
ASBURY AUTOMOTIVE GROUP, INC.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Asbury Automotive Group, Inc. (“Asbury”) has adopted these guidelines to assist the Board in the performance of its duties and the exercise of its responsibilities in accordance with the corporate governance standards of the New York Stock Exchange. These guidelines should be reviewed in conjunction with Asbury’s Restated Certificate of Incorporation, By-Laws, the charters of each of the Board’s Committees and all applicable state or local laws or regulations. Except to the extent that they reflect the requirements of the New York Stock Exchange for listed companies, these guidelines are not intended to be rigid rules that govern the Board’s activities.

These guidelines are subject to modification from time to time by the Board as it may deem appropriate, or as required by applicable laws, regulations or rules. The Board reviews these guidelines at least annually.

DIRECTOR RESPONSIBILITIES

The business and affairs of Asbury are managed under the direction of the Board. In all actions taken by the Board, the Directors are expected to exercise their business judgment in what they reasonably believe to be the best interests of Asbury and its stockholders. In discharging their obligations, Directors may rely on the honesty and integrity of Asbury’s senior executives and its outside advisors and auditors. Nevertheless, the Board must recognize that it has an active, not a passive, responsibility.

Each Director is expected to understand Asbury’s business and the markets in which it operates; regularly attend meetings of the Board and the Committees on which he/she serves; review and understand the materials provided in advance of the meetings and any other materials provided from time to time; actively, objectively and constructively participate in meetings and the strategic decision making process; and share his or her perspective, background, experience, knowledge and insights as they relate to matters before the Board and its Committees.

DIRECTOR QUALIFICATIONS

Board nominees will be evaluated in the context of the current composition of the Board, Asbury’s operating requirements and the long-term interests of the stockholders. In performing this evaluation, the Board will consider the diversity, age, skills, experience and other factors it deems appropriate given the needs of the Board and Asbury to maintain a balance of knowledge, experience and capabilities. Qualified director nominees shall possess high moral character and personal integrity, a high level of leadership or managerial experience, experience and knowledge relative to matters affecting Asbury, 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 Asbury’s stockholders and its growth, 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 reflect the diversity of Asbury’s stockholders, employees, customers and communities.

A majority of the Directors on the Board must be independent, as determined in accordance with the attached [Exhibit A](#). The Board has adopted the general and categorical standards set forth in the attached [Exhibit A](#) to assist the Board in making independence determinations. These general and categorical standards are intended to comply with the New York Stock Exchange corporate governance rules and all other applicable laws, rules and regulations regarding director independence in effect from time to time.

VOTING FOR DIRECTORS

In an uncontested election, any nominee for Director who receives a greater number of votes “withheld” from his or her election than votes “for” his or her election (a “Majority Withheld Vote”) shall tender his or her resignation as a Director to the Board promptly following the certification of the election results. For purposes of this policy, a “contested” election is an election in which the number of nominees for Director exceeds the number of Directors to be elected. Neither abstentions nor broker non-votes will be deemed to be votes for or withheld from a Director’s election for purposes of this policy.

The Governance and Nominating Committee will consider each resignation tendered under this policy 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. The Board will promptly disclose publicly (1) its decision whether to accept or reject the Director’s tendered resignation and (2) if rejected by the Board, the Board’s reasons for rejecting the tendered resignation. The Governance and Nominating Committee in making its recommendation, and the Board of Directors in making its decision, may consider any factors or other information that it considers appropriate, including, without limitation, the reasons (if any) given by shareholders as to why they withheld their votes, the qualifications of the tendering Director, his or her contributions to the Board of Directors and the Company, and the results of the most recent evaluation of the tendering Director’s performance by the Governance and Organization Committee and other members of the Board of Directors.

Any Director who tenders his or her resignation pursuant to this provision will not participate in the Governance and Nominating Committee’s recommendation or Board’s action regarding whether to accept or reject the tendered resignation. If, however, each member of the Governance and Nominating Committee received a Majority Withheld Vote in the same election, then the Board will appoint a committee comprised solely of independent Directors who did not receive a Majority Withheld Vote in that election to consider each tendered resignation and recommend to the Board whether to accept or reject it.

If a Director’s tendered resignation is rejected by the Board, the Director will continue to serve for the remainder of his or her term and until his or her successor is duly elected, or his or her earlier death, resignation or removal.

If a Director’s tendered resignation is accepted by the Board, then the Board, in its sole discretion, may fill any resulting vacancy or may decrease the number of Directors comprising the Board, in each case pursuant to the provisions of and to the extent permitted by Asbury’s Restated Certificate of Incorporation and Bylaws.

SERVICE LIMITATIONS

A Director may not stand for re-election if he or she would be age 74 years or older at the date of the election, but need not resign until the end of his or her term. However, the full Board may waive this age limitation, on an annual basis, upon the recommendation of the Governance & Nominating Committee if, in light of all of the circumstances, a director’s continued service is in the best interests of the Company and its stockholders. In no event may the Board waive the requirement more than twice for any individual director.

LEAD INDEPENDENT DIRECTOR

If the Chairman of the Board is the CEO or any other officer or employee of the Company or is not an independent director, the non-management, independent Directors shall designate a non-management, independent member of the Board to serve as Lead Independent Director for a minimum term continuing until the earlier of (i) such time as the Chairman of the Board is not the CEO or any other officer or employee

of Asbury, or is otherwise an independent Director, and (ii) the next annual election of Directors, and may serve additional consecutive or non-consecutive terms. The Lead Independent Director shall have such authority and perform such duties as may be provided for in these Corporate Governance Guidelines and as may otherwise be assigned by the non-employee, independent members of the Board, including the following:

- calling, setting agendas for, and presiding over non-management executive sessions of the Board;
- calling special meetings of the full Board;
- collaborating and consulting with the Chairman and CEO, the Secretary of Asbury, and other senior management concerning schedules and agendas for and written materials to be distributed in advance of or to be presented at Board meetings, and approving or directing the approval of the schedules, agendas, and materials for Board meetings;
- collaborating and consulting with committee chairs concerning schedules, agendas, and written materials;
- presiding over Board meetings in the absence of the Chairman;
- serving as a liaison between independent directors and the Chairman if and to the extent necessary or advisable;
- receiving and evaluating substantive direct communications from interested parties to non-management Directors;
- where circumstances require communication from the Board to stockholders, being available with the Chairman and CEO for consultation and direct communication with stockholders; and
- calling special meetings of the non-management, independent Directors.

DIRECTORS WHO CHANGE THEIR PRINCIPAL BUSINESS ASSOCIATION

Individual Directors who change their principal business association are expected to offer to resign from the Board, subject to the Board's acceptance of the resignation. The Board does not believe that a Director in this circumstance should necessarily be required to leave the Board. Rather, the Board believes the Governance and Nominating Committee should have the opportunity to assess each situation based on the individual circumstances and make a recommendation to the Board as to whether to accept the resignation.

DIRECTOR ACCESS TO MANAGEMENT & APPROPRIATE INDEPENDENT ADVISORS

Board members have full and free access to senior management and other employees of Asbury, and, in addition, the Audit Committee has full and free access to Asbury's independent auditors. The Board and its Committees have the authority and necessary funding to engage independent counsel and other advisors as it determines necessary to carry out their duties.

NON-MANAGEMENT EXECUTIVE SESSIONS OF THE BOARD OF DIRECTORS

The non-management Directors shall meet on a regular basis outside the presence of the Directors who are members of management. Asbury shall indicate in its annual proxy statement either (i) the name of the Director who shall preside at such non-management sessions or (ii) the method by which such Director will be selected, as well as the means by which interested parties can communicate directly with either such presiding Director or the non-management Directors as a group. If the non-management group includes Directors who are not independent, at least annually there shall be an executive session including only independent Directors.

DIRECTOR COMPENSATION

The form and amount of compensation for Directors is determined by the Board, upon recommendation of the Governance and Nominating Committee. Such compensation will be reviewed annually. The Director compensation program should be designed to attract and retain candidates who meet the Director Qualifications listed above, with the general objective of providing Directors with compensation that is customary in comparison to practices of similar companies. The compensation program should also include appropriate compensation for Committee chairs and members in light of their additional commitment and contribution to Asbury and the Board.

Directors who are also employees of Asbury, or employees or principals of Asbury's affiliates, will receive no additional compensation for serving on the Board or its Committees.

DIRECTOR ORIENTATION & CONTINUING EDUCATION

Asbury provides an orientation program for new Directors to acquaint them with Asbury's business, strategic plans, management team and internal and independent auditors.

Asbury encourages its Directors to participate in continuing education programs to assist them in maintaining the necessary level of expertise to perform their responsibilities as a Director.

MANAGEMENT SUCCESSION

The Board or designated Committee shall oversee that Asbury has an adequate system and procedures for the education, development and orderly succession of senior managers. The CEO will report annually to the Board or designated Committee on Asbury's program for succession planning and management development. Such report will include the CEO's recommendation and evaluations of potential successors.

The Board is responsible for CEO succession planning. It will collaborate with the current CEO as appropriate in such planning, including timing and the identification of successors. The CEO shall identify to the Board a short-term succession plan in the unexpected event the CEO or another executive officer is unable to fulfill his or her responsibilities.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

The Board or a designated Committee will conduct an annual review of Board performance and effectiveness. In connection with this review, the evaluating entity shall solicit comments from all Directors, and any other appropriate persons. The annual review will include an assessment of (i) each Director's contributions to the Board, (ii) each outside Director's qualification as independent under applicable rules, laws and regulations and (iii) the Chair's performance of his or her role for the Board.

Each Committee shall conduct an annual evaluation of its own performance as provided in its charter. The results of the Board and Committee evaluations shall be summarized and presented to the Board.

POLICY ON DIRECTOR & EXECUTIVE OFFICER STOCK OWNERSHIP

In order to better align the interests of Asbury's stockholders and the Directors and the executive officers of Asbury, the Board has adopted the following stock ownership guidelines:

- Each non-employee director shall own at least the value of Asbury shares equal to 5 times his or her annual retainer;

- The Chief Executive Officer shall own at least the value of Asbury shares equal to 5 times his or her base salary
- The Chief Operating Officer and the Chief Financial Officer shall own at least the value of Asbury shares equal to 3 times his or her base salary.
- The (i) Senior Vice President, Operations, (ii) Senior Vice President, General Counsel & Secretary, (iii) Senior Vice President, Corporate Development & Real Estate, (iv) Vice President & Chief Human Resources Officer, and (v) Vice President, Market Operations shall own at least the value of Asbury shares equal to 2 times his or her base salary.

Equity Ownership Calculation

The number of shares that each non-employee director or officer must own will be set as a specific number of shares using the 12-month average daily closing price of Asbury common stock as of December 31st of each year. In no event will the specific ownership requirement be based on a 12-month average closing price of Asbury common stock as of December 31 that represents more than a thirty percent (30%) decline as compared to the 12-month average closing price of Asbury common stock in the immediately prior year. For purposes of calculating “equity ownership” under the guidelines, the executive officer or non-employee director shall be deemed to own each of the following: (i) all restricted stock whether vested or unvested, (ii) all restricted stock units whether vested or unvested, (iii) all performance share units that are earned, even if not vested and (iv) all shares of common stock in each case that are held by the executive officer or non-employee director. Stock options whether vested and exercisable or not will not be deemed as owned for purposes of determining equity ownership under the guidelines.

Timeline for Achievement of Guidelines

Asbury expects its non-employee Directors and executive officers will achieve the requirements of stock ownership within five (5) years of their becoming a non-employee Director or executive officer as the case may be.

Pre-Approval of Sales

Each Director and executive officer must retain 100% of the Asbury shares received (net of tax) until such time as his or her applicable equity ownership requirement is met. Additionally, no employee Director or executive officer may sell any Asbury shares if: (i) such officer or non-employee director has not achieved his or her Asbury stock ownership requirement under the guidelines or (ii) the proposed sale of Asbury shares would result in such officer or non-employee director owning less than his or her requisite Asbury stock ownership target under the guidelines. Exceptions: Executive officers and non-employee directors may sell Asbury shares in order to satisfy tax obligations in connection with the vesting of Asbury equity awards or, if in the Governance & Nominating Committee’s discretion, compliance with the guidelines would create severe hardship or prevent an equity award recipient from complying with a court order (e.g., as part of a divorce settlement).

Asbury’s Governance and Nominating Committee is responsible for reviewing, approving and re-setting the stock ownership guidelines and recommending changes to the Board for the Board’s adoption.

RECOUPMENT POLICY

The Recoupment Policy, as set forth on the attached Exhibit B (the “Policy”), requires certain employees to reimburse the Company for the after-tax difference between actual performance-based incentive compensation paid and the performance-based incentive compensation that would have been paid based

on the Company's actual financial results, giving effect to any restatement, if so required, or after giving effect to the correction of any accounting, clerical, administrative, mathematical or other error in connection with the making of such payment. The Authorized Directors or Authorized Officers (each as defined in the Policy), as the case may be, need not find direct culpability to enforce recoupment against a "named executive officer," but would need to determine direct culpability prior to seeking recoupment from any other employee other than recoupment as a result of the correction of an accounting, clerical, administrative, mathematical or other error. For the purposes of the Policy, the term "named executive officer" has the same meaning ascribed to it in Item 402 of Regulation S-K of the Securities Exchange Act of 1934, as amended. The Policy also permits the Company to recoup from actual compensation paid any amounts that may have been embezzled, stolen or otherwise misappropriated by such employees.

In the case of a financial restatement, enforcement under the Policy shall be limited to the three-year period following the filing of the financial results in question with the Securities and Exchange Commission.

ANNUAL APPOINTMENT OF CHAIR, ASSIGNMENT & ROTATION OF COMMITTEE MEMBERS

Each year, following the Annual Stockholder Meeting of Asbury, the Governance and Nominating Committee shall review and recommend to the full Board for approval and changes to the Chair of the Board, and all committee member assignments, including designations of the chair of the committees, subject to the five-year mandatory rotation described below. Upon the recommendation of the Governance and Nominating Committee, the Board shall (i) elect a Chair of the Board and (ii) appoint the members of its Committees and their respective Chairs.

FIVE-YEAR MANDATORY ROTATION OF CHAIRS

The chairman of the board and the chairs of each committee shall not serve greater than five (5) years in their respective chair roles, subject to exceptions approved by the Board.

CONFIDENTIALITY & BOARD INTERACTION WITH OUTSIDE INTERESTED PARTIES

In general, proceedings and deliberations of the Board and its Committees are strictly confidential. Each Director is expected to maintain the confidentiality of information received in connection with his or her service as a Director at all times unless disclosure is authorized by the Board of Directors, and to use that information solely for the benefit of the Company. The Board believes that management should generally speak for the Company unless otherwise determined by the Board of Directors. From time to time, the Board may determine that individual Board members should meet or otherwise communicate on behalf of the Company with various constituencies that are involved with the Company, in which case such communications should occur in accordance with the Company policies and guidelines.

RETENTION OF MATERIALS

It is the Company's policy that the duly recorded minutes of meetings of the Board of Directors and its Committees constitute the record of actions of the Board and its Committees. Board and Board committee materials are prepared for Directors' deliberative purposes and should not be used for other purposes. All Board and Committee materials are to be retained or disposed of in a manner consistent with the Company's document retention policy or in such other manner that the Board deems appropriate.

EXHIBIT A

CRITERIA FOR INDEPENDENT BOARD MEMBERS

Adopted: October 22, 2009

GENERAL STANDARD

No Director of Asbury qualifies as independent unless the Board affirmatively determines that the Director has no material relationship with Asbury (either directly or as a partner, shareholder or officer of an organization that has a relationship with Asbury).

CATEGORICAL STANDARDS FOR DIRECTOR INDEPENDENCE

Additionally, no Director of Asbury shall qualify as independent unless he or she satisfies all of the following criteria:

1. He or she has not been employed by, and none of his or her immediate family members has been an executive officer of, Asbury or its consolidated subsidiaries (together, “Asbury”) at any time within the three years preceding the date of this determination;
2. He or she has not received, and none of his or her immediate family members has received, more than \$120,000 per year in direct compensation from Asbury, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), at any time within the three years preceding the date of this determination;
 - (A) He or she is not a current partner or employee of a firm that is Asbury’s internal or external auditor;
 - (B) none of his or her immediate family members is a current partner of such a firm;
 - (C) none of his or her immediate family members is a current employee of such a firm and personally works on Asbury’s audit; and
 - (D) neither he, she nor any of his or her immediate family members was, within the last three years, a partner or employee of such a firm and personally worked on Asbury’s audit within that time.
3. He or she has not, and none of his or her immediate family member has, at any time within three years from the date of this determination, been employed, as an executive officer of another company where any of Asbury’s present executive officers serve on that company’s compensation committee; and
4. He or she is not an executive officer or an employee, and none of his or her immediate family member is an executive officer, of a company (other than a tax exempt organization) that, during the current fiscal year or last three completed fiscal years, made payments to, or received payments from, Asbury for property or services in an amount which, in any single year, exceeds the greater of \$1 million, or 2% of such other company’s consolidated gross revenues.

As used in these Categorical Standards for Director Independence, an “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law; sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home.

The foregoing general and categorical standards shall be interpreted and applied consistent with the provisions of Rule 303A.02 (Independence Tests) of the Listed Company Manual of the New York Stock Exchange, including the Commentary and General Commentary thereto.

ADDITIONAL CRITERIA FOR INDEPENDENT AUDIT COMMITTEE & COMPENSATION COMMITTEE MEMBERS

In addition to being independent as determined by the Board of Directors in accordance with the factors set forth above, (a) members of the Audit Committee may not receive, directly or indirectly, any compensation other than directors' fees from Asbury, or be an "affiliated person" of Asbury or any of its subsidiaries as such term is defined under Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (b) members of the Compensation Committee must qualify as "outside directors" as such term is defined under Section 162(m) of the Internal Revenue Code of 1986, as amended and "non-employee directors" as such term is defined under Rule 16b-3 promulgated under the Exchange Act, and further, members of the Compensation Committee cannot be executive officers of a public company at which an executive officer of Asbury serves as a member of such public company's compensation committee.

EXHIBIT B

RECOUPMENT POLICY

Adopted: April 20, 2016

TRIGGERING EVENTS

Recoupment Upon Restatement of Financial Statements

If the Company is required to restate its financial statements due to the material noncompliance of the Company with any financial reporting requirement under the federal securities laws and, subject to the immediately following paragraph, the non-management Directors (or a committee thereof or the Compensation Committee if so delegated by the non-management Directors) (the “Authorized Directors”) determine that an employee has received more performance-based incentive compensation (whether cash or equity related) for the relevant fiscal year than would have been paid had such compensation been calculated based on the restated financial results, the employee shall reimburse the Company the after-tax difference between (a) the payment or grant made to the employee and (b) the payment or grant that would have been made to the employee based on the restated results.

If an employee was a named executive officer during the period covered by the financial results subject to restatement, then the Authorized Directors need not determine that the employee’s conduct was directly related to the restatement of the financial results to enforce this Recoupment Policy. If, however, the employee was not a named executive officer during the period covered by the financial results subject to the restatement, then the Authorized Directors must determine that the employee engaged in fraud or intentional misconduct directly related to the restatement. For the purposes of this Policy, the term “named executive officer” shall have the same meaning ascribed to such term in Item 402 of Regulation S-K of the Securities Exchange Act of 1934, as amended.

Recoupment Upon Misconduct

If the Authorized Directors determine that any employee of the Company has engaged in embezzlement, fraud or theft, the Authorized Directors may require to the extent appropriate (1) reimbursement of any compensation (whether cash or equity related) granted to employee and (2) cancellation of outstanding equity awards and reimbursement of any gains realized on the exercise, settlement or sale of equity awards held by such employee, in either case, which has been granted or paid to or earned or realized by the employee at any time during the three-consecutive-year period ending on the date on which such embezzlement, fraud or theft is discovered.

Recoupment Upon Certain Other Events

Notwithstanding the foregoing, if the Chief Executive Officer or, in the case of the Chief Executive Officer’s compensation, the Chief Financial Officer in consultation with the General Counsel (the “Authorized Officers”), determine that any employee has received more compensation (whether cash or equity related) for the relevant fiscal year than would have been paid had such compensation been calculated without accounting, clerical, administrative, mathematical or other error, the employee shall reimburse the Company the after-tax difference between (a) the payment or grant made to the named executive officer and (b) the payment or grant that would have been made to the named executive officer based on an accurate calculation of such payment. In the case of the foregoing, the Authorized Officers need not determine that such employee’s conduct was directly attributable to the accounting, clerical,

administrative, mathematical or other error, and such policy applies whether or not the inaccuracy or error was caused by any intentional misconduct.

Recovery

As described above, the Company may seek recovery of compensation (whether cash or equity related) (as applicable, the “Recoupment Amount”) from any of the following sources: compensation or other payments due to the employee from the Company, as permitted by law, prior incentive compensation payments, future payments of incentive compensation, cancellation of outstanding equity awards, future equity awards, gains realized on the exercise of stock options and gains realized upon the subsequent sale of vested stock and shares acquired on the exercise of stock options or the payout of performance share units. Application of the Policy does not preclude the Company from taking any other action to enforce an employee’s obligations to the Company, including termination of employment or institution of civil or criminal proceedings.

Notwithstanding the foregoing, the Authorized Directors or Authorized Officers, as applicable, may, in their discretion, to the extent permitted by governing law and as appropriate under the circumstances, determine not to seek reimbursement of all or a portion of the Recoupment Amount from an employee. In determining whether to seek recovery, the Authorized Directors or Authorized Officers, as applicable, shall take into account such considerations as they deem appropriate, including governing law and whether the assertion of a claim may prejudice the interests of the Company in any related proceeding or investigation.

For purposes of this Policy, “performance-based incentive compensation” means bonuses and incentive awards and payouts, whether in the form of cash and/or shares of the Company’s common stock, that are or were subject to certain performance metrics to be achieved by the Company. No performance-based incentive compensation paid or granted to an employee will be subject to recoupment under this Policy on or after a “change of control” of the Company, as such term is defined in any plan document or award affecting any performance-based incentive compensation subject to this Policy.

Notwithstanding the foregoing, the Company’s Chief Executive Officer and Chief Financial Officer remain subject to the recoupment requirements of Section 304 of the Sarbanes-Oxley Act of 2002 (“SOX”). If any such recoupment under Section 304 of SOX occurs, the amounts payable by the Chief Executive Officer and Chief Financial Officer under SOX will be offset against any Recoupment Amount owed to the Company under this Policy.

All determinations by the Authorized Directors or Authorized Officers, as applicable, shall be final, conclusive and binding on the affected employees and all other interested parties.