committee, and provide valuable insight into audit and risk management issues.

THOMAS C. DELOACH, JR. (age 70) has served as our Non-Executive Chairman since August 2011 and, prior to that time, served as our Lead Independent Director since February 2011. Mr. DeLoach has served as a member of the Board and as a member of the Audit Committee since January 2007, a member of the Governance & Nominating Committee since April 2012, a member of the Risk Management Committee since January 2009, of which he was Chair until February 2011, Chair of the Succession Planning Committee from October 2010 until February 2011, when such Committee was disbanded, and a member of the Executive Committee since February 2011 and its Chair since May 2013. He is a former executive of Mobil Corporation ("Mobil") and served in various positions at Mobil from July 1969 until March 2000. From 1998 to 2000, Mr. DeLoach was the president of the Global Midstream Division at Mobil. From 1994 to 1998, Mr. DeLoach served as the Chief Financial Officer of Mobil. From May 2000 to July 2002, Mr. DeLoach was a member of management of a NASCAR racing team owned principally by Roger Penske. In September 2002, he formed PIT Instruction & Training, LLC, of which he is a principal and a managing member. In addition, from June 2005 until May 2017, Mr. DeLoach has served as a principal and a managing member of Red Horse Racing II, LLC, a NASCAR Camping World Truck Series race team. Mr. DeLoach is a member of the Board of Trustees, the Corporate Governance & Nominating Committee and the Audit Committee of Liberty Property Trust,

a self-managed real estate investment trust. Mr. DeLoach was also formerly the Chair of the Audit Committee and of the Compensation Committee of Liberty Property Trust.

With his managerial and board experience, the Board has determined that Mr. DeLoach brings to the Board demonstrated critical leadership skills, which skills are appropriate for a Non-Executive Board Chairman and as Chair of the Executive Committee. In addition, as the former Chief Financial Officer of Mobil, coupled with his former position as

Table of Contents

Chair of the Audit Committee of Liberty Property Trust, Mr. DeLoach has experience with complex accounting, financial and risk-related issues, such as the application of accounting principles and financial reporting rules and regulations, and evaluation of financial results and general oversight of the financial reporting processes and risk analyses of large businesses. As a result of his broad accounting, financial and executive experience, the Board believes that Mr. DeLoach is a valuable member of our Board, Governance & Nominating Committee and Risk Management Committee and Chair of our Executive Committee, and is well-qualified to assist in the auditor oversight function as an Audit Committee member.

PHILIP F. MARITZ (age 57) has served as a member of the Board since April 2002, as Chair of the Risk Management Committee since April 2012, as a member of the Governance & Nominating Committee since June 2014 and as a member of the Executive Committee since April 2015. He is the co-founder and President of Maritz, Wolff & Co., which manages the Hotel Equity Fund, a private equity investment fund that invests in luxury hotels and resorts. In 1990, he founded Maritz Properties, a commercial real estate development and investment firm where he serves as President. He is also the Managing Director of Broadreach Capital Partners, a private equity real estate investment fund.

With his significant real estate investment and management, strategic and operational experience as President of Maritz, Wolff & Co. and Maritz Properties, along with his financial and investment experience as a Managing Director of Broadreach Capital Partners, the Board has determined that Mr. Maritz has valuable insight into the effective strategic management of businesses, including with respect to the evaluation of operational, financial and transactional risks. In addition, Mr. Maritz's experience in marketing and sales of luxury goods and services and his strategic management of luxury brands is relevant to our Company and our business. Mr. Maritz's leadership positions at these various companies demonstrate his management abilities and his understanding of business and financial strategy and operations, making him a valuable member of our Risk Management Committee, Governance & Nominating Committee and Executive Committee. Furthermore, Mr. Maritz is, or has been, a director of a number of privately-held companies, including Rosewood Hotels and Resorts and Dolce Hotels and Resorts, and a number of non-profit organizations, including Princeton University Art Museum Advisory Council, Stanford Business School Management Board, the American University of Cairo, the Metropolitan Museum of Art, and the New York Landmarks Conservancy, which the Board believes provides additional insight into Board functions, including appropriate oversight, risk management and fiduciary obligations.

Class III Directors

The Class III directors are not standing for reelection at the upcoming 2018 Annual Meeting. Their terms expire at the 2019 Annual Meeting of Stockholders, with the exception of Mr. Monaghan, who as previously announced, will retire from the Board, without further action by him, at the 2018 Annual Meeting pursuant to the terms of his Transition and Separation Agreement.

JUANITA T. JAMES (age 65) has served as a member of the Board since October 2007, as a member of the Compensation & Human Resources Committee since May 2008, as a member of the Governance & Nominating Committee and as Chair of the Compensation & Human Resources Committee since April 2015. Ms. James also served as a member of the Audit Committee from January 2009 to April 2015 and as a member of the Risk Management Committee from October 2012 until May 2014. Ms. James has served as the President & Chief Executive Officer of the Fairfield County's Community Foundation ("FCCF") since October 2011. Prior to joining FCCF, Ms. James served as the Vice President and Chief Marketing and Communications Officer for Pitney Bowes, Inc. from May 2007 until November 2010, during which time she also served on its Chief Executive Officer Council and its Corporate Social Responsibility Committee. From October 2006 to May 2007, Ms. James served as the Vice President and Chief Communications Officer for Pitney Bowes. From October 2004 until October 2006, Ms. James served as the Vice President of Direct Marketing Strategy and Business Development for Pitney Bowes. From 2002 until 2004, Ms. James served as the Vice President, Project Leader of Human Resources Transformation for Pitney Bowes, where she led a global SAP Human Resources and Payroll implementation and launched the company's first shared services initiative. Prior to joining Pitney Bowes in 1999, Ms. James was the Executive Vice President, Marketing and Editorial of Doubleday Direct, Inc. Ms. James had a distinguished 20-year career at Time Warner, Inc.,

including 12 years in senior management positions. Ms. James also formerly served as the Chair of the Compensation Committee of the Board of Trustees of the University of Connecticut.

Based on her management experience at FCCF, Pitney Bowes and Doubleday Direct, the Board has determined that Ms. James brings to the Board demonstrated senior-level leadership experience. Through her various positions at Pitney Bowes, Ms. James also brings to the Board a broad understanding of sales, marketing, brand management, investor relations and general communications matters that affect large companies, which are areas that are critical to the automotive retail business and to which she can provide valuable insight. As a former member of the audit committee of The Rouse Company, the Board believes that Ms. James has valuable experience dealing with accounting principles, financial reporting rules and regulations, evaluating financial results and generally overseeing public company financial

Table of Contents

reporting processes. In addition, the Board also believes that Ms. James' service as former Chair of the Nominating and Governance Committee of The Rouse Company, as well as her prior and current service on numerous not-for-profit boards, provides her with additional experience upon which she can draw upon as a member of our Board, the Compensation & Human Resources Committee and the Governance & Nominating Committee from 2013 to 2015. THOMAS J. REDDIN (age 57) has served as a member of the Board and a member of the Audit Committee and Risk Management Committee since May 2014. Mr. Reddin is currently the managing partner of Red Dog Ventures LLC, a venture capital and advisory firm he founded in 2007. Red Dog Ventures focuses on helping grow early stage digital companies, and its portfolio includes positions in data, data analytics, digital promotions, content marketing, internet lead generation, search engine optimization, AI/machine learning and online education. From January 2008 until June 2009, Mr. Reddin served as the Chief Executive Officer of Richard Petty Motorsports. Prior to that, he held various senior executive positions, including Chief Executive Officer, President & Operating Officer, and Chief Marketing Officer, at LendingTree, LLC, a leader in online lending services and e-commerce. Mr. Reddin also previously worked in the consumer goods industry, spending 5 years at Coca-Cola USA and 12 years at Kraft General Foods in various capacities related to marketing, brand management and finance. Mr. Reddin serves as a director and Chairman of the board for Tanger Factory Outlet Centers Inc. He also serves as a director and Chair of the Compensation Committee, and member of the Risk Committee of Deluxe Corporation. Mr. Reddin previously served on the board of Premier Farnell plc from September 2010 to October 2016, on the Board of Valassis Communications Inc. from July 2010 to February 2014 and on the board of R.H. Donnelley from July 2007 to January 2010. Mr. Reddin brings over 30 years of executive and management experience in consumer marketing and e-commerce and has spent 17 years in brand management and finance capacities in his previous roles. With his unique combination of extensive lending expertise and e-commerce marketing, the Board has determined that Mr. Reddin provides critical leadership skills. His extensive experience in emerging digital technology provides a significant insight into sales and marketing which are critical to the automotive retail industry. In addition, given his current and past experience serving as a director of public companies, the Board has determined that he has a broad range of experience as a director and a deep understanding of board oversight and appropriate diligence, which makes him a valuable member of the Audit Committee and the Risk Management Committee.

Table of Contents

GOVERNANCE OF THE COMPANY

Independence of Directors and Director-Nominees

The Board has determined that all of the directors, and Ms. Ryan-Berman, a director-nominee, qualify as independent directors under the rules of the NYSE and the Company's Corporate Governance Guidelines, other than Messrs. Hult and Monaghan, who are employees of the Company. Scott L. Thompson, who resigned from the Board on February 23, 2018, was also determined to be independent prior to his resignation. In order to qualify as an independent director of the Company, the Board must affirmatively determine, based upon all relevant facts and circumstances, that the director does not have a material relationship with the Company that would affect his or her independence, either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company.

The Board has adopted the categorical independence standards set forth in the Company's Corporate Governance Guidelines to assist it in making determinations of director independence. These standards comply with, and in some respects are more stringent than, the NYSE's categorical standards for director independence. Our Corporate Governance Guidelines can be found on our web site at www.asburyauto.com/company/investor-relations/ under "Corporate Governance."

Furthermore, in order for a director to qualify as independent for Audit Committee purposes, the director also must satisfy the additional independence criteria specified in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In order for a director to qualify as independent for Compensation & Human Resources Committee purposes, the director must meet the Company's categorical independence standards described above, and must also be (i) a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act, and (ii) an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

In making its independence determinations, the Board considered relationships and transactions pursuant to which any of our non-employee directors or director-nominees, entities associated with those individuals, or members of their immediate families purchased or leased a vehicle at a Company dealership. The Board determined that none of the relationships and transactions it considered impaired the independence of our non-employee directors or director-nominees or disqualified any of our non-employee directors from serving as independent directors under our categorical independence standards set forth in our Corporate Governance Guidelines and the NYSE listing standards.

Nomination of Directors

The Governance & Nominating Committee evaluates, and recommends to the full Board, nominees to serve as directors on our Board. The nominees for election at the 2018 Annual Meeting, except for Bridget Ryan-Berman, are current directors and were originally recommended to the Board by various sources, including other directors and a third-party executive search firm engaged by the Company. Candidates are evaluated in light of the then-current composition of the Board, the operating requirements of the Company and the long-term interests of the stockholders. In performing this evaluation, the Governance & Nominating Committee considers the diversity, age, skills and other experience of the candidate, and other factors it deems appropriate, given the needs of the Board and the Company at the appropriate time, to maintain what it considers to be an appropriate balance of knowledge, experience and capabilities. Qualified director-nominees are expected to possess an appropriate balance of the following qualities: high moral character and personal integrity, a high level of leadership or managerial experience, experience and knowledge relative to matters affecting the Company, the ability and willingness to contribute to the Board, the ability to exercise sound, independent business judgment, a long-term commitment to the interests of stockholders and growth of the Company, freedom from conflicts of interest, the ability to dedicate sufficient time, energy and attention to Board activities and the diligent performance of his or her duties, and should reflect the diversity of the Company's stockholders, employees, customers and communities.

The Board will consider director candidates recommended by the Company's stockholders. In order to make such a nomination, the stockholder must (i) be a record holder of shares of common stock at the time of giving notice as described below, (ii) be entitled to vote for the election of such director(s) and (iii) comply with the notice procedures set forth in the Company's Bylaws. Our Bylaws can be found on our web site at www.asburyauto.com/company/investor-relations/ under "Corporate Governance."

Notice of a stockholder's recommendation with regard to nominees for election to the Board must be delivered to, or mailed to and received by, the Secretary of the Company not later than 90 days or earlier than 120 days prior to the anniversary date of the preceding year's Annual Meeting of Stockholders. If the Annual Meeting of Stockholders for which the recommendation is submitted is more than 30 days before or more than 60 days after the first anniversary of the preceding year's Annual Meeting of Stockholders, such recommendation must be received by the Secretary of the Company not earlier than 120 days prior to the Annual Meeting of Stockholders and not later than 90 days prior to such

Table of Contents

annual meeting or the 10th day following the day on which public announcement of the annual meeting date is first made by the Company.

The stockholder's notice shall be signed by the stockholder of record who intends to recommend a nominee, and shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or reelection as a director: (1) all information relating to such person that is required to be set forth in the notice pursuant to Section 2.07 of the Company's Bylaws (and Items 403 and 404 under Regulation S-K); (2) a written questionnaire with respect to identity, background and qualification of the proposed nominee, (3) a written representation and agreement that the proposed nominee (i) is not and will not become a party to (x) any agreement or similar understanding that the nominee, if elected, will adopt a specific voting commitment on any issue or question that has not been disclosed to the Company or, (y) any voting commitment that could limit or interfere with such person's fiduciary duty under applicable law, (ii) is not and will not become a party to any agreement or similar understanding with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service as a director, that has not been disclosed to the Company, and (iii) if elected, will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality, stock ownership and trading policies of the Company, and (4) all other information relating to such person that is required to be disclosed in solicitation of proxies for the election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, including, the nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; and

(B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the Company's books, and of such beneficial owner, (2) the number of shares of the Company which are owned of record and beneficially by such stockholder and such beneficial owner, (3) a representation that such stockholder is entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to nominate the person specified in the notice, (4) a representation whether the stockholder or beneficial owner, if any, intends or is part of a group that intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Company's outstanding capital stock required to elect the nominee and/or (y) otherwise to solicit proxies from stockholders in support of such nomination, (5) a description of any Derivative Interest (as defined in the Bylaws), (6) any proxy, contract, or similar understanding that increases or decreases the voting power of such stockholder or beneficial owner, (7) any dividend rights held of record or beneficially by the stockholder on shares of the Company that are separated or severable from the underlying shares, (8) any performance-related fees (other than an asset-based fee) to which the stockholder or beneficial owner may be entitled as a result of any increase or decrease in the value of shares of the Company or Derivative Interests; and (9) any other information relating to such stockholder or beneficial owner that would be required to be disclosed in a proxy statement or other filing required pursuant to Section 14(a) of the Exchange Act.

Communications with the Board

We have a Stockholder Communication Policy with established procedures for stockholders and interested parties to communicate directly with the Board, with our non-management directors, or with a particular director. The stockholder or interested party should send any written communications to (i) the Lead Independent Director, if applicable, (ii) the Chairman of the Board or Chair of the appropriate committee, (iii) the non-management directors, or (iv) an individual director, each in care of the Corporate Secretary, at Asbury Automotive Group, Inc., 2905 Premiere Parkway NW, Suite 300, Duluth, GA 30097. Any communications relating to the Company's auditing, accounting, internal controls, fraud or unethical behaviors should be directed to the attention of the Chair of the Audit Committee in care of the Corporate Secretary, at the foregoing address. The Audit Committee will respond to such communication, if appropriate, in accordance with the procedures established with respect to such matters.

Any written communication should include the name and address of the stockholder or interested party sending such communication so that a response can be provided, if necessary or appropriate. Stockholders and interested parties may, however, remain anonymous. If the stockholder or interested party desires that such communication be kept confidential from management, the envelope must be clearly marked "confidential," and the Corporate Secretary will then forward the communication, unopened, to the individual addressee.

Table of Contents

Committees of the Board

The Board has established five separately designated standing committees to assist the Board in discharging its responsibilities: the Audit Committee, the Compensation & Human Resources Committee, the Governance & Nominating Committee, the Executive Committee, and the Risk Management Committee.

Audit Committee

The members of the Audit Committee during 2017 were Mr. Katz (Chair), Mr. Alsine, Mr. DeLoach and Mr. Reddin. The Committee held nine meetings in 2017, one of which was a joint meeting with the Risk Management Committee. Our Board has determined that each member of the Audit Committee meets the requisite independence and other qualification requirements for audit committee membership and qualifies as an “audit committee financial expert” within the meaning of Item 407(d)(5) of Regulation S-K under the Exchange Act. Designation or identification of a person as an “audit committee financial expert” does not impose any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Audit Committee and the Board of Directors in the absence of such designation or identification.

Each year, the Audit Committee retains an auditing firm to serve as our independent registered public accounting firm. With management and the independent registered public accounting firm, the Committee reviews the financial statements, oversees the financial reporting process and assesses the adequacy of basic accounting services rendered to us. The Audit Committee’s review of financial statements is more fully described below under the caption “Audit Committee Report,” and its responsibilities are outlined in the Audit Committee Charter.

The charter of the Audit Committee is available on our web site at www.asburyauto.com/company/investor-relations/ under “Corporate Governance.”

Compensation & Human Resources Committee

The members of the Compensation & Human Resources Committee during 2017 were Ms. James (Chair), Mr. Clements, Mr. Katz and Mr. Thompson.

The Compensation & Human Resources Committee held eleven meetings in 2017, one of which was a joint meeting with the Risk Management Committee. The Compensation & Human Resources Committee took one action by written consent. Our Board has determined that each member of the Compensation & Human Resources Committee meets the requisite independence requirements for Compensation Committee membership, including qualifying as a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act and as an “outside director” under Section 162(m) of the Code.

The Compensation & Human Resources Committee establishes and reviews our general compensation philosophy with the input of management, oversees the development and implementation of our compensation philosophy to ensure that our compensation plans are consistent with our general compensation philosophy, establishes the compensation to be paid to the Chief Executive Officer, reviews the recommendations of the Chief Executive Officer as to the appropriate compensation of our other corporate officers, generally administers and issues awards under our equity incentive plans from time to time in effect, oversees our other benefit plans and assists the Board in succession planning. See “Compensation Discussion & Analysis” for a discussion of our compensation philosophy and how the Compensation & Human Resources Committee determines the compensation of our executive officers.

The charter of the Compensation & Human Resources Committee is available on our web site at www.asburyauto.com/company/investor-relations/ under “Corporate Governance.”

Governance & Nominating Committee

The members of the Governance & Nominating Committee during 2017 were Mr. Clements (Chair), Mr. DeLoach, Mr. Maritz and Ms. James. The Governance & Nominating Committee held five meetings in 2017.

Our Board has determined that each member of the Governance & Nominating Committee meets the requisite independence requirements for Governance & Nominating Committee membership under NYSE listing standards and the categorical independence standards set forth in the Corporate Governance Guidelines.

The Governance & Nominating Committee assists the Board by identifying qualified individuals to become directors, recommending the composition of the Board and its committees, and the compensation to be paid to the directors. It is also responsible for monitoring the process to assess the Board’s effectiveness, developing and implementing our

Corporate Governance Guidelines and many of our corporate governance policies, including the

16

Table of Contents

oversight of compliance under our Equity Ownership Guidelines, our Code of Business Conduct and Ethics and our Related Party Transaction Policy.

The charter of the Governance & Nominating Committee is available on our web site at www.asburyauto.com/company/investor-relations/ under “Corporate Governance.”

Executive Committee

The members of the Executive Committee during 2017 were Mr. DeLoach (Chair), Mr. Clements, Mr. Monaghan and Mr. Maritz. The Executive Committee held no meetings in 2017.

The Executive Committee has exercised and may exercise all the authority of the Board when the Board is not in session, except that it does not have the authority to: (i) approve or propose to stockholders actions required by the Delaware General Corporation Law to be approved by stockholders; (ii) adopt, amend or repeal our Bylaws; (iii) authorize distributions; (iv) fill vacancies on the Board or any of its committees; (v) approve a plan of merger, consolidation or reorganization not requiring stockholder approval; (vi) authorize or approve the reacquisition of shares, except according to a formula or method prescribed by the Board; or (vii) authorize or approve the issuance or sale or contract for sale of shares or determine the designation and relative rights, preferences and limitations of a class or series of shares.

Risk Management Committee

The members of the Risk Management Committee during 2017 were Mr. Maritz (Chair), Mr. Alsine, Mr. Clements, Mr. DeLoach, Mr. Reddin and Mr. Thompson.

The Risk Management Committee held six meetings in 2017, one of which was a joint meeting with the Audit Committee and one of which was a joint meeting with the Compensation & Human Resources Committee. The Risk Management Committee assists the Board in fulfilling its responsibility of overseeing the identification, assessment and management of our key operational risks and provides assistance to management in evaluating major financial transactions, including acquisitions and divestitures.

The charter of the Risk Management Committee is available on our web site at www.asburyauto.com/company/investor-relations/ under “Corporate Governance.”

Director Fees; Attendance at Meetings

Directors who are employees of the Company do not receive a retainer or any other fees for service on the Board or its committees. All other directors (“non-management directors”) received the annual retainer and meeting fees in 2017 described below. In addition, in 2017, the non-management directors received a grant of common stock valued at \$110,029 that vested immediately upon grant and were offered the use of a motor vehicle (including transporting the vehicle to the director, any taxes payable relating to the vehicle and repair, maintenance and service of the vehicle). In 2017, our directors also received expense reimbursements in connection with Board and committee meeting attendance.

In 2017, compensation paid to the non-management directors was as follows:

Annual Retainers (paid quarterly in advance):

• the non-management directors—\$40,000; and

• Non-Executive Chairman—\$130,000; the Audit Committee chair—\$20,000; and the Compensation & Human Resources Committee, Governance & Nominating Committee and Risk Committee chairs—\$15,000.

Meeting Fees (paid quarterly in arrears):

• Board, Audit Committee, Compensation & Human Resources Committee, Governance & Nominating Committee and Risk Management Committee in person meetings—\$2,000;

• Board, Compensation & Human Resources Committee, Governance & Nominating Committee and Risk Management Committee, telephonic meetings—\$1,000;

• Audit Committee telephonic meetings—\$1,500; and

• Executive Committee meetings, in person or telephonic—\$1,500 (payable to the Executive Committee chair only).

Table of Contents

Meeting Attendance

During 2017, the Board held eight meetings. Each current director attended at least 75% of the total meetings of the Board and committees on which he or she served. In accordance with the NYSE's rules requiring that non-management directors meet at regularly scheduled executive sessions, our non-management directors held six executive sessions without management present during 2017. Mr. DeLoach, as the Non-Executive Chairman, presided over Board meetings, including executive sessions of the Board.

We do not have a formal policy with regard to the attendance of the members of the Board at Annual Meeting of Stockholders, however, we expect each member of the Board and director-nominees to attend our Annual Meeting of Stockholders. All of the members of the Board attended our 2017 Annual Meeting of Stockholders in person.

Table of Contents**2017 DIRECTOR COMPENSATION TABLE**

The following table shows compensation earned by the non-management directors for 2017. For information concerning the compensation of Mr. Monaghan, see “Summary Compensation Table.”

Name	Fees Earned in Cash	Stock Awards (1)	All Other Compensation(2)	Total
Joel Alsfine	\$77,500	\$110,029	\$ —	\$187,529
Dennis E. Clements	\$102,500	\$110,029	\$ 15,616	\$228,145
Thomas C. DeLoach, Jr.	\$214,000	\$110,029	\$ 21,216	\$345,245
Juanita T. James	\$94,500	\$110,029	\$ 23,281	\$227,810
Eugene S. Katz	\$104,500	\$110,029	\$ 14,623	\$229,152
Philip F. Maritz	\$87,500	\$110,029	\$ 16,124	\$213,653
Thomas J. Reddin	\$77,500	\$110,029	\$ 10,727	\$198,256
Scott Thompson(3)	\$72,500	\$110,029	\$ 20,038	\$202,567

The amount in this column for each director represents the aggregate grant date fair value of 1,676 shares of common stock granted to each non-management director on February 8, 2017. Amounts were calculated in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic (1)718. For a more detailed discussion of the assumptions used to determine the valuation of the stock awards set forth in this column please see a discussion of such valuation in Note 20 of the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on February 27, 2018.

Represents the incremental cost to us for the use of a vehicle. We calculate incremental costs of personal use vehicles as all direct costs (excluding fuel), including without limitation, the cost of transporting the vehicle to the director, any taxes associated with the vehicle, any repairs to the vehicle, and any maintenance and service of the vehicle. In addition, we include the difference between our cost for the vehicle and the ultimate sale price of the vehicle or the anticipated sale price, pro-rated for the amount of time the director had possession of the vehicle during the fiscal year, plus an estimate of lost interest income calculated as our initial cash outlay for the vehicle multiplied by our weighted average interest rate on invested cash. We do not estimate lost margin on an ultimate sale of a vehicle. Mr. Alsfine voluntarily elected not to accept the use of a vehicle in 2017.

(3)Mr. Thompson resigned from the Board and all committees on February 23, 2018.

Code of Business Conduct and Ethics and Corporate Governance Guidelines

In accordance with the NYSE’s rules and the rules and regulations adopted by the SEC pursuant to the Sarbanes-Oxley Act of 2002, the Board has adopted Corporate Governance Guidelines and a Code of Business Conduct and Ethics applicable to all of our directors, officers and employees. The Corporate Governance Guidelines, the Code of Business Conduct and Ethics as well as our Audit Committee, Compensation & Human Resources Committee, Governance & Nominating Committee and Risk Management Committee charters are available on our web site at www.asburyauto.com/company/investor-relations/ under “Corporate Governance.”

We will provide our stockholders with copies of the above-mentioned documents free of charge, if you call 770-418-8212 or submit a request in writing to Investor Relations, Asbury Automotive Group, Inc., 2905 Premiere Parkway NW, Suite 300, Duluth, GA 30097.

Board Leadership Structure

The Chairman of the Board provides leadership to the Board and works with the Board to define its structure and activities in the fulfillment of its responsibilities. The Company believes that the members of the Board possess considerable experience and unique knowledge of the challenges and opportunities the Company faces, and therefore are in the best position to evaluate the needs of the Company and how best to organize the capabilities of our directors and senior executives to meet those needs. As a result, the Company believes that the decision as to who should serve as Chairman and as President & Chief Executive Officer, and whether the offices should be combined or separate, is

properly the responsibility of the Board, to be exercised from time to time in appropriate consideration of then-existing facts and circumstances. Our Corporate Governance Guidelines provide the Board the flexibility to determine whether or not the separation or combination of the Chairman and President & Chief Executive Officer offices is in the best interests of the Company at any time.

Table of Contents

Currently, we maintain separate positions of Chairman and President & Chief Executive Officer, as the Board believes that, based on the skills and responsibilities of the various Board members, our current business environment and other considerations, such separation enhances (i) appropriate oversight of management by the Board, (ii) Board independence, (iii) the accountability to our stockholders by the Board and (iv) our overall leadership structure. We believe this structure is presently appropriate because we compete in an industry with many external forces that may affect our viability and profitability, therefore presenting significant challenges requiring extensive oversight and management capability. As such, we believe that by maintaining a separate Chairman function from that of the President & Chief Executive Officer, our President & Chief Executive Officer can properly focus on managing the business, rather than diverting his efforts to also overseeing the Board. The independent directors have designated Thomas C. DeLoach, Jr. as non-executive Chairman of the Board.

In order to ensure a significant voice within our non-management directors and to reinforce effective, independent leadership on the Board, the Board has created the position of Lead Independent Director. Under the Company's Corporate Governance Guidelines, a Lead Independent Director is appointed when the Chairman is the Chief Executive Officer or any other officer or employee of the Company, or if the Chairman is not otherwise independent. Since Mr. DeLoach is currently our Chairman of the Board and is not an employee of the Company, we do not currently have a Lead Independent Director.

We believe that the foregoing structure, policies, and practices, when combined with the Company's other governance policies and procedures, provide appropriate opportunities for oversight, discussion, and evaluation of decisions and direction from the Board.

The Board's Risk Oversight Role

The Board maintains oversight responsibility for management of the Company's risks. The Board has delegated oversight responsibility for certain areas of potential risk exposure to its committees. Each committee reports to the Board at regular intervals or more frequently, if appropriate, with respect to the risks and matters for which it maintains responsibility. The Company's Risk Management Committee is responsible for further assisting the Board in fulfilling its oversight role by identifying, assessing and managing key financial, strategic and operational risks of the Company and by providing management with assistance in evaluating major financial transactions, including acquisitions and divestitures. Management annually reviews with the Risk Management Committee our key risks to help evaluate the Company's risk profile and related risk management processes. In this review, management highlights for the Risk Management Committee our most significant risks to facilitate the Risk Management Committee's evaluation of our long-term financial plans, budgets and strategic initiatives. The Risk Management Committee, based on such review, considers the appropriate process for managing or mitigating material risks and the appropriate allocation of resources related to such material risks.

Recognizing that the Risk Management Committee's role complements the Audit Committee's role in risk oversight, our Risk Management Committee charter mandates that at least one member of the Audit Committee be a member of the Risk Management Committee. Currently, our Risk Management Committee consists of six members, three of whom are members of our Audit Committee, Mr. Alsine, Mr. DeLoach and Mr. Reddin.

The Compensation & Human Resources Committee is primarily responsible for the design and oversight of our executive compensation policies, programs and practices. A key objective of the Compensation & Human Resources Committee, together with the Risk Management Committee, is to oversee the implementation and development of our compensation programs to ensure such programs are consistent with the Company's general philosophy after accounting for the Company's key risk profile. In 2017, the Compensation & Human Resources Committee and the Risk Management Committee reviewed the Company's risk profile and related risk management processes and concluded that our then-current compensation policies and practices for our employees did not create risks reasonably likely to have a material adverse effect on us.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, and certain of our officers and persons who beneficially own ten percent or more of the Company's common stock, to file initial reports of ownership and reports of changes in ownership of such securities with the SEC. Based solely upon a review of the copies of the filings furnished to us or

prepared by us on behalf of such Section 16(a) filers, or written representations that no other reports were required, we believe that all of these filers complied with Section 16(a) filing requirements during 2017.

Table of Contents**EXECUTIVE OFFICERS**

Set forth below is information regarding the Company's executive officers as of March 13, 2018. All of our executive officers are elected by and serve at the discretion of the Board.

Name	Age	Position
David W. Hult	52	President & Chief Executive Officer
Sean Goodman	52	Senior Vice President & Chief Financial Officer
John S. Hartman	55	Senior Vice President, Operations
George C. Karolis	43	Senior Vice President, Corporate Development & Real Estate
Jed M. Milstein	49	Senior Vice President & Chief Human Resources Officer
George A. Villasana	50	Senior Vice President, General Counsel & Secretary

Set forth below is a brief description of the business experience of the Company's executive officers for at least the past five years.

DAVID W. HULT Please see Mr. Hult's biographical information under "Class I Directors Nominees" above.

SEAN D. GOODMAN has served as our Senior Vice President & Chief Financial Officer since July of 2017. From January 2016 to June 2017, Mr. Goodman served as Vice President, Chief Financial Officer & Chief Accounting Officer of Unifi, Inc. Prior to that, Mr. Goodman served as Senior Vice President & Chief Financial Officer of the Americas region of Landis+Gyr, Inc., a subsidiary of Toshiba Corporation, from April 2011 to January 2016. Mr. Goodman also served in various roles at The Home Depot, Inc. ("Home Depot") from February 2006 to April 2011, including Director of Strategic Business Development and Director of Finance responsible for financial leadership of the Home Services Division, and Financial Planning and Analysis for Home Depot. Before joining Home Depot, he held various capital markets, finance, strategy, accounting and treasury positions with Morgan Stanley, Inc. in London, England and Deloitte & Touche LLP in New York.

JOHN S. HARTMAN has served as our Senior Vice President, Operations since September 2017. From October 2006 to August 2017, Mr. Hartman served as Market Director for Group 1 Automotive, Inc. From 1991 to 2006, Mr. Hartman held various positions in automotive retail, including salesperson, service advisor, service manager, finance manager, general sales manager and general manager.

GEORGE C. KAROLIS has served as our Senior Vice President of Corporate Development & Real Estate since January 2016, and is responsible for acquisitions and divestitures, managing the Company's real estate portfolio, construction projects, purchasing and other strategic initiatives. From 2002 to January 2016, Mr. Karolis served as our Vice President of Corporate Development & Real Estate. Mr. Karolis joined the Company in 2000 and served in various financial and operational positions until 2002. Mr. Karolis began his career with Arthur Andersen LLP, where he worked as an auditor and subsequently in its transaction advisory services group.

JED M. MILSTEIN has served as our Senior Vice President & Chief Human Resources Officer since January 2018. Mr. Milstein joined the Company in July 2016 as Vice President & Chief Human Resources Officer. Prior to joining the Company, Mr. Milstein served as Executive Vice President & Chief Human Resources Officer of AmeriCold Logistics, LLC from May 2013 to July 2016. From December 2011 to May 2013, Mr. Milstein served as Executive Vice President of Human Resources of TransCentra, Inc. From January 2008 to May 2013 held various executive management positions at Cerberus Operations & Advisory Company, LLC. Mr. Milstein also served as Vice President HR Shared Services of Broadridge Financial Solutions, Inc. from 2007 to 2008 and ADP from 1998 to 2007.

GEORGE A. VILLASANA has served as our Senior Vice President, General Counsel & Secretary since January 2016. Mr. Villasana joined the Company in April of 2012 as our Vice President, General Counsel & Secretary. From February 2011 to April 2012, Mr. Villasana served as Senior Vice President and General Counsel of Swisher Hygiene Inc., which was later acquired by Ecolab, Inc. and from June 2007 to July 2010, Mr. Villasana served as Executive Vice President and General Counsel of Pet DRx Corporation, which he helped take public and which was later acquired by VCA Antech, Inc. From August 2000 to June 2007, he served as Senior Corporate Counsel of AutoNation, Inc., the largest automotive retailer in the United States. Prior thereto, he was a corporate attorney with Holland & Knight, LLP, and Shutts & Bowen, LLP in Miami, Florida. Mr. Villasana began his career as an attorney with the U.S. Securities and Exchange Commission in Washington, D.C.

Table of Contents

COMPENSATION DISCUSSION & ANALYSIS

This compensation discussion and analysis (“CD&A”) provides detail on the Company's compensation philosophy, policies and programs as they relate to our executive officers, with certain additional detail about the compensation paid, or payable, to our “named executive officers” in 2017. Our named executive officers in 2017 were as follows:

• David W. Hult, who began serving as our President & Chief Executive Officer on January 1, 2018 and who previously served as our Executive Vice President & Chief Operating Officer through December 31, 2017;

• Craig T. Monaghan, who served as our President & Chief Executive Officer until his retirement from those positions on December 31, 2017;

• Sean D. Goodman, Senior Vice President & Chief Financial Officer;

• George A. Villasana, Senior Vice President, General Counsel & Secretary;

• George C. Karolis, Senior Vice President, Corporate Development & Real Estate;

• William F. Stax, Vice President, Controller & Chief Accounting Officer and who, during a portion of 2017, served as our Interim Principal Financial Officer; and

• Keith R. Style, former Senior Vice President & Chief Financial Officer, who resigned from all positions with the Company on March 7, 2017.

The Compensation & Human Resources Committee of the Board (also referred to in this CD&A as the “Committee”) is charged with various matters concerning the compensation of our executive officers including the development and implementation of our compensation philosophy relating to those individuals. Our philosophy emphasizes a pay-for-results culture designed to align the interests of our executive officers with those of our stockholders through the use of incentive based pay opportunities. With respect to decisions directly impacting executive compensation, the Committee’s primary responsibilities are to:

• within the constructs of our philosophy and guidelines, establish all aspects of compensation for our executive officers, including the named executive officers, and, subject to Board ratification, approve awards to the Chief Executive Officer, under our incentive-based compensation plans;

• oversee the development, implementation and administration of our compensation and benefit plans; and

• prepare the Compensation & Human Resources Committee Report and review and discuss with management the CD&A, as required to be included in our annual proxy statement or annual report on Form 10-K filed with the SEC.

For additional information regarding the Committee’s function and composition, see “Governance of the Company—Committees of the Board—Compensation & Human Resources Committee.”

Overview

We believe that fostering an entrepreneurial spirit is essential to our success. Consistent with our overall business strategy of driving operational excellence through the attraction and retention of the best talent, we encourage our executive officers to manage our Company in a way that preserves the appropriate decision-making authority with our dealership general managers. The general manager of each of our dealerships generally is responsible for the operations, personnel and financial performance of that dealership, as well as other day-to-day operations. We believe our general managers’ familiarity with their respective markets enables them to effectively run day-to-day operations, market to customers and recruit, train and retain new employees. Consistent therewith, we have centralized a number of administrative activities at our corporate headquarters to allow our dealership general managers to focus on dealership operations. We seek to implement these principles with an executive compensation philosophy focused on the following objectives:

• supporting the attainment of our vision, business strategy and operating imperatives;

• guiding the design and implementation of effective executive compensation and benefit plans;

• reinforcing our business values; and

• further aligning management and stockholder interests by providing appropriate opportunities for meaningful

Table of Contents

compensation based upon the achievement of various corporate goals set from time to time and generally related to corresponding increases in earnings and stockholder value, subject to limitations designed to discourage unnecessary or excessive risk-taking.

As it has done in prior years, the Committee engaged an independent executive compensation consultant, Pay Governance LLC ("Pay Governance"), to assist with the development and implementation of our executive compensation program for 2017, as described in more detail below.

In determining and setting compensation levels and opportunities for our named executive officers, the Committee generally considers a number of factors. For 2017 executive compensation, the Committee considered, among other things, retention and motivation of individuals, the nature and scope of the individual's responsibilities to the Company and other individual factors, such as skills, tenure and historical and expected contributions to the Company. The Committee also analyzed comparative data provided by Pay Governance on compensation paid to executive officers in similar positions within a Peer Group (as defined below) of companies, although the Committee did not specifically benchmark executive compensation against the Peer Group or other companies. In addition, the Committee also acknowledged the achievements of our management team in 2016 (as compared to 2015), including the following: our adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), a metric used by management and that the Committee believes is often used by investors and market analysts in comparing performance and determining enterprise value, was \$308.3 million;

• our adjusted earnings per share ("EPS") was \$6.08, an increase of 9%;

• our same-store parts and service revenue increased by 8%; and

• our adjusted operating margin was 4.5%.

For 2017, the Committee approved and implemented incentive compensation programs designed to appropriately reward and incentivize our executive management team to focus on the long-term interests of our stockholders and further improve the measurable financial metrics described below, which remain a focus of the Board and the Committee when analyzing our financial results and success. In evaluating Peer Group data, selecting metrics and setting appropriate performance targets in connection with the implementation of the Company's executive compensation programs in 2017, the Committee acknowledged that, as a result of the significant variable components of compensation described in more detail elsewhere in this CD&A, total executive compensation may be significantly above or below target compensation and/or the actual compensation paid to executives in similar positions within the Peer Group based on our actual performance when compared to target performance.

The following results and achievements in 2017 impacted actual payouts and the overall compensation of our executive officers under our incentive compensation programs for 2017:

• our adjusted EBITDA was \$303.4 million;

• our adjusted EPS was \$6.43, an increase of 6% over the prior year;

• our same-store parts and service revenue improved by 4% over 2016; and

• our adjusted operating margin was 4.6%.

Compensation Philosophy and Guidelines

The Committee, with the input of Pay Governance, has developed an executive compensation philosophy that sets forth certain general guidelines that the Committee considers in making decisions and recommendations related to executive compensation (including our named executive officers' compensation). The key principles and considerations underlying our compensation philosophy are the following:

• create a "pay-for-results" culture with clear emphasis on pay-for-performance and accountability through the grant of cash and equity award opportunities;

• effectively manage the cost of compensation programs by providing that a substantial portion of executive pay opportunity is in the form of performance-based compensation;

• set annual and long-term performance goals that are clearly communicated and understood, and are challenging, yet obtainable;

Table of Contents

- provide the opportunity for above market total compensation upon the achievement of performance significantly above target performance;
- consider total compensation opportunities in light of competitive market practices, internal equity considerations, the individual's experience, skills, tenure and how critical the individual's role is to the Company, historical and expected individual performance and significant contributions, and the nature and scope of the individual's responsibilities;
- provide a balanced total compensation program to ensure management is not encouraged to take unnecessary or excessive risks;
- further align management and stockholder interests by requiring specified levels of equity ownership by management;
- reinforce teamwork and internal alignment of management; and
- consider stakeholder perceptions and governance practices when formulating pay plans and actions.

In order to effectively communicate expectations regarding our performance and incentivize executive officers to achieve specified performance objectives, we generally make compensation program decisions in the first quarter of a year. All such compensation decisions for our executive officers for 2017 were made at the Committee's regularly scheduled meeting in the first quarter of 2017. All compensation decisions, including those made other than in the first quarter of 2017 as described above, were consistent with our overall compensation philosophy and guidelines.

Elements of Compensation

The elements of the Company's compensation program, when considered collectively, are intended to implement our executive compensation philosophy and objectives by (i) allowing us to attract and retain executive-level talent, (ii) providing an appropriate level of financial certainty through non-variable compensation, (iii) providing opportunities for above market compensation based upon the achievement of specified financial and other appropriate performance objectives, and rewarding such achievement, and (iv) balancing short-term and long-term incentives. The key elements of our executive compensation program are outlined below, together with a summary of the purposes and considerations underlying each compensation element.

Compensation Element	Purpose/Underlying Consideration
Base Salary	• To provide base pay based on the individual's experience, skills, tenure and how critical the individual's role is to the company, historical individual performance and significant contributions, and the nature and scope of the individual's responsibilities; • to provide financial predictability; • to provide a fixed component of compensation that is market competitive; and • to attract and retain executive talent.
Short-Term Incentives (under our Annual Cash Incentive Plan)	• To optimize annual operating results; • to more directly align management and stockholder interests; • to provide, along with base salary, market competitive cash compensation when targeted performance objectives are met; • to provide appropriate incentives to exceed targeted results; • to pay meaningful incremental cash awards when actual results exceed targeted results; • to encourage internal alignment and teamwork; and • to attract and retain executive talent.

Table of Contents

Compensation Element	Purpose/Underlying Consideration
Long-Term Incentives (also referred to as “Equity-Based Compensation”)	• To more directly align management with our stockholders’ long-term interests; • to balance the short-term orientation of other compensation elements; • to focus executives on the achievement of long-term results; • to support the growth and profitability of each of our revenue sources; • to provide opportunities for retirement asset accumulation by key executives; and • to attract and retain key executive talent.
Employment and Severance Arrangements	• To protect our interests through appropriate restrictive post-employment covenants, including non-competition and non-solicitation; • to, when and if appropriate, ensure that management is able to analyze any potential change in control transaction objectively; • to, when and if appropriate, provide for continuity of management in the event of a change in control; and • to enable us to attract and retain talented executives.
Other Benefits	• To be competitive in the markets where we compete for executive talent; • to avoid materially different approaches to benefits among executive and non-executive employees; and • to provide limited job-related and market-driven perquisites in line with our corporate governance philosophies.

Total Compensation Program Supporting Attainment of Operating and Strategic Imperatives

Our overall compensation program is implemented in a manner supporting the attainment of various operating and strategic goals set from time to time. The Committee believes the program is appropriately managed by delivering compensation predominantly through variable performance-based compensation elements. As indicated below, during 2017, 80% of target total compensation⁽¹⁾ of our then-Chief Executive Officer and an average of 64% of our other named executive officers⁽²⁾ target total compensation was delivered through variable performance-based compensation elements.

*Long-term equity incentive opportunity for 2017 was delivered in the form of performance share units and restricted stock with vesting as described below.

Target total compensation is defined as annualized base salary plus cash incentive award opportunities at target level plus long-term equity award opportunities granted for the year (at target level when such opportunities have the potential for variable payout levels). Other benefits are generally excluded from this term as they do not constitute a material part of compensation paid to named executive officers.

(1) Excludes Keith R. Style, the Company’s former Senior Vice President & Chief Financial Officer, who provided notice of his intention to resign in January 2017 and, thus, was not provided any incentive award opportunities in or for 2017.

Table of Contents

Policies and Practices

Our compensation philosophy and guidelines are implemented through a number of policies and practices described below. The Committee continually monitors and, as appropriate, adjusts our compensation policies and practices to ensure that they are consistent with our philosophy and, as appropriate, emphasize and reward executives for results that are aligned with long-term stockholder interests and corporate governance best practices.

Appropriate Base Salary Adjustments. While we do not specifically benchmark base salary against companies in the Peer Group, the Committee, with the input from its independent compensation consultant, sets our executive officers' base salaries at levels it considers competitive with executives in similar positions at comparable companies, giving due consideration to overall compensation opportunities. As described below, at its regularly scheduled meeting in the first quarter of 2017, the Committee determined not to make adjustments in the base salaries of our named executive officers for 2017.

Tying Pay to Performance and Long-Term Commitment. The Committee believes that performance-based compensation programs help to further align management and stockholder interests. Accordingly, in 2017, an average of 26% of named executive officer target total compensation was in the form of an annual cash incentive opportunity, and an average of 55% of NEO target total compensation was in the form of long-term equity incentive opportunities, excluding Mr. Style, who was not provided any incentive award opportunities in or for 2017 in connection with his notice of intention to resign.

Capping Maximum Compensation Opportunities. Both our short-term and long-term incentive programs are designed and implemented with caps on the maximum amounts payable thereunder, even in the event of performance in excess of the maximum goals and objectives. We believe these caps discourage unnecessary or inappropriate risk-taking that may not be in the best interests of stockholders.

Limiting Perquisites. We provide our executive officers with only limited perquisites, such as those which we consider appropriate and typical in our industry.

Maintaining Equity Ownership Guidelines. We maintain equity ownership guidelines applicable to our executive officers and directors. These guidelines mandate certain levels of stock ownership and help ensure the alignment of interests among management, the Board and other stockholders by requiring our Chief Executive Officer and our other named executive officers and our directors to own a number of shares of our common stock the value of which is equal to a stated multiple of his or her base salary or annual Board retainer, as applicable. For additional information, see "Securities Owned by Management and Certain Beneficial Owners-Equity Ownership Guidelines."

Prohibiting Hedging of our Securities. We do not believe it is appropriate for officers, directors or other "insiders" to try to profit from short-term fluctuations in our stock price. As a result, our executive officers as well as our other employees and members of the Board are prohibited from engaging in short sales of our common stock and from buying or selling puts or calls or any other financial instruments designed to hedge or offset decreases or increases in the value of, our common stock. Additionally, our officers who are subject to the filing requirements of Section 16 of the Securities Exchange Act of 1934, as well as members of the Board, are prohibited from pledging our securities, including holding them in margin accounts.

Accelerating the Vesting of Equity Awards Only Upon a "Double Trigger" in Connection with a Change of Control. Equity-based awards granted under our 2012 Equity Incentive Plan, as amended, generally provide that an award will be accelerated in connection with a change of control transaction only if: (i) the acquirer does not replace or substitute the subject equity award with an equivalent award, or (ii) a participant holding replacement awards is involuntarily terminated within two years following a Change of Control (as defined in our 2012 Equity Incentive Plan, as amended).

Maintaining a Recoupment Policy. We maintain a recoupment policy that would require certain officers to reimburse certain performance-based incentive compensation paid to them in the event that we are required to restate financial results due to fraud or intentional misconduct by such individuals.

Engaging an Independent Compensation Consultant. Compensation determinations are made with the input of an independent compensation consultant engaged by the Committee. For further discussion of the selection and input of this compensation consultant, see "Compensation Consultant" below.

• Annually Assessing Compensation Risk. The Committee annually reviews and assesses potential risks arising from our compensation programs and, as appropriate, makes changes in their development and

Table of Contents

implementation. For a further discussion of this risk assessment, see “2017 Director Compensation Table—The Board’s Risk Oversight Role.”

The Role of Stockholder Say-on-Pay Votes and Related Considerations

We provide our stockholders with the opportunity to vote annually, on an advisory basis, on the compensation of our named executive officers (the “say-on-pay vote”). At our 2017 Annual Meeting of Stockholders, approximately 99.6% of the votes cast by stockholders’ on the say-on-pay vote were in favor of the compensation of our named executive officers. The Committee believes this favorable vote affirms our stockholders’ support of its approach to executive compensation. Stockholders must be given the opportunity to vote, on an advisory basis, on the frequency of future say-on-pay votes at least every six years. The next required advisory vote on the frequency of future say-on-pay votes will occur no later than our 2023 Annual Meeting of Stockholders.

In addition to consideration given to the results of the say-on-pay vote, at various times throughout the year the Committee considers direct and indirect input from stockholders and other stakeholders, and more general developments in executive compensation principles, in the development and implementation of the Company’s executive compensation philosophy, policies and practices. For additional information on how these considerations impacted 2017 compensation decisions, see “Policies and Practices” above.

Compensation Consultant

In 2017, as in prior years, the Committee retained Pay Governance as its independent executive compensation consultant. At least annually, the Committee conducts a review of its compensation consultant’s performance and potential conflicts of interest. In accordance with applicable SEC and NYSE requirements the Committee reviewed the compensation consultant’s independence, taking into account the six compensation consultant independence factors adopted by the SEC to guide companies in determining the independence of compensation consultants, and concluded that the work of the compensation consultant, including certain work for the Governance & Nominating Committee described below, did not raise any conflicts of interest.

Pay Governance provides advice to the Committee on matters related to the fulfillment of the Committee’s responsibilities under its charter and on a wide range of executive compensation and related governance matters. As advisor to the Compensation & Human Resources Committee, Pay Governance reviews the Company’s overall compensation strategy and pay levels for the Company’s executive officers, examines all aspects of the Company’s executive compensation programs to ensure their ongoing support of the Company’s business strategy, informs the Committee of developing legal and regulatory considerations affecting executive compensation and benefit programs, and provides general advice to the Compensation & Human Resources Committee with respect to compensation decisions pertaining to the Chief Executive Officer and other executive officers.

During 2017, at the Compensation & Human Resources Committee’s request, Pay Governance (i) provided competitive market data on compensation for executives at the 25th, 50th and 75th percentiles as reference points, (ii) reviewed our annual proxy statement disclosures, (iii) provided the Committee with an analysis of the compensation of our named executive officers as reported in the Company’s 2017 proxy statement as compared to the compensation of the named executive officers of companies within our Peer Group as reported in their proxy statements, and (iv) provided the Committee with advice regarding various tax and regulatory issues related to executive compensation. With the input and analysis of its independent compensation consultant, the Committee considers a peer group for purposes of evaluating our compensation levels (the “Peer Group”) against executives in similar positions. From time to time, the Committee and its independent compensation consultant evaluate the Peer Group to ensure that the Committee is evaluating appropriately comparable companies. For 2017, the Peer Group consisted of the following companies:

Automotive Retailers: AutoNation, Inc., Group 1 Automotive, Inc., Lithia Motors Inc., Penske Automotive Group, Inc. and Sonic Automotive Inc.

Non-Automotive Retailers: Aaron’s, Inc., Big Lots, Inc., Burlington Stores, Inc., Cabela’s Incorporated, DSW, Inc., LKQ Corporation, RH, Sally Beauty Holdings, Inc., Tailored Brands, Inc., Tiffany & Co., Tractor Supply Company, and Williams-Sonoma, Inc., which have a median annual revenue of approximately \$4 billion.

In addition, to provide a broad context across general industries, the Committee also considered pay data for certain companies outside of the Peer Group with annual revenue between \$1 billion and \$5 billion and that participate in

Table of Contents

the Equilar Executive Compensation Database, a survey of over 150,000 executives and a widely used source of executive compensation information. The Committee reviewed the executive compensation data of the Peer Group in order to evaluate and confirm whether our executive compensation was within a reasonably competitive range, but did not set 2017 executive compensation levels at a specific target percentile within the Peer Group or any other comparator group. Rather, executive compensation decisions were based on the full consideration of all of the elements discussed above, together with the additional considerations discussed below, all of which provide input into the Committee's deliberations and inform its decisions.

In 2017, the Committee also retained Pay Governance to provide advice with respect to the types, amount and competitiveness of the compensation paid to non-employee directors of the Company for their service on the Board. Such advice was delivered to the Governance & Nominating Committee, which is the committee responsible for recommending to the Board the compensation of directors.

Additional Considerations in Making Executive Compensation Decisions

As described above, while we do not specifically benchmark our executive compensation, the Committee generally aims to establish total compensation for our executive officers at levels it considers competitive with executives in similar positions within our Peer Group. Notwithstanding this, given the Committee's focus on the alignment of management and stockholder interests and the related use of short-term cash incentives and time-vested and performance-based equity compensation as the principal components of compensation, the Committee expects that when our performance exceeds targeted performance levels, the actual payouts received by our executive officers may be above competitive median levels. In addition to considering the evaluations and analyses prepared by Pay Governance, to help evaluate our executive compensation against that of our Peer Group, the Committee considered a number of other factors when setting executive officer compensation for 2017, including:

- the executive's knowledge, skills, abilities, experience, tenure and how critical the individual's role is to the Company;
- the nature and scope of the individual's responsibilities;
- our financial condition and recent operating results; and
- internal equity considerations.

Review of 2017 Compensation

For 2017, each named executive officer was initially eligible to receive compensation consisting of the following four primary elements: (i) a base salary; (ii) a short-term (annual) incentive in the form of a cash bonus opportunity pursuant to our Amended and Restated Key Executive Incentive Compensation Plan; (iii) long-term incentives in the form of equity awards under the 2012 Equity Incentive Plan, as amended; and (iv) certain limited perquisites and other benefits.

Base Salaries

Increases, if any, in base salaries for executive officers (other than for the Chief Executive Officer) are generally recommended to the Committee by the Chief Executive Officer on an annual basis, absent a change in circumstances at another time of year that would make reconsideration appropriate at that time. Increases in base salary for the Chief Executive Officer, if any, are initiated and approved by the Committee. In setting base salary, the Committee takes into account the executive's experience, skills, tenure and importance to us, historical individual performance and significant contributions, and the nature and scope of the individual's responsibilities and internal equity considerations. The Committee also considers our financial health and the compensation data from our Peer Group received from its independent executive compensation consultant.

Following the regular, annual review of base salaries by the Committee at its regularly scheduled meeting in the first quarter of 2017, the Committee determined not to award adjustments in base salaries to the named executive officers. Mr. Goodman's base salary was negotiated and approved in connection with his joining the Company in July 2017 and, in August 2017 in connection with the announcement that Mr. Hult would become President & Chief Executive Officer effective January 1, 2018, we entered into an amendment to his employment agreement, which, among other things, increased his base salary on January 1, 2018 commensurate with the change in his role with the Company. Annual base salaries for 2017 for our named executive officers were as follows.

Table of Contents

Name Current Position	2017 Annualized Base Salary
David W President & Chief Executive Officer ⁽¹⁾	\$ 750,000
Hult Craig T Former President & Chief Executive Officer ⁽²⁾	\$ 1,000,000
Monaghan Sean D Senior Vice President, Chief Financial Officer	\$ 600,000
Goodman George A Senior Vice President, General Counsel & Secretary	\$ 450,000
Villasana George C Senior Vice President, Corporate Development & Real Estate	\$ 400,000
Karolis William F Vice President, Controller & Chief Accounting Officer ⁽³⁾	\$ 210,000
Stax Keith R Former Senior Vice President, Chief Financial Officer ⁽⁴⁾	\$ 500,000
Style	

(1) Mr. Hult, who previously served as our Executive Vice President & Chief Operating Officer, was appointed as President & Chief Executive Officer on January 1, 2018.

(2) Mr. Monaghan retired as President & Chief Executive Officer on December 31, 2017.

(3) Mr. Stax served as Interim Principal Financial Officer from March 8, 2017 until July 4, 2017.

(4) Mr. Style voluntarily resigned from all positions with the Company effective March 7, 2017.

Annual Cash Incentive Opportunity

As described above, in order to motivate management toward the achievement of certain pre-established corporate goals and to remain competitive in the industry, we believe that a significant portion of each executive officer's total compensation should be performance-based. We also believe that management is motivated by the opportunity to earn incremental cash compensation based upon the achievement of annual or similar shorter-term performance objectives, and that such opportunity properly fosters effective management, innovative thinking and, in some instances, the implementation of effective cost-saving measures by our executive officers, which may enable us to further enhance our stockholder value. Cash awards paid to our executive officers are paid under the terms of our Amended and Restated Key Executive Incentive Compensation Plan.

For 2017, the Committee decided it was appropriate to use substantially the same cash incentive plan structure that was used in 2016, with potential payouts under the cash incentive plan being dependent upon the achievement of EBITDA (subject to adjustment as described below) correlated with actual United States Annual Automotive Sales ("USAAS") as reported by Motor Intelligence. We define EBITDA as earnings before non-floor plan interest, any gain/loss on repurchase of debt, income taxes, and depreciation and amortization. The selection of EBITDA as the performance benchmark for payouts under the annual cash incentive plan reflected the Committee's continued belief that EBITDA is an important metric used by management from time to time to evaluate and analyze results and the impact on the Company of strategic decisions and actions relating to, among other things, events outside of normal, or "core," business operations, and is often used by investors and market analysts in comparing performance and in determining enterprise value. Further, the Committee believed it was appropriate to establish award opportunities at

various levels of actual USAAS, which is highly uncertain and is beyond the control of management. As a result, the Committee believed it was appropriate to increase target EBITDA at higher levels of USAAS.

In connection with the determination of EBITDA as the appropriate performance metric under the annual cash incentive plan, the Committee further believed it was appropriate to exercise discretion to provide for certain potential adjustments to the traditional measure of EBITDA to account for the impact on our financial results of certain potential extraordinary items that are considered non-operational in nature. These items typically result from strategic actions and decisions relating to, among other things, cost reduction, growth, and profitability improvement initiatives, and other events outside of normal, or core, business operations. The Committee believed these items are not properly allocable to the determination of operational results in a given period.

Under the annual cash incentive plan, to account for the potential for different levels of 2017 USAAS, three EBITDA performance goals were established: (i) a “threshold” level; (ii) a “target” level; and (iii) a “maximum” level at varying levels of USAAS. Under the terms of the annual cash incentive plan, if EBITDA did not meet the established “threshold” level at the actual USAAS, no payouts would be made under the plan. Further, if EBITDA exceeded the established “maximum” level at the actual USAAS, payout under the annual cash incentive plan would be limited as if performance had equaled the maximum performance goal. If actual USAAS was between two established levels, or if the achievement of EBITDA performance goals was between threshold and target levels, or target and maximum levels, participants would be entitled to a ratable portion of any payment due based upon linear interpolation. In determining what it considered an appropriate “target” performance goal at the various levels of USAAS, the

Table of Contents

Committee consulted with management and evaluated various internally-prepared models and forecasts. The Committee approved the threshold and maximum performance goals at 85% and 115% of target, respectively. The table below sets out the threshold, target and maximum EBITDA performance goals approved for 2017.

Actual USAAS (in millions)	EBITDA Performance Goals (in millions)		
	Threshold	Target	Maximum
	(85% of	(100% of	(115% of
	Target)	100% Payout	Target)
	50% Payout		200% Payout
14.5 & lower	\$239.0	\$281.2	\$323.4
15.5	\$250.6	\$294.8	\$339.0
16.5	\$262.1	\$308.4	\$354.7
17.5	\$273.7	\$322.0	\$370.3
18.5	\$285.3	\$335.6	\$385.9
19.5 & above	\$296.8	\$349.2	\$401.6

The Committee established incentive opportunities, as a percentage of base salary, for each named executive officer dependent upon each named executive officer's respective current and expected positions, skills, and experience, as well as other factors described above, including the degree of responsibility assumed and expected to be assumed by such individual for aspects of the organization that impact our financial performance. For Mr. Goodman who joined the Company in July 2017, his incentive payment was to be prorated based on the percentage of the year in which he was employed by the Company.

For 2017, actual USAAS as reported by Motor Intelligence was 17.2 million. Based on this level of USAAS, EBITDA levels for the purpose of determining payouts under the annual cash incentive plan were calculated by interpolation as follows: threshold: \$270.2 million; target: \$317.9 million; and maximum: \$365.6 million. The Company reported adjusted EBITDA of \$308.4 million in 2017, and the Committee, using its discretion under the plan to determine the actual payout based on performance and operational results, established a payout at 90% of target under the cash incentive plan. Such payout amounts were within, and subject to, the objective maximum amounts described below under the caption "Section 162(m)." The various incentive opportunities (as a percentage of base salary) and actual dollar amounts paid pursuant to the 2017 annual cash incentive plan are detailed in the table below.

Name	Threshold Opportunity	Target Opportunity	Maximum Opportunity	Actual Payment (90% of Target)
David W. Hult	50.0%	100.0%	200.0%	\$675,000
Craig T. Monaghan	62.5%	125.0%	250.0%	\$1,125,000
Sean D. Goodman	37.5%	75.0%	150.0%	\$202,500
George A. Villasana	30.0%	60.0%	120.0%	\$243,000
George C. Karolis	30.0%	60.0%	120.0%	\$216,000
William F. Stax	15.0%	30.0%	60.0%	\$56,701
Keith R. Style	37.5%	75.0%	150.0%	\$—

Equity-Based Compensation Opportunities

As described elsewhere in this CD&A, the Committee believes it is appropriate that a significant portion of executive officer compensation opportunity be in the form of at-risk equity awards, the payment of which is dependent upon the achievement of either or both of: (i) certain predetermined financial metrics and (ii) continued employment. The Committee generally does not use a specific formula for allocating equity-based compensation opportunity as a percentage of total compensation for the named executive officers. For 2017, consistent with prior years, the

Committee considered a number of factors in establishing the level of long-term equity-based compensation opportunity for each named executive officer, primarily:

- Peer Group compensation pay practices and norms for comparable executives;
- general industry pay levels for comparable executives as gathered from publicly-available sources;
- historical individual performance and responsibility of the executive;
- knowledge, skills, abilities, experience, tenure and how critical the individual's role is to the Company;
- expected future responsibilities of the executive;

Table of Contents

the impact of recent historical equity-based compensation decisions, awards and payouts to each executive; and internal pay equity considerations.

Annual Equity Awards Program

In evaluating the structure of the award and equity-based compensation award opportunity, the Committee took action to ensure that equity-based awards to executive officers in 2017 addressed both the long-term performance and retention objectives of our equity compensation philosophy. The Committee determined that the value of the annual grant for executives who were employed by the Company when the grants were approved in the first quarter of 2017 (other than Mr. Style who, as described above, was not granted any incentive award opportunities for 2017), assuming target level performance, would consist of:

60% performance share units (except in the case of Mr. Stax, for whom 50% of the award was in the form of performance share units for the reasons described below); the vesting of which is subject to our achievement of certain financial performance metrics, as described below, as well as the passage of time, which the Committee believes provides an appropriate balance of executive officer focus on our financial success, and economic benefit for continued employment; and

- 40% time-vesting restricted stock (except in the case of Mr. Stax, for whom 50% of the award was in the form of time-vesting restricted stock); which the Committee believes enhances executive officer retention.

When executives first join the Company, it also is customary for the Committee to grant the executive an equity award, in furtherance of our principle of encouraging equity ownership by management and to assist the executive in meeting our equity ownership guidelines. In light of a number of factors, including the timing of his hiring, pay equity considerations in light of his former position, the desire to provide certainty toward the achievement of compliance with our equity ownership guidelines and negotiations conducted in connection with his hiring, it was determined to be appropriate that all of Mr. Goodman's equity award would be in the form of restricted stock, rather than having a portion of such awards at-risk based on Company performance in 2017. As such, upon joining the Company in July 2017, Mr. Goodman was granted an award of 10,695 shares of restricted stock, which shares, similar to equity awards granted to other named executive officers, vest in three equal annual installments beginning on the first anniversary of the grant date. The value of the award granted to Mr. Goodman was equivalent to what the total value of his award would have been if half of his award was in performance share units and the Company performed at the target level.

2017 Annual Restricted Stock Award Terms

Annual restricted stock award grants to the named executive officers by the Committee, using its discretion under the program to determine the awards based on performance and operational results, generally vest ratably over three years beginning on the first anniversary of the grant date, as the Committee believes that this provides appropriate officer retention benefits and, assuming the continued employment of the executive, also provides for a level of consistency in future compensation. This vesting schedule applied to all 2017 annual restricted stock awards, except with respect to awards granted to Mr. Monaghan, which vest over two years beginning on the first anniversary of the date of grant in light of his years of service to the Company, and a special one-time award to Mr. Stax. The Committee determined to align Mr. Stax's compensation more closely with direct competitor levels and to recognize his contributions to the Company, including for his service as interim principal financial officer during a portion of 2017. As a result, in February 2017, Mr. Stax was granted a special additional award consisting of 2,285 shares of restricted stock.

In order to provide for the continued commitment of Mr. Stax without outweighing a payout in any single fiscal period, the Committee provided for vesting of this additional award different than under the annual restricted stock award grants as follows: 15% will vest on each of the first through third anniversaries of the grant date, with 25% vesting on the fourth anniversary of the grant date and 30% vesting on the fifth anniversary thereof, subject in each case to Mr. Stax's continued employment.

In the event that dividends are paid on shares of our common stock at any time when restricted stock awards remain unvested, any such dividends will accrue and be payable to the grantee upon vesting of the underlying restricted shares. In the event such shares do not vest, no such dividends will be paid.

2017 Annual Performance Share Unit Award Terms

The annual performance share unit awards to the named executive officers had a performance period based on our fiscal year 2017 performance (described below) and assuming satisfaction of such performance requirements provide

31

Table of Contents

for ratable vesting over three-years (two years in the case of Mr. Monaghan for the reasons cited above), are subject to continued employment through the vesting period. Such performance share unit awards, if paid, will be paid in shares of our common stock. In developing the structure of the annual performance share unit award program, the Committee believed it was important to set what it considered challenging yet attainable targets for the performance period. The Committee determined that it would be difficult to project our performance over a multi-year performance period. It therefore determined that a one-year performance period, with subsequent year vesting restrictions, remained appropriate, including providing sufficient alignment between management and stockholder interests and serving as a valuable executive-retention tool.

The annual performance share unit awards provide each executive with a number of performance share units that could be earned based on our performance relative to our Peer Group with respect to performance metrics approved by the Committee in the first quarter of the year as described below. Notwithstanding our performance relative to the Peer Group, the Committee determined that, if our EPS growth was negative, payout under the annual performance share unit awards would be limited to 100%. These metrics were selected because of their relative importance to our financial success. The number of performance share units awarded to each executive who received an award (other than the Chief Executive Officer) was recommended to the Committee by the Chief Executive Officer based on the factors described above in “Equity Based Compensation Opportunity,” and included but were not limited to each executive’s past performance and level of responsibility. The number of performance share units awarded to the Chief Executive Officer was determined by the Committee and awarded to the Chief Executive Officer based on these same factors.

The actual number of performance share units to be awarded was determined based on the Committee’s evaluation of our performance against the Peer Group, and could range from 0% to 150% of the target number of units. The Committee approved a payout range of 0% to 150% of the target award for 2017 consistent with a prevailing market trend of reduced maximum payout levels to reduce potential concerns regarding excessive risk-taking by employees eligible for such awards.

Under our 2017 annual performance share unit award program, our performance, and thus the actual number of shares to be earned, was to be determined or scored based upon the following performance elements, which were chosen because the Committee determined them to be key drivers of long-term performance in our industry:

- percentage improvement in same-store fixed revenue growth measured against the prior fiscal year;
- percentage improvement in EPS measured against the prior fiscal year (with limits on overall payouts if our EPS growth was negative regardless of performance against the Peer Group); and
- operating margin.

The 2017 annual performance share unit award program was designed so that each element of our performance would be considered in light of our overall performance, general market conditions and the comparable element of performance by each of the companies in our Peer Group, with such evaluation reference to each entity’s most recently publicly available financial results.

The scores for each performance element are cumulated, such that the highest achievable score would result in a payout at 150% of target (except if EPS growth is negative the highest payout would be 100% of target), the lowest achievable score would result in a payout at 0% of target and a score in between would be interpolated.

After evaluating our performance on a cumulative basis, under each of the three performance metrics discussed above, including as compared to the performance of the Peer Group and general market conditions, the Committee, using its discretion under the program to determine the actual payout based on performance and operational results, established a payout of a number of shares of our common stock at 127.5% of target. Payments of awards pursuant to the 2017 annual performance share unit award program were made as set forth below. All such amounts were within, and subject to, the maximum amounts described above under the caption “Section 162(m).”

Table of Contents

Name	Target Number of PSUs Granted	Number of Shares of Common Stock Awarded Under the 2017 Annual Performance Share Unit Award Program
David W. Hult	9,139	11,653
Craig T. Monaghan	25,133	32,045
Sean D. Goodman	—	—
George A. Villasana	4,113	5,245
George C. Karolis	2,056	2,622
William F. Stax	761	971
Keith R. Style	—	—

In accordance with the terms of the 2017 annual performance share unit award program, one-third of the award to each named executive officer (one-half in the case of Mr. Monaghan for the reasons cited above) vested on the later of the first anniversary of the grant date and the date the payout of a number of shares of our common stock is established by the Committee, with the remainder of the award vesting in equal amounts on the second and third anniversaries of the grant date (on the second anniversary of the grant date in the case of Mr. Monaghan), subject in each case to the executive's continued employment. In light of Mr. Style's voluntary resignation from all positions with the Company on March 7, 2017, no further shares will vest under his award.

Other Benefits

In 2017, our executive officers were eligible to participate in the employee benefit plans generally available to all of our employees in the corporate office, including medical, dental, life and disability insurance plans, as well as to participate in our 401(k) plan. In addition, the Committee believes that benefit plans that address the unique circumstances of executives in light of limitations imposed on benefits payable from qualified welfare, profit-sharing and retirement plans are critical in attracting and retaining quality executives. Therefore, in October 2017, we adopted the Asbury Automotive Group, Inc. Deferred Compensation Plan (the "Plan"), an unfunded deferred compensation plan. Pursuant to the Plan, certain of our employees, including our executive officers, may elect to defer the receipt of a portion of their compensation. The Company will not make any matching or discretionary contributions under the Plan.

In the automobile retailing industry, senior executives are typically provided with the use of one or more demonstrator vehicles from a retailer's inventory of new vehicles in order to, among other things, show support for the retailer's offered brands. Executives are typically entitled to these vehicles for business and personal use. Management has limited the number of demonstrator vehicles provided to our employees due to the risks associated with the use of such vehicles. To provide a similar benefit, we provide a cash car allowance of \$800 per month to our corporate officers at the vice president level and above, including our named executive officers (except for Mr. Goodman who, in connection with his hiring, negotiated to receive the use of one demonstrator vehicle in lieu of a cash car allowance). Additionally, in 2017, Mr. Monaghan and Mr. Hult each were entitled to use one demonstrator vehicle pursuant to the terms of their respective employment agreements.

In connection with Mr. Goodman's hiring and in lieu of relocation assistance, we provided Mr. Goodman with a lump-sum relocation payment of \$150,000.

Employment, Severance and Change in Control Arrangements**General Provisions of Employment, Severance and Separation Agreements**

In connection with the implementation of certain aspects of our succession plan and as a retention and executive recruitment tool, we have entered into an employment agreement with Mr. Hult and a transition and separation agreement with Mr. Monaghan. In addition, as of December 31, 2017 and as of the date of this proxy statement, we are party to certain agreements relating to severance and/or separation arrangements with each of Mr. Goodman, Mr.

Stax, Mr. Karolis and Mr. Villasana. These agreements provide for the allocation of certain benefits in the event of involuntary termination of the employment of the named executive officer without cause or by the named executive officer where good reason exists, and in the case of Mr. Stax, in the event of termination within two years following a change in control.

We believe that these agreements serve as appropriate retention and motivational tools for these executives by generally providing a measure of financial security in the event of an unplanned termination of employment, with the exception of a termination for cause. Furthermore, from time to time, we examine various strategic alternatives, and the provisions of these agreements are important to retain these key people whose continued employment might be at risk in certain changes of control, although such transactions may otherwise be in the best interests of our stockholders. As a

Table of Contents

corporate policy, we believe that it may be difficult to attract and retain talented executives with provisions in our severance arrangements that deny severance benefits in the event of a termination for other than performance-related issues.

A description of the terms of these employment, severance and separation agreements, including the potential payouts to these individuals pursuant to applicable severance provisions thereof, are summarized in the “Employment Arrangements and Potential Payments Upon Termination and Change in Control” section of this proxy statement.

Section 162(m)

For tax years prior to 2018, Section 162(m) of the Code generally imposed a \$1,000,000 per taxable year ceiling on the tax deductibility to a company of remuneration paid (not including amounts deferred) to the company’s chief executive officer and the other three most highly compensated executive officers of a publicly held corporation (with the exception of such company’s chief financial officer), unless the remuneration was treated as performance-based or was otherwise exempt from the provisions of Section 162(m). For such years, the Committee structured certain annual cash incentive awards and long-term incentive awards with the goal of maximizing the tax deductibility of certain awards as “performance-based” compensation under Section 162(m) of the Code, to the extent practical and deemed appropriate, consistent with maintaining competitive compensation. The Committee, however, did not guarantee that any particular awards would be intended to qualify as “performance-based” compensation or that any awards so intended in fact met all of the applicable requirements.

For tax years starting in 2018, the “performance-based” compensation exemption to the deduction limitation under Section 162(m) of the Code has been repealed, except to the extent of certain grandfathered awards. In general, beginning in the 2018 tax year, all compensation (other than certain grandfathered compensation) we pay in excess of \$1,000,000 to anyone who has served as one of our named executive officers will be non-deductible. While we intend to maximize the tax-efficiency of our compensation programs generally, the Committee and the Board retain the flexibility in the manner in which we award compensation to act in the best interests of the Company and its stockholders, including awarding compensation that may not be deductible by reason of Section 162(m).

Table of Contents

COMPENSATION & HUMAN RESOURCES COMMITTEE REPORT

The Compensation & Human Resources Committee has reviewed and discussed with management the "Compensation Discussion & Analysis" section of the proxy statement required by Item 402(b) of Regulation S-K of the Exchange Act and, based on such review and discussions, the Compensation & Human Resources Committee recommended to the Board that the "Compensation Discussion & Analysis" section be included in this proxy statement and incorporated by reference in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Members of the Compensation & Human Resources Committee

Juanita T. James (Chair)

Dennis E. Clements

Eugene S. Katz

COMPENSATION & HUMAN RESOURCES COMMITTEE INTERLOCKS & INSIDER PARTICIPATION

During 2017, Ms. James (Chair), Mr. Clements, Mr. Katz and Mr. Thompson, none of whom is or was formerly an officer or employee of the Company, served as members of the Compensation & Human Resources Committee of our Board. None of the Compensation & Human Resources Committee members or other members of the Board serves as an executive officer of any entity for which one of the Company's executive officers serves as a director or member of such other entity's compensation committee.

Table of Contents

EXECUTIVE COMPENSATION

The following table shows the compensation paid for fiscal years 2017, 2016 and 2015 to our named executive officers. For a more detailed discussion about the compensation arrangements for these executive officers, see “Compensation Discussion & Analysis.”

SUMMARY COMPENSATION TABLE

Name and Current Position	Year	Salary	Stock Awards ⁽¹⁾	Non-Equity Incentive Plan Compensation ⁽²⁾	All Other Compensation	Total
David W. Hult	2017	\$750,000	\$999,981	\$675,000	\$20,915 ⁽³⁾	\$2,445,896
President & Chief Executive Officer	2016	\$745,182	\$3,000,008	\$690,000	\$23,061	\$4,458,251
	2015	\$700,000	\$800,004	\$533,400	\$129,526	\$2,162,930
Craig T. Monaghan	2017	\$1,000,000	\$2,750,013	\$1,125,000	\$21,095 ⁽⁴⁾	\$4,896,108
Former President & Chief Executive Officer	2016	\$996,552	\$2,750,023	\$1,150,000	\$29,648	\$4,926,223
	2015	\$950,000	\$2,750,031	\$1,061,720	\$20,915	\$4,782,666
Sean D. Goodman	2017	\$295,037 ⁽⁵⁾	\$599,990	\$202,500 ⁽⁶⁾	\$155,733 ⁽⁷⁾	\$1,253,260
Senior Vice President & Chief Financial Officer	2016	\$	\$	\$	\$	\$
	2015	\$	\$	\$	\$	\$
George A. Villasana	2017	\$450,000	\$450,031	\$243,000	\$9,640 ⁽⁸⁾	\$1,152,671
Senior Vice President, General Counsel & Secretary	2016	\$448,002	\$950,018	\$248,400	\$9,631	\$1,656,051
	2015	\$416,667	\$424,976	\$259,080	\$9,600	\$1,110,323
George C. Karolis	2017	\$400,000	\$224,983	\$216,000	\$9,600 ⁽⁹⁾	\$850,583
Senior Vice President, Corporate Development & Real Estate	2016	\$397,728	\$725,018	\$220,800	\$9,631	\$1,353,177
	2015	\$370,833	\$200,020	\$190,500	\$9,600	\$770,953
William F. Stax	2017	\$208,273	\$249,995	\$56,701	\$—	\$514,969
Vice President, Controller & Chief Accounting Officer ⁽¹⁰⁾						
Keith R. Style	2017	\$90,648	\$—	\$—	\$1,741 ⁽⁹⁾	\$92,389
Former Senior Vice President & Chief Financial Officer ⁽¹¹⁾	2016	\$498,276	\$1,650,004	\$345,000	\$9,631	\$2,502,911
	2015	\$462,500	\$500,013	\$289,560	\$9,600	\$1,261,673

The amounts in this column represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for awards of performance share units and shares of restricted stock for the fiscal years ended December 31, 2017, 2016 and 2015, as described in the “Compensation Discussion & Analysis—Review of 2017 Compensation—Equity-Based Compensation Opportunities” discussion and in footnote 2 and 3 of the “2017 Grants of Plan-Based Awards Table” below. For a more detailed discussion of the assumptions used to determine the valuation of the stock awards set forth in this column, please see a discussion of such valuation in Note 20 in the

(1) Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 27, 2018. The maximum possible value of performance awards at the grant date (based on the assumption that the highest level of performance is achieved) granted to each of our named executive officers in 2017 was as follows: Mr. Monaghan: \$2,475,005; Mr. Hult: \$899,996; Mr. Goodman: \$0; Mr. Stax: \$74,972; Mr. Style: \$0; Mr. Villasana: \$405,126; and Mr. Karolis: \$202,530. For additional information on the actual number of performance share unit awards granted, see the discussion under “Compensation Discussion & Analysis—Review of 2017 Compensation—Equity-Based Compensation Opportunities” above.

(2) The amounts in this column represent the actual amount earned by, and paid to, the named executive officers under the applicable year’s annual cash incentive plan.

(3) Represents (i) the imputed income of \$11,315 associated with the use of one demonstrator vehicle; and (ii) an automobile allowance; and (iii) a gym membership subsidy.

(4)

Represents (i) the imputed income of \$11,315 associated with the use of one demonstrator vehicle; and (ii) an automobile allowance.

(5) Represents base salary from July 5, 2017, the date he commenced employment with the Company.

Table of Contents

- (6) Pursuant to the terms of his employment letter, Mr. Goodman's annual non-equity incentive award was prorated for the portion of the year he was employed by the Company.
- (7) Represents (i) the imputed income of \$5,713 associated with the use of one demonstrator vehicle; (ii) a relocation payment of \$150,000; and (iii) a gym membership subsidy.
- (8) Represents (i) an automobile allowance; and (ii) a gym membership subsidy.
- (9) Represents an automobile allowance.
- (10) Mr. Stax served as Interim Principal Financial Officer from March 8, 2017 until July 4, 2017.
- (11) Mr. Style voluntarily resigned from all positions with the Company effective March 7, 2017.

Table of Contents

2017 GRANTS OF PLAN-BASED AWARDS TABLE

Name	Approval Date	Grant Date	Estimated Potential Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾ (\$ amount)			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾ (# of shares)			All Other Stock Awards: Number of Shares of Stock or Units ⁽³⁾	Grant Date Fair Value of Stock and Option Awards
			50% Threshold	100% Target	200% Maximum	Threshold	Target	Maximum		
David W. Hult	1/24/17	1/24/17	\$375,000	\$750,000	\$1,500,000					
	1/24/17	2/8/17				1,828	9,139	13,709		\$599,975
	1/24/17	2/8/17							6,093	\$400,005
Craig T. Monaghan	1/24/17	1/24/17	\$625,000	\$1,250,000	\$2,500,000					
	1/24/17	2/8/17				5,027	25,133	37,700		\$1,649,981
	1/24/17	2/8/17							16,756	\$1,100,031
Sean D. Goodman ⁽⁴⁾	4/18/17	7/5/17	\$225,000	\$450,000	\$900,000					
	—	—				—	—	—		\$—
	4/18/17	7/5/17							10,695	\$599,990
George A. Villasana	1/24/17	1/24/17	\$135,000	\$270,000	\$540,000					
	1/24/17	2/8/17				823	4,113	6,171		\$270,018
	1/24/17	2/8/17							2,742	\$180,012
George C. Karolis	1/24/17	1/24/17	\$120,000	\$240,000	\$480,000					
	1/24/17	2/8/17				411	2,056	3,084		\$134,976
	1/24/17	2/8/17							1,371	\$90,006
William F. Stax	1/24/17	1/24/17	\$31,500	\$63,000	\$126,000					
	1/24/17	2/8/17				152	761	1,142		\$49,960
	1/24/17	2/8/17							3,047 ⁽⁵⁾	\$200,036
Keith R. Style	—	—	\$—	\$—	\$—					\$—
	—	—				—	—	—		\$—
	—	—							—	\$—

Represents potential payouts under our annual cash incentive plan for each named executive officer. For a more detailed discussion of the annual cash incentive plan and the actual awards paid under this plan, see the section of this proxy statement entitled, “Compensation Discussion & Analysis—Review of 2017 Compensation—Annual Cash Incentive Opportunity” and the “Summary Compensation Table” above.

Represents performance share unit awards. For a more detailed discussion of the Company’s performance share unit award program, see the section of this proxy statement entitled, “Compensation Discussion & Analysis—Review of 2017 Compensation—Annual Equity Awards Program” and the “Summary Compensation Table” above.

Represents grants of restricted stock. For a more detailed discussion of the Company’s restricted stock awards, see the section of this proxy statement entitled, “Compensation Discussion & Analysis—Review of 2017 Compensation—Annual Equity Awards Program” and the “Summary Compensation Table” above.

Pursuant to the terms of his employment letter agreement, Mr. Goodman’s annual non-equity incentive award was prorated for the portion of the year he was employed by the Company.

Includes a special additional award of 2,285 shares of restricted stock. For a more detailed discussion of Mr. Stax’s special additional award, see the section of this proxy statement entitled “Compensation Discussion & Analysis—Review of 2017 Compensation—Annual Equity Awards Program.”

Table of Contents

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2017

Name	Stock Awards ⁽¹⁾		Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ⁽³⁾
	Number of Shares of Stock or Units of Stock That Have Not Vested	Market Value of Shares of Stock or Units of Stock That Have Not Vested ⁽²⁾		
David W. Hult	62,409	\$3,994,176	13,709	\$877,376
Craig T. Monaghan	80,378	\$5,144,192	37,700	\$2,412,800
Sean D. Goodman	10,695	\$684,480	—	\$—
George A. Villasana	21,586	\$1,381,504	6,171	\$394,994
George C. Karolis	14,970	\$958,080	3,085	\$197,440
William F. Stax	5,119	\$327,616	1,142	\$73,088
Keith R. Style	—	\$—	—	\$—

(1) All information in the “Stock Awards” portion of the table relates to (i) awards of shares of restricted stock, and (ii) awards of performance share units assuming a payout at the maximum level of performance.

(2) Based on a stock price of \$64.00, the closing price of our common stock on December 29, 2017, the last business day of fiscal 2017.

Represents the aggregate payout value of performance shares underlying each award of performance share units

(3) that have not yet vested, calculated by multiplying the maximum number of performance share units by \$64.00, the closing price of our common stock on December 29, 2017, the last business day of fiscal 2017.

2017 STOCK VESTED

Name	Stock Awards	
	Number of Shares Acquired on Vesting ⁽¹⁾	Value Realized on Vesting ⁽²⁾
David W. Hult	14,783	\$950,157
Craig T. Monaghan	33,879	\$2,184,789
Sean D. Goodman	—	\$—
George A. Villasana	7,561	\$487,576
George C. Karolis	4,354	\$280,750
William F. Stax	936	\$59,928
Keith R. Style	10,450	\$673,807

(1)

The number of shares acquired upon vesting represents the net number of shares acquired after the surrender of any shares to satisfy tax withholding requirements.

(2) The value realized on the vesting of shares of restricted stock or performance share units represents the net number of shares acquired after the surrender of any shares to satisfy tax withholding requirements multiplied by the closing price of our common stock, as reported on the NYSE, on the vesting date of the restricted stock or the payout date of the performance share units, as applicable.

Table of Contents

EMPLOYMENT ARRANGEMENTS AND POTENTIAL PAYMENTS
UPON TERMINATION AND CHANGE IN CONTROL

Employment Agreement with David W. Hult

We have entered into an employment agreement with David W. Hult, which agreement was amended on August 21, 2017 in connection with the announcement that, effective January 1, 2018, Mr. Hult would begin to serve as our President & Chief Executive Officer (such agreement, as amended, the “Hult Agreement”). The Hult Agreement expires on November 3, 2018, and provides for automatic extensions for successive one-year periods, unless either party provides notice of termination to the other. Upon any termination, Mr. Hult will cease to be an officer and director of the Company and any of its affiliates.

Under the Hult Agreement, Mr. Hult’s base salary beginning January 1, 2018 is set at \$1.0 million per year, subject to periodic review and increase, and he is entitled to receive an annual bonus (which includes a non-equity incentive compensation award opportunity) based on a target of 125% of his then-current base salary. Mr. Hult is also eligible to receive annual equity or other long-term incentive awards granted under the Company’s long-term equity incentive plans and is entitled to a monthly automobile allowance and the use of a Company owned demonstrator vehicle. Under the terms of the Hult Agreement, if (i) the Company elects not to extend the Hult Agreement and, at its expiration, Mr. Hult will not have attained age 65, or (ii) the Company terminates the Agreement without “cause” or (iii) Mr. Hult terminates the Hult Agreement for “good reason” when no “change in control” has occurred (any of the foregoing, a “Hult Non-Change in Control Qualifying Termination”), Mr. Hult will be entitled to the following: 100% of his base salary, plus 100% of his target annual bonus (which includes any non-equity incentive plan compensation); a pro-rated bonus (which includes any non-equity incentive plan compensation) based on actual performance for the year of termination; continued participation for 12 months in all health and welfare plans of the Company in effect immediately prior to the termination of employment; and accelerated vesting of all unvested equity and other long-term incentive awards that would have vested in the 364 days following the termination of the Hult Agreement.

Also under the terms of the Hult Agreement, if Mr. Hult is terminated without cause or resigns for good reason within two years following a change in control (a “Hult Change in Control Qualifying Termination” and, together with a Hult Non-Change in Control Qualifying Termination, as the case may be, a “Hult Qualifying Termination”), Mr. Hult will be entitled to the following:

200% of his base salary, plus 200% of his target annual bonus (which includes any non-equity incentive plan compensation); a pro-rated bonus (which includes any non-equity incentive plan compensation) based on target performance for the year of termination; continued participation for 24 months in all health and welfare plans of the Company in effect immediately prior to the termination of employment; and vesting of all unvested equity and other long-term incentive awards, effective on the date of the change in control.

The foregoing severance payments are conditioned upon Mr. Hult executing a general release in favor of the Company. The Hult Agreement also contains certain confidentiality, non-compete and non-solicit obligations. In the event of a breach of these obligations, the Company may stop paying any amounts due, as described above, and demand repayment of 50% of the severance amounts paid prior to the breach of such obligations.

The Hult Agreement also provides that, if Mr. Hult retires after reaching age 65, then upon such retirement, all of his equity and long-term incentive awards not vested as of his effective retirement date will continue to vest without regard to such retirement.

Table of Contents

Agreement with Craig T. Monaghan

On August 22, 2017, the Company announced that Craig T. Monaghan, who was then serving as the Company's President & Chief Executive Officer, would retire from those positions effective December 31, 2017.

In connection with Mr. Monaghan's retirement, the Company and Mr. Monaghan entered into a transition and separation agreement (the "Transition Agreement"), dated as of August 21, 2017. Pursuant to the terms of the Transition Agreement, Mr. Monaghan: (i) continued to serve as President & Chief Executive Office through December 31, 2017 in accordance with his employment agreement with the Company, (ii) retired from the positions of President & Chief Executive Officer effective December 31, 2017; (iii) serves as Vice Chairman of the Board from January 1, 2018 until the date of the 2018 Annual Meeting, at which date he will retire from, and not seek reelection to, the Board; and (iv) serves as a non-executive Special Advisor to the Company from January 1, 2018 until April 30, 2019 (the "Transition Period"), for which service he will receive a monthly base salary of \$50,000 and continued use of one demonstrator vehicle and, upon expiration of the Transition Period, a lump-sum payment of \$200,000. Mr. Monaghan's existing equity awards will continue to vest in accordance with their terms during the Transition Period.

Severance Agreements with Sean D. Goodman, George A. Villasana, George C. Karolis and William F. Stax

The Company is party to a severance agreement (each, a "Severance Agreement") with each of Sean D. Goodman, George A. Villasana, George C. Karolis and William F. Stax. The Severance Agreements provide for one year of base salary, one year of benefits continuation, and a pro-rated bonus (which includes any payment under a non-equity incentive compensation plan with respect to Messrs. Goodman, Villasana, Karolis and Stax) in the amount that the affected executive would have received had he not been terminated during such year (collectively, the "Severance Payment") if (i) the affected executive is terminated by the Company without "cause," or (ii) with respect to (x) Mr. Stax if Mr. Stax terminates his employment with the Company due to the occurrence of certain events (described below) specified in his Severance Agreement within two years following a change in control or (y) Messrs. Goodman, Villasana and Karolis if the affected executive terminates his employment for any of the following reasons: (a) mandatory relocation of the affected executive's current principal place of business to a location more than 50 miles away; (b) any material diminution in the affected executive's base salary; and (c) any material diminution in the affected executive's authority, duties or responsibilities.

The Severance Agreements require the affected executive to execute a general release in favor of the Company as a condition to receiving any Severance Payments. The Severance Agreements also contain certain confidentiality, non-compete and non-solicit obligations and provides that, if such obligations are breached by the affected executive, the Company has the right to stop making any otherwise required Severance Payments. Additionally, the Severance Agreements provide that the affected executive will not receive any Severance Payment in the event of termination due to death, disability, retirement, voluntary resignation or termination by the Company for cause.

Equity Incentive Plan Payout Provisions

In addition to the payments required to be made in connection with certain qualifying separations from service described above, the Company's 2012 Equity Incentive Plan, as amended, provides that awards made thereunder, subject to the terms of any individual employment or severance agreements, will be accelerated in connection with a change in control transaction only if: (i) the acquiror does not replace or substitute an equivalent award, or (ii) a participant holding replacement awards is involuntarily terminated within two years following a Change of Control (as defined in the Company's 2012 Equity Incentive Plan, as amended).

Certain Defined Terms

Cause

Under the Hult Agreement, "cause" generally means any of the following: (i) the executive's willful misconduct, failure to follow a lawful directive of the Board, gross negligence or blatant violation of Company policy, (ii) the executive's commission of fraud, misappropriation, dishonesty or embezzlement against the Company or an affiliate, (iii) a conviction of, or entry of a plea of nolo contendere to, a felony or misdemeanor (other than traffic violations and similar offenses), or (iv) the executive's commission of a material breach of the applicable employment agreement.

Under the Severance Agreements with Messrs. Goodman, Villasana and Stax, "cause" generally means

Table of Contents

any of the following: (i) the executive's gross negligence or serious misconduct (including criminal, fraudulent and dishonest conduct) that is or may be injurious to the Company, (ii) the executive's conviction of, or entry of a plea of nolo contendere to, a felony or other crime that involves moral turpitude, (iii) the executive's breach of the confidentiality, non-compete and non-solicit obligations contained in the Severance Agreement, (iv) the executive's willful and continued failure to perform his duties on behalf of the Company, or (v) the executive's material breach of certain Company policies.

Under the Severance Agreement with Mr. Karolis, "cause" generally means any of the following: (i) Mr. Karolis' gross negligence or gross misconduct in carrying out his duties, resulting in either case in material harm to the Company; (ii) Mr. Karolis being convicted of a felony; or (iii) Mr. Karolis' breach of the confidentiality, non-compete and non-solicitation obligations contained in his Severance Agreement.

Good Reason

Under the Hult Agreement, "good reason" is defined as the occurrence of any of the following without the executive's consent, but only after notice of, and an opportunity to cure, such event: (i) the nature or scope of the executive's duties or responsibilities are materially diminished, (ii) the Company changes the location of the executive's employment to a place more than 50 miles from its present location, (iii) the Company's material breach of the applicable employment agreement, or (iv) a change in the executive's salary below the base amount specified in the applicable employment agreement.

Change in Control

A "change in control" generally means the occurrence of any of the following events:

any person becomes the beneficial owner of 35% or more of the Company's securities entitled to vote in the election of directors, provided, in the case of the Company's 2012 Equity Incentive Plan, as amended, the Hult Agreement and the Severance Agreement with Mr. Stax, that such an acquisition will not be considered a change in control if it is made by (x) the Company or any subsidiary, (y) an employee benefit plan sponsored or maintained by the Company or any subsidiary, or (z) a person that reports such acquisition on Schedule 13G under the Exchange Act, so long as such person does not later become required to report on Schedule 13D while beneficially owning 35% or more of the Company's securities entitled to vote in the election of directors;

in the case of the Company's 2012 Equity Incentive Plan, as amended, and the Hult Agreement, the Company's completion of a merger, consolidation or other business combination transaction in which the Company's securities outstanding immediately prior to such transaction represent less than 50% of the combined voting power of the Company or other surviving entity after such transaction, except where the transaction agreement provides that members of the Company's Board serving at the time of the first public announcement of the transaction will constitute at least a majority of the directors of the resulting entity;

individuals who, as of the date specified in the applicable agreement or plan, constitute the Board cease to constitute at least a majority of the Board, provided, in the case of the Company's 2012 Equity Incentive Plan, as amended, the Hult Agreement and the Severance Agreement with Mr. Stax, that any individual whose election or nomination for election by the Company's stockholders was approved by at least 2/3 of the directors then comprising the incumbent Board will be considered to be incumbent members of the Board, but excluding any individual who first assumes office as a director of the Company as a result of an actual or threatened election contest; or approval by the Company's stockholders of the liquidation or dissolution of the Company.

Potential Payments Upon Separation from Service or Change in Control

The following tables detail the amounts that would have been payable to each of our named executive officers (except for Mr. Style, who resigned from the Company on March 7, 2017) had each such officer been separated from service with the Company as of the last business day of fiscal 2017: (i) involuntarily and without cause or for good reason (a "Qualifying Termination") and without a Change in Control of the Company; (ii) pursuant to a Qualifying Termination and a Change in Control of the Company; and (iii) as the result of death or disability, in each case after taking into account the following assumptions as applicable:

no payment value was ascribed to any presently vested and exercisable equity incentive awards, as

Table of Contents

such awards would not be impacted by a separation from service or change in control;
all equity incentive awards that would accelerate in connection with a separation from service or change in control were accelerated and cash valued as of December 29, 2017 (based on \$64.00, the closing price of our common stock on the NYSE on such date) by multiplying the number of such shares by the closing price per share of our common stock on the NYSE on December 29, 2017;
each of the named executive officers continued to be entitled to participate in the Company's health and dental insurance plans (no such officer obtained other employment which provided at least equal benefits), and the cost thereof was cash valued at the cost to the Company;
all parties complied with any required release and notice provisions in the applicable agreement;
all amounts due to the named executive officers were paid immediately; and
each of the named executive officers continued to comply with any restrictive or other covenant applicable to him that may have otherwise resulted in the repayment or withholding of severance amounts due.

Qualifying Termination Assuming No Change in Control

Named Executive Officer	Base Salary Continuation ⁽¹⁾	Bonus ⁽¹⁾	Benefits Continuation	Performance Share/Restricted Stock Acceleration	Total
David W. Hult	\$ 750,000	\$ 1,425,000	\$ 3,171	\$ 1,717,504	\$ 3,895,675
Craig T. Monaghan ⁽²⁾	\$ 1,000,000	\$ 2,375,000	\$ 3,929	\$ 3,854,400	\$ 7,233,329
Sean D. Goodman	\$ 600,000	\$ 202,500	\$ 4,755	\$ —	\$ 807,255
George A. Villasana	\$ 450,000	\$ 243,000	\$ 1,392	\$ —	\$ 694,392
George C. Karolis	\$ 400,000	\$ 216,000	\$ 4,207	\$ —	\$ 620,207
William F. Stax	\$ —	\$ —	\$ —	\$ —	\$ —

(1) Based upon the actual or target amounts of salary and non-equity incentive plan compensation paid in 2017, which are described above in the "Compensation Discussion & Analysis" section of this proxy statement.

(2) Reflects Mr. Monaghan's payment as of December 31, 2017, prior to the effectiveness of his Transition Agreement, which will govern the payments he receives upon his retirement.

Qualifying Termination Assuming Change in Control

Named Executive Officer	Base Salary Continuation ⁽¹⁾	Bonus ⁽¹⁾	Benefits Continuation	Performance Share/Restricted Stock Acceleration	Total
David W. Hult	\$ 1,500,000	\$ 2,175,000	\$ 6,342	\$ 4,579,072	\$ 8,260,414
Craig T. Monaghan ⁽²⁾	\$ 2,000,000	\$ 3,625,000	\$ 7,858	\$ 6,752,704	\$ 12,385,562
Sean D. Goodman	\$ 600,000	\$ 202,500	\$ 4,755	\$ 684,480	\$ 1,491,735
George A. Villasana	\$ 450,000	\$ 243,000	\$ 1,392	\$ 1,644,736	\$ 2,339,128
George C. Karolis	\$ 400,000	\$ 216,000	\$ 4,207	\$ 1,089,664	\$ 1,709,871
William B. Stax	\$ 210,000	\$ 63,000	\$ 4,207	\$ 376,320	\$ 653,527

(1) Based upon the actual or target amounts of salary and non-equity incentive plan compensation paid in 2017, which are described above in the "Compensation Discussion & Analysis" section of this proxy statement.

(2) Reflects Mr. Monaghan's payment as of December 31, 2017, prior to the effectiveness of his Transition Agreement, which will govern the payments he receives upon his retirement.

Table of Contents

Separation from Service Upon Death or Disability

Named Executive Officer	Base Salary Continuation	Bonus	Benefits Continuation	Restricted Stock Acceleration ⁽¹⁾	Total
David W. Hult	\$	—\$	—\$	—\$ 1,354,752	\$1,354,752
Craig T. Monaghan ⁽²⁾	\$	—\$	—\$	—\$ 2,378,624	\$2,378,624
Sean D. Goodman	\$	—\$	—\$	—\$ 684,480	\$684,480
George A. Villasana	\$	—\$	—\$	—\$ 514,496	\$514,496
George C. Karolis	\$	—\$	—\$	—\$ 325,312	\$325,312
William F. Stax	\$	—\$	—\$	—\$ 253,696	\$253,696

(1) Reflects the value of awards of restricted stock made under the Company's equity incentive plan that provides for the accelerated vesting thereof solely upon an executive's death or disability.

(2) Reflects Mr. Monaghan's payment as of December 31, 2017, prior to the effectiveness of his Transition Agreement, which will govern the payments he receives upon his retirement.

CEO PAY RATIO

For the 2017 fiscal year, the ratio of the annual total compensation of Mr. Monaghan, our Chief Executive Officer until December 31, 2017 ("CEO Compensation"), to the median of the annual total compensation of all of our employees other than our Chief Executive Officer ("Median Annual Compensation") was 105 to 1. This ratio is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K using the data and assumptions summarized below. In this summary, we refer to the employee who received such Median Annual Compensation as the "Median Employee." For purposes of this disclosure, the date used to identify the Median Employee was December 31, 2017 (the "Determination Date").

CEO Compensation for purposes of this disclosure represents the total compensation reported for Mr. Monaghan under "Summary Compensation Table" for the 2017 fiscal year. For purposes of this disclosure, Median Annual Compensation was \$46,744, and was calculated by totaling for our Median Employee all applicable elements of compensation for the 2017 fiscal year in accordance with Item 402(c)(2)(x) of Regulation S-K.

To identify the Median Employee, we first determined our employee population as of the Determination Date. We had 7,788 employees, representing all full-time, part-time, seasonal and temporary employees of us and our consolidated subsidiaries as of the Determination Date. This number does not include any independent contractors or "leased" workers, as permitted by the applicable SEC rules. We then measured compensation for the period beginning on January 1, 2017 and ending on December 31, 2017 for these employees. This compensation measurement was calculated by totaling, for each employee, gross taxable earnings, including salary, wages, commissions, bonuses, the value of equity awards that vested during the measurement period and other compensation as shown in our payroll and human resources records for 2017. A portion of our employee workforce (full-time and part-time) worked for less than the full fiscal year due to commencing employment after the beginning of the fiscal year. In determining the Median Employee, we annualized the compensation for such individuals.

RELATED PERSON TRANSACTIONS

We have adopted a written policy relating to related person transactions, which sets out the criteria for review of transactions between the Company and our affiliates and members of their immediate families. This policy covers our directors and officers, and each stockholder that holds directly or indirectly, more than 5% of our common stock. In addition, we have adopted a written Delegation of Authority Policy, which establishes an executive approval process for many of the Company's transactions in which certain related person transactions would be included. In reviewing and approving related person transactions under these policies and procedures, senior management and the Board considers, among other things:

- the nature of the related person's interest in the transaction;
- whether the related person has a direct or indirect material interest in the transaction;
- the material terms of the transaction, including the amount and type of transaction;
- the significance of the transaction to the Company and to the related person;

Table of Contents

- whether the terms of the transaction are arms-length; and
- whether the transaction would violate the “Conflicts of Interest” provisions of our Code of Business Conduct and Ethics for Directors, Officers and Employees.

Vehicle Purchases and Leases

We maintain an employee vehicle purchase program for our officers, directors and other employees, and their respective friends and family members pursuant to which they may purchase or lease vehicles from us at a discount to our advertised prices. This program is designed to incent additional vehicle sales while ensuring that we earn a measure of gross profit on all vehicles sold pursuant to the program. From time to time, including in 2017, certain of our directors and executive officers, or their respective family members, purchased or leased vehicles from us under this program, which vehicles may be valued at over \$120,000.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The securities outstanding under our equity compensation plans and the number of securities remaining available for issuance under our equity compensation plans, as of December 31, 2017, were as follows:

Number of Securities to be Issued Upon Exercise Plan Category of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	(2)	905,215

(1) Represents 196,585 performance share units. The number of performance share units reported in this table assumes that we attain the target performance goals associated with each respective grant of performance share units.

(2) Performance share units issued under our equity compensation plans have no exercise price.

We only have the ability to make grants of additional securities under our 2012 Equity Incentive Plan, as amended.

Table of Contents

PROPOSAL NO. 2

ADVISORY APPROVAL OF EXECUTIVE COMPENSATION

Pursuant to Section 14A of the Exchange Act, our stockholders have the right to vote to approve, on an advisory (non-binding) basis, the compensation of our named executive officers. The advisory stockholder vote is commonly referred to as the “say-on-pay” vote. At the 2017 Annual Meeting of Stockholders, approximately 99.6% of the shares voted on this proposal were voted in favor of the Company’s executive compensation program. We hold this vote annually, so our Board is again submitting a non-binding stockholder vote on our executive compensation.

As described in the “Compensation Discussion & Analysis” section of this proxy statement, our compensation program is designed to appropriately reward our executive officers for their individual and collective performance and for our collective performance in achieving specified financial and other appropriate performance objectives. Please read the “Compensation Discussion & Analysis” section of this proxy statement for additional details about our executive compensation philosophy and programs, including information about the fiscal year 2017 compensation of our named executive officers as set out in the tables and accompanying narrative.

This proposal gives you as a stockholder the opportunity to express your views on the compensation of our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. Accordingly, we are asking stockholders to approve the following resolution:

"RESOLVED, that the compensation paid to the Company’s named executive officers, as disclosed pursuant to the compensation disclosure rules of the U.S. Securities and Exchange Commission, including the ‘Compensation Discussion & Analysis,’ compensation tables and any related material disclosed in this proxy statement, is hereby APPROVED.”

Because your vote is advisory, it will not be binding on our Board and may not be construed as overruling any decision by the Board, nor will it create or imply any additional fiduciary duty of the Board. However, the Board will review the voting results and may, in its sole discretion, take into account the outcome of the vote when considering future executive compensation arrangements.

Our Board and our Compensation & Human Resources Committee believe that our commitment to responsible compensation practices justifies a vote by stockholders for the resolution approving the compensation of our named executive officers as disclosed in this proxy statement.

The Board
recommends
you vote FOR
the approval,
on an advisory
basis, of the
compensation
of our named
executive
officers, as
disclosed in
this proxy
statement
pursuant to
the
compensation
disclosure
rules of the
U.S.
Securities and

Exchange
Commission.

46

Table of Contents

AUDIT COMMITTEE REPORT

The primary purpose of the Audit Committee is to assist the Board in fulfilling its responsibility to oversee: (i) management's conduct of the Company's financial reporting process (including the development and maintenance of systems of internal accounting and financial controls); (ii) the integrity of the Company's financial statements; (iii) the Company's compliance with certain legal and regulatory requirements; (iv) the qualifications, independence and performance of the Company's outside auditors; and (v) the performance of the Company's internal audit functions. The Committee also is directly responsible for the appointment, retention, compensation, termination and oversight of the Company's outside auditors. The charter of the Audit Committee is available on the Company's web site at www.asburyauto.com/company/investor-relations/ under "Corporate Governance".

The Audit Committee comprises Eugene S. Katz (Chair), Joel Alsfine, Thomas C. DeLoach, Jr. and Thomas J. Reddin. The Board has determined that each member of the Audit Committee meets the requisite independence and other qualification requirements for Audit Committee membership under SEC rules, the listing standards of the NYSE, the Audit Committee charter and the independence standards set forth in the Company's Corporate Governance Guidelines. The Board has also determined that each member of the Audit Committee is an "audit committee financial expert" within the meaning of Item 407(d)(5) of Regulation S-K under the Securities Exchange Act of 1934.

In fulfilling its oversight role, the Audit Committee reviewed and discussed the Company's audited consolidated financial statements for the year ended December 31, 2017 with the Company's management and Ernst & Young LLP, the Company's independent registered public accountants. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States. The Audit Committee also discussed with Ernst & Young LLP matters deemed significant by Ernst & Young LLP, including those matters required to be discussed pursuant to Auditing Standard No. 1301, "Communications with Audit Committees," adopted by the Public Company Accounting Oversight Board, and the SEC.

In addition, the Audit Committee has received and reviewed the written disclosures and the letter from Ernst & Young LLP pursuant to the applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young LLP's communications with the Audit Committee concerning independence and discussed with Ernst & Young LLP matters relating to its independence, and considered whether their provision of certain non-audit services is compatible with maintaining their independence. In the letter, Ernst & Young confirmed its independence, and the Audit Committee determined that Ernst & Young's provision of non-audit services to the Company is compatible with maintaining their independence.

Based on the Audit Committee's review with management and Ernst & Young LLP of the Company's audited financial statements and Ernst & Young LLP's report on such financial statements, and based on the discussions and written disclosures described above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

Members of the Audit Committee:

Eugene S. Katz (Chair)

Joel Alsfine

Thomas C. DeLoach, Jr.

Thomas J. Reddin

Table of Contents

PROPOSAL NO. 3

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2018. If the stockholders fail to ratify this appointment, the Audit Committee may, but is not required to, reconsider whether to retain that firm. Representatives from Ernst & Young LLP are expected to be present at the 2018 Annual Meeting and, if present, will have the opportunity to make a statement if they desire to and to answer appropriate questions.

Independent Registered Public Accounting Firm Fees

The following table summarizes the aggregate fees billed to us by Ernst & Young LLP for fiscal years 2017 and 2016

	2017	2016
Audit Fees	\$2,356,000	\$1,801,000
Tax Fees	—	—
Expenses	42,000	35,000
Total	\$2,398,000	\$1,836,000

Audit fees are composed of fees for professional services rendered by Ernst & Young LLP for the fiscal years ended December 31, 2017 and 2016, for the audits of our annual financial statements, and for the reviews of the financial statements included in our Quarterly Reports on Form 10-Q for the fiscal years ended 2017 and 2016, respectively.

The audit fees also included fees associated with the audit of the effectiveness of our internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act. Audit fees for 2017 included \$814,000 of fees primarily related to various transactions as well as fees related to the Company's pending adoption of ASU 2014-09, Revenue from Contracts with Customers and evaluation of the impact of the Tax Cuts and Jobs Act. Audit fees for 2016 include \$304,000 of fees primarily related to various transactions.

Included in the 2017 audit fees and expenses is approximately \$986,000 that had not been billed to us as of December 31, 2017. Included in the 2016 audit fees and expenses is approximately \$584,000 that had not been billed to us as of December 31, 2016.

Audit Committee's Pre-Approval Policies and Procedures

The Audit Committee has policies and procedures that require the pre-approval by the Audit Committee of all fees paid to, and all services performed by, our independent registered public accounting firm. Each year, the Audit Committee approves the proposed services, including the nature, type and scope of services to be performed by our independent registered public accounting firm during the fiscal year and the related fees. Audit Committee pre-approval is also required for those engagements that may arise during the course of the year that are outside the scope of the initial services and fees pre-approved by the Audit Committee. The Audit Committee has delegated to the Audit Committee chair the ability to approve non-audit work of our independent registered public accounting firm. Pursuant to the requirements of the Sarbanes-Oxley Act, the fees and services provided as noted in the table above were authorized and approved by the Audit Committee in compliance with the pre-approval policies and procedures described herein.

The Board
recommends
you vote FOR
the ratification
of the
appointment
of Ernst &
Young LLP as
our
independent
registered
public

accounting
firm for the
year ending
December 31,
2018.

48

Table of Contents

STOCKHOLDER PROPOSALS FOR THE 2019 ANNUAL MEETING

This proxy statement relates to the Company's 2018 Annual Meeting, which will take place on April 18, 2018. The Company currently expects that its 2019 Annual Meeting of Stockholders will be held in April 2019. In order to be eligible for inclusion in the Company's proxy materials for the 2019 Annual Meeting of Stockholders, any stockholder proposal must be submitted in writing to the Company's Corporate Secretary and received at the Company's executive offices at 2905 Premiere Parkway NW, Suite 300, Duluth, GA 30097 by the close of business on November 15, 2018, or such later date as the Company may determine and announce in connection with the actual scheduling of the 2019 Annual Meeting of Stockholders. To be considered for presentation at the 2019 Annual Meeting of Stockholders, although not included in the Company's proxy statement, any stockholder proposal, including nominations of directors, must be received at the Company's executive offices at the foregoing address not earlier than December 19, 2018, but on or before the close of business on January 18, 2019, or such later date as the Company may determine and announce in connection with the actual scheduling of the 2019 Annual Meeting of Stockholders and must comply with the notice procedures set forth in the Company's Bylaws. The procedure for nominating directors is described above under "Governance of the Company—Nomination of Directors."

All stockholder proposals for inclusion in the Company's proxy materials will be subject to the requirements of the proxy rules adopted under the Exchange Act and, as with any stockholder proposal (regardless of whether it is included in the Company's proxy materials), including nominations of directors, the Company's Restated Certificate of Incorporation, the Company's Bylaws and Delaware law.

OTHER MATTERS

Management is not aware of any other matters to be brought before the 2018 Annual Meeting, but if other matters come before the meeting, the proxy holders intend to take such action as in their judgment is in the best interest of the Company and its stockholders.

DELIVERY OF PROXY MATERIALS TO HOUSEHOLDS

Under the rules of the SEC, the Company is permitted to use a method of delivery, often referred to as "householding." Householdings permits the Company to mail a single set of proxy materials to any household in which two or more different stockholders reside and are members of the same household or in which one stockholder has multiple accounts. The Company did not household materials for the 2018 Annual Meeting. If the Company households materials for future meetings, then only one copy of the Company's annual report and proxy statement will be sent to multiple stockholders of the Company who share the same address and last name, unless the Company has received contrary instructions from one or more of those stockholders. In addition, the Company has been notified that certain intermediaries (i.e., banks, brokers or other nominees) will household proxy materials for the 2018 Annual Meeting. For voting purposes, a separate proxy card will be included for each account at the shared address. The Company will deliver promptly, upon oral or written request, a separate copy of the annual report and proxy statement to any stockholder at the same address. If you wish to receive a separate copy of the annual report and proxy statement, you may contact the Company's Investor Relations Department (a) by mail at 2905 Premiere Parkway NW, Suite 300, Duluth, GA 30097, (b) by telephone at 770-418-8212, or (c) by e-mail at ir@asburyauto.com. You may also contact your bank, broker or other nominee to make a similar request. Stockholders sharing an address who now receive multiple copies of the Company's annual report and proxy statement may request delivery of a single copy by contacting the Company as indicated above, or by contacting their bank, broker or other nominee, provided the broker, bank or other nominee has elected to household proxy materials.

ADDITIONAL INFORMATION

The Company files annual, quarterly and current reports, proxy materials and other information with the SEC. You may read and copy any document that the Company files at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also inspect the Company's filings at the regional offices of the SEC or over the Internet at the SEC's web site at www.SEC.gov. Additional information can also be found on the Company's web site at www.AsburyAuto.com. Information contained on any web site referenced in this proxy statement is not incorporated by reference in this proxy statement.

If you would like to receive a copy of any exhibits listed in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, please contact Investor Relations, Asbury Automotive Group, Inc. (a) by mail at 2905 Premiere Parkway NW, Suite 300, Duluth, GA 30097, (b) by telephone at 770-418-8212, or by email at ir@asburyauto.com and the exhibits will be provided to you upon the payment of a nominal fee (which fee will be limited to the expenses the Company incurs in providing you with the requested exhibits).

Table of Contents

50

Table of Contents

51