

DIVERSITY POLICY

1. INTRODUCTION

AutoCanada Inc. (the “Company” or “AutoCanada”) is committed to workplace diversity. The Company recognizes and embraces the many benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity means all of the things that make individuals different from one another, including, but not limited to gender, age, race, religion, national origin, ethnicity, cultural background, marital status, sexual orientation, or disability.

At AutoCanada we value the difference between our people and the contribution that these differences make to improving corporate governance and the Company as a whole.

AutoCanada has the following policies that already support diversity:

- Code of Conduct;
- Employee and Family Assistance Program; and
- Harassment Policy.

2. PURPOSE

This Policy aims to set out the approach by which the Company will endeavor to further increase diversity throughout the Company, including at the senior management and Board level.

This Policy does not purport to condone engagement in actions that would violate any anti-discrimination, equal employment or other laws and regulations.

3. OBJECTIVES

This Policy provides a framework for the Company to achieve:

- a workplace environment where individual differences are respected;
- a diverse and skilled workforce, leading to continuous improvement in the achievement of corporate goals;
- a workforce that best represents the talent available in the communities in which the Company’s assets are located and employees reside;
- a workplace environment where the ability to contribute and access employment opportunities is based on performance, skill and merit;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a workplace environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspective through improved awareness of the benefits of workforce diversity and successful management diversity;
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity;

- a diverse workplace environment where inappropriate attitudes, behaviours and stereotypes are confronted and eliminated;

collectively, the “Objectives”.

4. STRATEGIES

To achieve the Objectives set forth in this Policy, management of the Company (and the Committees of the Board where applicable) will, when identifying candidates for all positions, including senior management and the Board:

- consider diversity criteria including gender, age, ethnicity, sexual orientation and geographic background;
- consider only candidates who are highly qualified based on their experience, functional expertise, and personal skills and qualities;
- review succession plans to ensure an appropriate focus on diversity;
- recruit from a diverse pool of qualified candidates;
- identify specific factors to take account of in recruitment and selection processes to encourage diversity;
- identify what may be obstructing diversity success and taking action to address the issues;
- ensure short-lists identifying potential candidates include a mix of both male and female candidates wherever possible; and
- develop a culture which takes account of domestic responsibilities of employees.

5. REPORTING AND MEASURABLES

In each Proxy Management Circular, the Company will disclose the measurable initiatives, if any, for achieving diversity in accordance with this Policy and the progress towards achieving them and will make any other required disclosure on this Policy in order to comply with securities legislation.

The Company does not support the adoption of quotas to support this Policy. Employees and directors will be recruited and promoted based on their experience, skill, ability and contributions.

6. REVIEW AND CHANGES TO THIS POLICY

This Policy will be reviewed at least annually by the Governance and Compensation Committee to ensure its effectiveness and the Company reserves the right, at its absolute discretion, to change this Policy from time to time as it considers necessary.

Initially adopted by the Board of Directors on March 19, 2015.