



Management Information Circular

March 18, 2024 | autocan.ca



2024

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Invitation to Shareholders

Dear Fellow Shareholders,

On behalf of the Board of Directors, management and employees, I invite you to attend the annual general meeting (the "Meeting") of shareholders of AutoCanada Inc. ("AutoCanada"). The Meeting will be conducted online at:

WHERE: <https://meetnow.global/MVTDK7X>

WHEN: Thursday, May 2, 2024
1:00 p.m. (Eastern Time)

Details on how to attend the Meeting online and the matters to be dealt with at the Meeting are described in the enclosed notice of meeting and management information circular. We value the views of our shareholders and appreciate the time you spend understanding and voting on the formal items of business to be considered at the Meeting.

Our management information circular and related proxy materials, along with additional documentation and information concerning AutoCanada, is available on our website at www.autocan.ca. You will also find recently filed corporate disclosure documents under the "Investor Information" section on our website.

If you are unable to attend the Meeting, or if you hold your shares in the name of a nominee, such as your brokerage firm, I encourage you to vote your proxy by any of the means available to you. We thank you for your continued support.

Sincerely,

(signed)

Paul Antony
Executive Chair
AutoCanada Inc.

Notice of Annual Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the annual general meeting (including any adjournments or postponements thereof, the “Meeting”) of the holders (the “Shareholders”) of common shares (the “Shares”) of AutoCanada Inc. (the “Company” or “AutoCanada”) will be held online at <https://meetnow.global/MVTDK7X> on Thursday, May 2, 2024 at 1:00 p.m. (Eastern Time) for the following purposes:

1. TO RECEIVE the audited consolidated financial statements for the year ended December 31, 2023, together with the report of the auditor thereon;
2. TO ELECT the directors of the Company for the ensuing year;
3. TO APPOINT PricewaterhouseCoopers LLP as the independent auditor of the Company and authorize the Board of Directors of the Company to fix their remuneration; and
4. TO TRANSACT such other business as may properly be brought before the Meeting.

As a Shareholder, you are entitled to attend the Meeting and to cast one vote for each Share that you own. The specific details of all matters proposed to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

It is desirable that as many Shares as possible be represented at the Meeting. If you do not expect to attend and would like your Shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose to the Company's transfer agent, Computershare Trust Company of Canada (“Computershare”), as follows:

1. By mail or courier to Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1;
2. By hand delivery to Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or
3. By internet at www.investorvote.com.

All proxies, to be valid, must be received by Computershare, at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the Meeting. Late proxies may be accepted or rejected by the Chair of the Meeting in his or her discretion, and the Chair of the Meeting is under no obligation to accept or reject any particular late proxy.

If you are a non-registered beneficial Shareholder, you must follow the instructions provided by your broker, securities dealer, bank, trust company or similar entity in order to vote your Shares. The accompanying Management Information Circular provides additional information relating to the matters to be dealt with at the Meeting.

DATED at Edmonton, Alberta this 18th day of March, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

(signed)

Peter Hong
Chief Strategy Officer & General Counsel

About this Information Circular and Related Proxy Materials

The management (“Management”) of AutoCanada Inc. (“AutoCanada” or the “Company”) is providing this management information circular (“Information Circular”) and related proxy materials to you in connection with the solicitation of proxies by Management for use at the annual and special meeting of holders (“Shareholders”) of common shares of the Company (“Shares”) scheduled to be held online at <https://meetnow.global/MVTDK7X> on Thursday, May 2, 2024 at 1:00 p.m. (Eastern Time) or at any adjournments or postponements thereof (the “Meeting”), for the purposes set forth in the accompanying Notice of Meeting.

This Information Circular describes the business of the Meeting, resolutions to be voted upon and the voting process, and provides information about the members (“Directors”) of AutoCanada’s board of directors (the “Board”) and senior management, the Directors nominated for the 2024 year, our corporate governance practices and our executive compensation philosophy.

As a Shareholder, you are invited to attend the Meeting. If you are unable to attend in person, you may still vote. Please see the “How Do I Vote?” section for an explanation of how you can vote on the matters to be considered at the Meeting.

Unless otherwise indicated, the information contained herein is given as at March 18, 2024.

Online Meeting and Voting Information

ONLINE MEETING

The Company is conducting a virtual only Shareholders' meeting. Registered Shareholders and duly appointed proxyholders (as defined in this Information Circular) can attend the meeting online at <https://meetnow.global/MVTDK7X> to participate, vote, or submit questions during the meeting's live webcast.

Who can attend the Meeting?

Registered Shareholders ("Registered Shareholders"), duly appointed proxyholders and non-registered Shareholders ("Non-Registered Shareholders") can attend the Meeting.

Registered Shareholder: You are a Registered Shareholder if your name appears on a share certificate or a Direct Registration System statement confirming your holdings. If you are a Registered Shareholder, you have received a "Form of Proxy" for this meeting.

Non-Registered Shareholder: You are a Non-Registered Shareholder if your Shares are held through an intermediary (broker, trustee or other financial institution). If you are a Non-Registered Shareholder, you have received a "Voting Instruction Form" for this meeting. Please make sure to follow instructions on your Voting Instruction Form to be able to attend and vote at this meeting.

How do I attend and participate at the Meeting?

Attending the Meeting online

Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://meetnow.global/MVTDK7X>.

- a. **Registered Shareholders** and **duly appointed proxyholders** can participate in the Meeting by clicking "**Shareholder**" and entering a control number or an Invite Code before the start of the Meeting.
 - i. Registered Shareholders: the 15-digit control number is located on the Form of Proxy or in the email notification you received.
 - ii. Duly appointed proxyholders: Computershare Trust Company of Canada ("Computershare") will provide the proxyholder with an Invite Code after the voting deadline has passed.
- b. Attending and voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders.
- c. **Non-Registered Shareholders** who have not appointed themselves as proxyholders to participate and vote at the Meeting may login as a guest, by clicking on "Guest" and complete the online form; however, they will not be able to vote.

In order to participate online, Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an Invite Code.

The virtual Meeting platform is fully supported across most commonly used web browsers (note: Internet Explorer is not a supported browser). We encourage you to access the Meeting prior to the start time. **It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.**

Appointment of Proxies

Shareholders who wish to appoint a third-party proxyholder to represent them at the virtual Meeting **must submit their Proxy or Voting Instruction Form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their Proxy or Voting Instruction Form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting.**

To register a proxyholder, Shareholders MUST visit <https://www.computershare.com/autocanada> and provide Computershare with their proxyholder's contact information by 1:00 p.m. (Eastern Time) on Tuesday, April 30, 2024, so that Computershare may provide the proxyholder with an Invite Code via email. **Without an Invite Code, proxyholders will not be able to attend and vote at the Meeting.**

Participating in the Meeting

The Meeting will only be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the virtual Meeting is provided below. The Meeting will begin at 1:00 p.m. (Eastern Time) on Thursday, May 2, 2024.

- a. **Registered Shareholders and appointed proxyholders:** Only those who have a 15-digit control number, along with duly appointed proxyholders who were assigned an Invite Code by Computershare (see details under the heading "Appointment of Proxies") will be able to vote and submit questions during the Meeting. To do so, please go to <https://meetnow.global/MVTDK7X> prior to the start of the Meeting to login. Click on "Shareholder" and enter your 15-digit control number or click on "**Invitation**" and enter your Invite Code.
- b. **United States Beneficial Shareholders:** To attend and vote at the virtual Meeting, you must first obtain a valid Legal Proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with the Proxy materials or contact your broker or bank to request a Legal Form of Proxy. After first obtaining a valid Legal Proxy from your broker, bank or other agent, you must submit a copy of your Legal Proxy to Computershare in order to register to attend the Meeting. Requests for registration should be sent:

By mail to: COMPUTERSHARE
 100 UNIVERSITY AVENUE 8TH FLOOR
 TORONTO, ON M5J 2Y1

By email at: USLegalProxy@computershare.com

Requests for registration must be labeled as "Legal Proxy" and be received no later than 1:00 p.m. (Eastern Time) on Tuesday, April 30, 2024. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the virtual Meeting and vote your shares at <https://meetnow.global/MVTDK7X> during the Meeting. Please note that you are required to register your appointment at <https://www.computershare.com/autocanada>.

Voting at the Meeting

A Registered Shareholder (or a Non-Registered Shareholder) who has appointed themselves or appointed a third-party proxyholder to represent them at the Meeting, will appear on a list of proxyholders prepared by Computershare, who is appointed to review and tabulate proxies for this Meeting. To be able to vote their shares at the Meeting, each Registered Shareholder or proxyholder will be required to enter their control number or Invite Code provided by Computershare at <https://meetnow.global/MVTDK7X> prior to the start of the Meeting.

In order to vote, Non-Registered Shareholders who appoint themselves as a proxyholder MUST register with Computershare at <https://www.computershare.com/autocanada> AFTER submitting their Voting Instruction Form in order to receive an Invite Code (see details under the heading "Appointment of Proxies" for details).

Solicitation, Appointment, and Revocation of Proxies

VOTING INFORMATION

What will I be voting on?

You may vote on the following matters at the Meeting:

1. To elect our Directors; and
2. To appoint our auditor and authorize the Directors to set their remuneration.

Who can vote?

Registered shareholders of record on March 18, 2024 (the "Record Date") and duly appointed proxyholders are entitled to vote at the Meeting.

How many votes are required to approve matters?

All matters to be addressed at the Meeting must be approved by a simple majority of the votes cast by Shareholders, either by proxy or in person at the Meeting.

How many votes do I have?

You are entitled to one vote for every Share that you are entitled to vote at the Meeting.

How will meeting materials be delivered?

We are using notice and access to deliver the Information Circular to both our registered and non-registered shareholders. This means that the Company will post the Information Circular online for Shareholders to access electronically on the Company's profile at www.sedarplus.ca and on the Company's website at www.autocan.ca. You will receive a package in the mail with a notice (the "Notice") explaining how to access and review the Information Circular electronically, and how to request a paper copy at no charge. You will also receive a form of proxy or a voting instruction form in the mail so you can vote your Shares. All applicable Meeting-related materials will be indirectly forwarded to non-registered Shareholders at the Company's expense. The Company will provide paper copies of the Information Circular to Shareholders who have standing instructions to receive, or for whom the Company has otherwise received a request to provide, paper copies of materials.

Notice and access is an environmentally friendly and cost effective way to distribute the Information Circular because it reduces printing, paper and postage.

How many Shares can vote?

AutoCanada is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As of the Record Date, there are 23,544,675 Shares issued and outstanding and no preferred shares issued and outstanding. On all matters to be considered and acted upon at the Meeting, holders of Shares are entitled to one vote for each Share held.

To the knowledge of the Directors and the executive officers of the Company, as at the Record Date, no person or entity beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class of our outstanding shares, including the Shares, except as set out in the following table:

Name	Type of Ownership	Number of Shares Owned, Controlled or Directed ⁽¹⁾	Percentage of Shares Outstanding ⁽²⁾
EdgePoint Investment Group Inc.	Control	6,780,137	28.80 %
BloombergSen Inc. and related entities	Control and beneficial ownership	2,418,246	10.27 %

(1) Number of Shares Owned, Controlled or Directed is based on filings made by shareholders on www.sedarplus.ca and www.SEDI.ca.

(2) Percentage of Shares Outstanding is calculated based on Shares issued and outstanding as of the Record Date.

Who counts the votes?

Proxies and votes of Shareholders attending the Meeting are counted by Computershare, who will act as scrutineer of the Meeting. Following the Meeting, a report on the voting results will be filed under AutoCanada's profile on SEDAR at www.sedarplus.ca.

What is the deadline for proxy voting?

We encourage you to submit your proxy as soon as possible to ensure that your vote is counted. Proxies must be received by Computershare not later than 1:00 p.m. (Eastern Time) on Tuesday, April 30, 2024, or if the Meeting is adjourned or postponed, 48 hours before such adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays). The time limit for the deposit of proxies may be waived by the Board without notice. If you are a non-registered Shareholder exercising voting rights through a nominee, you should consult the voting instruction form from your nominee as they may have different and earlier deadlines.

HOW DO I VOTE?

I am a Registered Shareholder. How do I vote by proxy?

You can use the enclosed instrument of proxy ("Instrument of Proxy") to appoint your proxyholder and to indicate how you want your Shares to be voted. The persons named in the Instrument of Proxy are Directors or officers of AutoCanada. **However, you can choose another person to be your proxyholder, including someone who is not a Shareholder. If you choose this option, you should cross out the names printed on the Instrument of Proxy and insert another person's name in the blank space provided, or by completing another appropriate proxy form.**

You may vote by proxy even if you plan to attend the Meeting. However, if you are using a 15-digit control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the meeting as a guest.

Registered Shareholders have three ways to submit a completed Instrument of Proxy:

1. By internet, by completing and submitting an Instrument of Proxy at www.investorvote.com, to transmit their voting instructions. Shareholders should have the Instrument of Proxy in hand when they access the website and will be prompted to enter their control number, which is located on the Instrument of Proxy. If Shareholders vote by internet, their vote must be received not later than 1:00 p.m. (Eastern Time) on Tuesday, April 30, 2024 or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of such adjourned or postponed Meeting. The website may be used to appoint a proxyholder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions;
2. By mail or courier, by completing and signing the enclosed Instrument of Proxy and mailing it in the envelope provided to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or
3. By hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.

Shareholders who wish to appoint a third party proxyholder to represent them at the online meeting **must submit their proxy or voting instruction form (if applicable) prior to registering your proxyholder. Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the meeting.** To register a proxyholder, shareholders MUST visit <https://www.computershare.com/autocanada> by Tuesday, April 30, 2024, 1:00 p.m. (Eastern Time) and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a Username via email.

See "*I have elected to vote by proxy. How are my voting rights exercised*" below for an explanation of how the Shares represented by your Instrument of Proxy will be voted.

Please note that if a Shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their Instrument of Proxy and/or voting direction, prior to the deadline noted above. When resubmitting an Instrument of Proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last Instrument of Proxy is submitted by the deadline noted above.

The Shares represented by your Instrument of Proxy will be voted or withheld from voting in accordance with your instructions indicated on the Instrument of Proxy. Unless contrary instructions are provided, the Shares represented by proxies received by Management will be voted FOR each matter to be presented at the Meeting.

Beneficial Shareholders

I am a Non-Registered Shareholder. How do I vote?

Shareholders who hold their Shares through their nominee (brokers, intermediaries, trustees or other persons), or who otherwise do not hold their Shares in their own name are Non-Registered Shareholders and they should note that only proxies deposited by Registered Shareholders will be recognized and acted upon at the Meeting.

You should have received the Notice from your nominee, together with a voting instruction form. Please contact your nominee if you did not receive a voting instruction form. Each nominee has its own signing and return instructions, which you should follow carefully to ensure that your votes are tabulated. Your nominee is required to seek your instructions as to the manner in which to vote your Shares. If you do not complete a voting instruction form, your nominee cannot vote your Shares.

If Shares are listed in an account statement provided to a Non-Registered Shareholder by a broker, those Shares will, in all likelihood, not be registered in the Shareholder's name. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Shares are voted at the Meeting. The form supplied to a Non-Registered Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder. If you have any questions respecting the voting of Shares held through a broker or other intermediary, please contact that broker or nominee well in advance of the Meeting for assistance.

You can appoint a person other than the Directors or officers of AutoCanada named on the voting instruction form as your proxyholder. This person does not have to be a Shareholder. Indicate the name of the person you are appointing in the space provided on the voting instruction form and complete the remainder of the form in accordance with the instructions provided by your nominee.

I am a Non-Registered Shareholder. Can I vote in person?

Unless your nominee has appointed you as proxyholder, we have no record of your shareholdings or of your entitlement to vote. If you are a Non-Registered Shareholder and wish to vote in person at the Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend and vote at the Meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. The legal proxy form must then be submitted to Computershare and you must register with Computershare at <https://www.computershare.com/autocanada> in order to receive a Username.

PROXY INFORMATION

How are proxies solicited?

This solicitation is made on behalf of Management. Proxies are solicited primarily by mail or by any other means Management may deem necessary. Members of Management receive no additional compensation for these services, but are reimbursed for any expenses incurred by them in connection with these services.

In accordance with National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), arrangements may also be made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to Non-Registered Shareholders and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. However, the Company does not intend to pay for an intermediary to deliver solicitation materials to objecting Non-Registered Shareholders (as described in NI 54-101), including this Information Circular, and objecting Non-Registered Shareholders will not receive such materials unless their intermediary assumes the costs of delivery. Costs of solicitation of proxies are borne by the Company.

I have elected to vote by proxy. How are my voting rights exercised?

On the Instrument of Proxy, you have two choices: (a) you can indicate how you want your proxyholder to vote your Shares; or (b) you can let your proxyholder decide for you. If you have specified on the Instrument of Proxy how you want your Shares to be voted on a particular matter, then your proxyholder must vote your Shares accordingly in the case of either a vote by show of hands or a vote by ballot. If you have chosen to let your proxyholder decide for you, your proxyholder can then vote in accordance with his or her judgment.

The Shares represented by your Instrument of Proxy will be voted or withheld from voting in accordance with your instructions indicated on the Instrument of Proxy. Unless contrary instructions are provided, the Shares represented by proxies received by Management will be voted FOR each matter to be presented at the Meeting.

What if there are amendments to the resolutions or if other matters are brought before the Meeting?

The Instrument of Proxy delivered in connection with the Meeting gives the persons named the authority to use their discretion and judgment in voting on amendments or variations to matters identified in the Notice of Meeting or any other matter duly brought before the Meeting.

As of the date of this Information Circular, Management is not aware of any amendments to the matters set out in the Notice of Meeting or of other matters to be presented at the Meeting. However, if other matters duly come before the Meeting, the persons named on the enclosed Instrument of Proxy will vote on them in accordance with their judgment, pursuant to the discretionary authority conferred by the Instrument of Proxy with respect to such matters.

Can I revoke my proxy if I change my mind?

You can revoke your proxy at any time before it is exercised. To do this if you are a Registered Shareholder, you must deliver an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney thereof to Computershare not later than 1:00 p.m. (Eastern Time) on Tuesday, April 30, 2024, or to the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or in any other manner prescribed by law.

If you are a Non-Registered Shareholder who has voted and you want to change your mind or revoke your voting instructions, contact your nominee to obtain information on the procedure to follow, where possible.

If you are a Registered Shareholder and have already submitted an Instrument of Proxy and you plan to attend personally at the Meeting, you may revoke the proxy at the Meeting and vote in person.

Matters to be Acted Upon at the Meeting

BUSINESS OF THE MEETING

1. Consolidated Financial Statements

The consolidated financial statements of AutoCanada for the year ended December 31, 2023 and the auditor's report thereon have been delivered, either by mail or electronically, to all Registered Shareholders and also to Non-Registered Shareholders who requested such documents. These financial statements will be presented to the Shareholders at the Meeting and no vote is required with respect to this matter. The Directors have approved these financial statements. A copy of the audited consolidated financial statements can also be accessed electronically on the Company's profile at www.sedarplus.ca and on our website at www.autocan.ca.

2. Election of Directors

Management is not aware of any reason why any of the nominees named herein would be unable or unwilling to serve as a Director. However, if a nominee is not available to serve at the time of the Meeting, and unless otherwise specified (including by a Shareholder direction to withhold a vote), the persons designated in the Instrument of Proxy may vote in favour of a substitute nominee or nominees selected by the Board.

The following are the names of the proposed nominees for election as Directors:

1. Paul Antony
2. Stephen Carlisle
3. Rhonda English
4. Stephen Green
5. Christopher Harris
6. Barry James
7. Elias Olmeta

The Board has adopted a policy which requires that any nominee for election as a Director who receives a greater number of votes "withheld" than votes "for" his or her election as a Director shall submit his or her resignation to the Board for consideration forthwith following the Meeting. This policy applies only to uncontested elections, meaning elections where the number of nominees for Director is equal to the number of directors to be elected. The Board shall consider the resignation and determine whether or not to accept the resignation within 90 days of the applicable meeting and a news release will be issued by the Company announcing the Board's determination. Any Director who tenders his or her resignation will not participate in any meetings to consider whether the resignation is to be accepted.

At our annual and special meeting of Shareholders on May 8, 2015, Shareholders approved and adopted By-Law No. 2 (Advance Notice By-Law) which sets out the framework for advance notice of nominations of Directors by Shareholders. If a Shareholder wishes to nominate someone for election, nominations must comply with the procedures set out in By-Law No. 2. A copy of By-Law No. 2 was filed on www.sedarplus.ca on March 20, 2015 and is available under the "Investor Information" section of our website.

Detailed information about these nominees is contained in this Information Circular in the "Information Concerning the Director Nominees" section.

At the Meeting, it is proposed that Shareholders elect each of the nominees listed above to serve as a Director of AutoCanada and to hold such office until the earlier of our next annual meeting of Shareholders or until his or her successor is elected.

We recommend that you vote FOR the election of the nominees listed above. Unless otherwise instructed, the Management representatives designated in the enclosed Instrument of Proxy intend to vote FOR the election of those nominees.

3. Appointment of Independent Auditor

During the 14 previous financial years ended December 31, PricewaterhouseCoopers LLP has served as the auditor to AutoCanada, and previously to AutoCanada Income Fund, predecessor to the Company. Representatives of the auditor will be present at the Meeting and will be given the opportunity to speak and to answer any questions.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution to reappoint PricewaterhouseCoopers LLP to serve as the auditor of AutoCanada until the next annual meeting of Shareholders and to authorize the Directors to fix their remuneration.

Fees payable for the years ended December 31, 2023 and December 31, 2022 to PricewaterhouseCoopers LLP were \$1,408,571 and \$1,259,566, respectively, as detailed in the following table:

Fee category	2023	2022
Audit fees ⁽¹⁾	\$ 875,500	\$ 703,200
Audit-related fees ⁽²⁾	\$ 431,431	\$ 466,492
Tax fees ⁽³⁾	\$ 97,070	\$ 89,874
All other fees ⁽⁴⁾	\$ 4,570	\$ —
Total	\$ 1,408,571	\$ 1,259,566

(1) Audit fees include audit fees, system conversion, and acquisition related testing.

(2) Audit-related fees include fees for the review of the interim consolidated financial statements, securities offerings, other assurance review engagements, accounting analysis over various matters and other services in connection with regulatory filings.

(3) Tax fees consist of fees for tax compliance and tax consulting services.

(4) All other fees consist of fees for consulting services and research software subscription and publications.

We recommend that you vote FOR the reappointment of PricewaterhouseCoopers LLP as our auditor to hold office until the close of the next annual shareholders' meeting at remuneration to be fixed by the Board. Unless otherwise instructed, the management representatives designated in the enclosed proxy intend to vote FOR this reappointment.

Information Concerning the Director Nominees

The present term of office for each Director will expire immediately prior to the election of directors at the Meeting. It is proposed to nominate for election each of the seven persons whose names are set out below as a Director to serve until the next annual general meeting of Shareholders, or until their successors are duly elected or appointed unless his or her office is earlier vacated in accordance with the Company's by-laws. The following tables and the notes thereto set out the names of each of the persons proposed to be nominated by management for election as a Director, all positions and offices with the Company now held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected a Director, the number of securities of the Company that each has advised are beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of December 31, 2023 and whether a Director meets the share ownership guidelines as of December 31, 2023.



PAUL W. ANTONY

Age: 56

Ontario, Canada

Director since: 2018

Not Independent

Current occupation:

Executive Chair, AutoCanada Inc.
President & Chief Executive Officer, MAP Investco

Previous occupation:

Founder & Chair, Carproof Corporation

Board/Committee Membership as at December 31, 2023	2023 Attendance	2023 Attendance (Total)	Value of Total Compensation Earned in 2023 (\$)
Board (Executive Chair)	9 of 10 ⁽¹⁾	90%	N/A ⁽²⁾

Securities Held as at December 31						
Year	Shares (#)	DSUs ⁽³⁾ (#)	Stock Units (#)	Total Share, DSUs, and Stock Units (#)	Total Market Value of Shares, DSUs, and Stock Units (\$) ⁽⁴⁾	Share Ownership Multiplier ⁽⁵⁾
2023	814,800	706	—	815,506	18,675,087	16.3x
2022	714,800	706	—	715,506	16,678,445	Ownership guidelines met
2021	714,800	706	—	715,506	30,552,106	Ownership guidelines met

Other Reporting Issuer Board/Committee Memberships in the Past Five Years

<u>Company</u>	<u>Committee(s)/Positions</u>
None	

(1) Mr. Antony was recused from one Board meeting during 2023.

(2) Mr. Antony's compensation is addressed later in the Information Circular under "Compensation Discussion and Analysis" as he is an NEO (as defined below) and not remunerated in his capacity as a Director.

(3) A description of the terms of DSUs can be found under "Compensation of Directors – DSU Plan".

(4) Based on the closing share price on December 31 of the applicable year. The closing share price on December 31, 2023 was \$22.90 per common share.

(5) Calculated based on the average closing share price of AutoCanada's shares on the TSX for the 20 trading days preceding and including December 31, 2023. Mr. Antony is a NEO and subject to the share ownership guidelines for executives, as discussed further under "Executive Share Ownership".



STEPHEN K. CARLISLE

Age: 61

Ontario, Canada

Director since: N/A⁽²⁾

Independent

Current occupation:

Corporate Director

Previous occupation:

President, North America, General Motors
President, Cadillac

Board/Committee Membership as at December 31, 2023	2023 Attendance	2023 Attendance (Total)	Value of Total Compensation Earned in 2023 (\$)
Board	—	—	—

Securities Held as at December 31					
Year	Shares (#)	DSUs ⁽¹⁾ (#)	Total Share and DSUs (#)	Total Market Value of Shares and DSUs (\$)	Share Ownership Multiplier
2023	—	—	—	—	—
2022	—	—	—	—	—
2021	—	—	—	—	—

Other Reporting Issuer Board/Committee Memberships in the Past Five Years	
Company	Committee(s)/Positions
None	

(1) A description of the terms of DSUs can be found under "Compensation of Directors – DSU Plan".

(2) Director nominee for 2024.



RHONDA ENGLISH

Age: 61

Ontario, Canada

Director since: 2022

Independent

Current occupation:

Corporate Director

Previous occupation:

Chief Marketing Officer. CAA Club Group
Vice President, CAA Insurance Company

Board/Committee Membership as at December 31, 2023	2023 Attendance	2023 Attendance (Total)	Value of Total Compensation Earned in 2023 (\$)
Board	10 of 10	100%	
Audit Committee	4 of 4	100%	201,875
Human Resources Committee (Chair)	1 of 1	100%	

Securities Held as at December 31					
Year	Shares (#)	DSUs ⁽¹⁾ (#)	Total Share and DSUs (#)	Total Market Value of Shares and DSUs (\$) ⁽²⁾	Share Ownership Multiplier ⁽³⁾
2023	1,500	13,133	14,633	335,096	1.6x
2022	1,350	4,807	6,157	143,520	0.9x
2021	—	—	—	—	—

Other Reporting Issuer Board/Committee Memberships in the Past Five Years	
Company	Committee(s)/Positions
None	

(1) A description of the terms of DSUs can be found under "Compensation of Directors – DSU Plan".

(2) Based on the closing share price on December 31 of the applicable year. The closing share price on December 31, 2023 was \$22.90 per common share.

(3) Calculated based on the average closing share price of AutoCanada's shares on the TSX for the 20 trading days preceding and including December 31, 2023. Ms. English has until 2027 to meet the Share Ownership Multiplier.



STEPHEN GREEN

Age: 72

New York, USA

Director since: 2018

Independent

Current occupation:

Corporate Director

Previous occupation:

Executive Vice President of Legal and Corporate Secretary, IHS Markit Ltd.

Board/Committee Membership as at December 31, 2023	2023 Attendance	2023 Attendance (Total)	Value of Total Compensation Earned in 2023 (\$)
Board (Lead Independent Director)	10 of 10	100%	
Governance and Compensation Committee (Chair)	3 of 3	100%	245,000
Governance and Nominating Committee (Chair)	1 of 1	100%	

Securities Held as at December 31					
Year	Shares (#)	DSUs ⁽¹⁾ (#)	Total Share and DSUs (#)	Total Market Value of Shares and DSUs (\$) ⁽²⁾	Share Ownership Multiplier ⁽³⁾
2023	—	51,037	51,037	1,168,747	5.7x
2022	—	40,399	40,399	941,701	Ownership guidelines met
2021	—	32,223	32,223	1,375,922	

Other Reporting Issuer Board/Committee Memberships in the Past Five Years	
Company	Committee(s)/Positions
None	

(1) A description of the terms of DSUs can be found under "Compensation of Directors – DSU Plan".

(2) Based on the closing share price on December 31 of the applicable year. The closing share price on December 31, 2023 was \$22.90 per common share.

(3) Calculated based on the average closing share price of AutoCanada's shares on the TSX for the 20 trading days preceding and including December 31, 2023.



CHRISTOPHER HARRIS

Age: 41

Ontario, Canada

Director since: N/A⁽²⁾

Independent

Current occupation:

Partner, Imperial Capital

Previous occupation:

N/A

Board/Committee Membership as at December 31, 2023	2023 Attendance	2023 Attendance (Total)	Value of Total Compensation Earned in 2023 (\$)
Board	—	—	—

Securities Held as at December 31					
Year	Shares (#)	DSUs ⁽¹⁾ (#)	Total Share and DSUs (#)	Total Market Value of Shares and DSUs (\$)	Share Ownership Multiplier
2023	—	—	—	—	—
2022	—	—	—	—	—
2021	—	—	—	—	—

Other Reporting Issuer Board/Committee Memberships in the Past Five Years	
Company	Committee(s)/Positions
None	

(1) A description of the terms of DSUs can be found under "Compensation of Directors – DSU Plan".

(2) Director nominee for 2024.



BARRY L. JAMES

Age: 65

Alberta, Canada

Director since: 2014

Independent

Current occupation: President, Barry L. James Advisory Services Ltd.

Previous occupation: Managing Partner, PricewaterhouseCoopers LLP (Edmonton)

Board/Committee Membership as at December 31, 2023	2023 Attendance	2023 Attendance (Total)	Value of Total Compensation Earned in 2023 (\$)
Board	10 of 10	100%	
Audit Committee (Chair)	4 of 4	100%	216,875
Governance and Nominating Committee	1 of 1	100%	

Securities Held as at December 31

Year	Shares (#)	DSUs ⁽¹⁾ (#)	Total Share and DSUs (#)	Total Market Value of Shares and DSUs (\$) ⁽²⁾	Share Ownership Multiplier ⁽³⁾
2023	19,417	27,814	47,231	1,081,590	5.3x
2022	19,417	18,809	38,226	891,048	Ownership guidelines met
2021	17,867	15,897	33,764	1,441,723	

Other Reporting Issuer Board/Committee Memberships in the Past Five Years

Company	Committee(s)/Positions
Corus Entertainment Inc. (TSX)	Board Director, Audit Committee Chair

(1) A description of the terms of DSUs can be found under "Compensation of Directors – DSU Plan".

(2) Based on the closing share price on December 31 of the applicable year. The closing share price on December 31, 2023 was \$22.90 per common share.

(3) Calculated based on the average closing share price of AutoCanada's shares on the TSX for the 20 trading days preceding and including December 31, 2023.



ELIAS OLMETA

Age: 56

California, USA

Director since: 2018

Independent

Current occupation:

Corporate Director

Previous occupation:

Chief Financial Officer, Vistage Worldwide, Inc.

Executive Vice President and Chief Financial Officer, Mitchell International Inc.

Executive Consultant, Carproof Corporation

Senior Vice President of Corporate Development, Solera Holdings

Board/Committee Membership as at December 31, 2023	2023 Attendance	2023 Attendance(Total)	Value of Total Compensation Earned in 2023 (\$)		
Board	10 of 10	100%			
Audit Committee	4 of 4	100%	183,750		
Governance and Nominating Committee	1 of 1	100%			
Securities Held as at December 31					
Year	Shares (#)	DSUs ⁽¹⁾ (#)	Total Share and DSUs (#)	Total Market Value of Shares and DSUs (\$) ⁽²⁾	Share Ownership Multiplier ⁽³⁾
2023	—	42,104	42,104	964,182	4.7x
2022	—	33,778	33,778	787,365	Ownership guidelines met
2021	—	27,429	27,429	1,171,218	
Other Reporting Issuer Board/Committee Memberships in the Past Five Years					
Company	Committee(s)/Positions				
None					

(1) A description of the terms of DSUs can be found under "Compensation of Directors – DSU Plan".

(2) Based on the closing share price on December 31 of the applicable year. The closing share price on December 31, 2023 was \$22.90 per common share.

(3) Calculated based on the average closing share price of AutoCanada's shares on the TSX for the 20 trading days preceding and including December 31, 2023.

The selection process for new Director nominees is conducted by the Governance and Nominating Committee, as more particularly described in the Statement of Corporate Governance Practices in Appendix A, taking into account, consistent with the Company's Diversity Policy (as defined below), diversity, experience and skills, integrity and character, knowledge of the industry and/or general business knowledge, and independent and sound judgment. Set out below is a matrix of skills, experience and attributes for the proposed Directors, based on information provided by the proposed Directors. This matrix assists the Governance and Nominating Committee in ensuring that the Board's overall experience and expertise is well rounded and in determining the skill sets, attributes, and experience the Governance and Nominating Committee may seek when proposing new directors at the time of retirement or departure of incumbent directors.

Skills, Experience & Attributes	Paul Antony	Stephen Carlisle	Rhonda English	Stephen Green	Christopher Harris	Barry James	Elias Olmeta	Board
Technology/online digital expertise	X	X	X					X
Risk management expertise			X	X	X	X	X	X
Financial expertise			X		X	X	X	X
Marketing expertise	X	X	X			X		X
Human resources expertise	X			X		X	X	X
Operational expertise	X	X	X		X	X	X	X
Industry expertise	X	X	X					X
Legal/regulatory expertise				X		X		X
Mergers & acquisitions expertise		X		X	X	X	X	X
Investor relations expertise					X		X	X
Gender diversity			X					X
Race/ethnic diversity					X		X	X
Board tenure (years)	6	—	2	6	—	10	6	
Age (years)	56	61	61	72	41	65	56	

Cease Trade Orders

To the knowledge of the Directors and the executive officers of the Company, none of the proposed Directors is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For purpose of the foregoing, an "order" means (i) a cease trade order, (ii) an order similar to a cease trade order, or (iii) an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

Bankruptcies

To the knowledge of the Directors and officers of the Company, none of the proposed Directors of the Company (i) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

None of the proposed Directors or executive officers of the Company was subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Compensation Discussion and Analysis

Introduction

Under applicable securities laws, the Company is required to disclose certain financial and other information relating to the compensation of its NEOs. "NEO" is defined by securities legislation to mean: (i) the Chief Executive Officer (or such individual who acted in a similar capacity); (ii) the Chief Financial Officer (or such individual who acted in a similar capacity); (iii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a "NEO" under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of the most recently completed financial year.

The compensation discussion and analysis ("CD&A") is intended to provide Shareholders with an understanding of the Company's approach to compensation, including a description of the decisions and processes involved, the different components of the Company's program, what the Company paid NEOs for the financial year ended December 31, 2023, and why. The NEOs for the financial year ended December 31, 2023 were:

- Paul Antony, Executive Chair
- Azim Lalani, Chief Financial Officer
- Mike Borys, former Chief Financial Officer (Retired)
- Peter Hong, Chief Strategy Officer & General Counsel
- Jeff Thorpe, President, North American Operations
- Brian Feldman, Chief Operating Officer

Mr. Borys retired from the role of Chief Financial Officer on February 27, 2023 and was succeeded by Mr. Lalani, effective March 27, 2023. On September 25, 2023, Mr. Thorpe, who joined the Company as President, Canadian Operations on April 26, 2022, was promoted to President, North American Operations. In addition, Mr. Feldman, who joined the Company as Senior Vice President, Canadian Operations and Disruptive Technologies on April 25, 2022, was promoted to Chief Operating Officer of the Company on September 25, 2023.

Executive Compensation Philosophy

The Company recognizes the critical importance that a highly engaged leadership team plays in the creation of sustained shareholder value. Through its compensation programs, the Company is able to attract, motivate and retain the caliber of executives needed in a highly competitive marketplace. Generally, the Company's current executive compensation programs are designed to:

- attract and retain high caliber executives who can advance the Company's strategy in a competitive environment;
- motivate executives to act in the best interests of the shareholders and other key stakeholders through performance-based compensation;
- reward executives for demonstrated leadership and the achievement of strategic corporate objectives; and
- provide market competitive compensation for delivering on the Company's goals with increased compensation opportunity for exceptional results.

The executive compensation program for the senior executives of the Company takes into account the key objective of driving the ongoing growth, synergies and efficiencies in the Company's operations.

Risks Associated with the Company's Compensation Policies and Practices

The Human Resource Committee (previously the Governance and Compensation Committee) is responsible for reviewing the implications of risks associated with the Company's compensation policies and practices and reporting any identified risks that are reasonably likely to have a material adverse effect on the Company. The Human Resources Committee considers the balance between long-term objectives and short-term financial goals incorporated into the Company's executive compensation program and whether or not executives are potentially encouraged to expose the Company to inappropriate or excessive risk. The Company's executive compensation program has been structured similarly among all of the members of the Company's senior leadership team and the Board has the discretion to award incentives based on short-term and long-term objectives.

As at the date of this Information Circular, the Board has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. As stated above, risk management is a consideration of the Company when implementing its compensation policies, and the Board does not believe that the Company's compensation policies result in unnecessary or inappropriate risk-taking, including risks that are likely to have a material adverse effect on the Company.

Trading Policy

The Company maintains an insider trading policy (the "Trading Policy"). The Trading Policy specifically restricts any policy participant from purchasing financial instruments, including, for greater clarity, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in the market value of AutoCanada securities or share-based or option-based awards granted by AutoCanada as compensation or held, directly or indirectly, by the policy participant. In addition, subject to certain limited exceptions, the *Canada Business Corporations Act* prohibits a director or officer of AutoCanada or its subsidiaries or a person employed or retained by AutoCanada from knowingly selling securities of AutoCanada, directly or indirectly, where such person does not own or has not fully paid for the securities being sold or from knowingly selling a call or buying a put in respect of securities of AutoCanada.

Role and Composition of the Human Resources Committee

The Board has delegated to the Human Resources Committee (previously the Governance and Compensation Committee, which committee was split into the Governance and Nominating Committee and the Human Resources Committee in November 2023) responsibility for setting and implementing compensation policy for the Company's senior leadership team. The Human Resources Committee consists of three independent Directors. The Human Resources Committee is currently comprised of Rhonda English (Chair), Dennis DesRosiers, and Lee Matheson, all of whom are independent Directors of the Company within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*. The Human Resources Committee will be reconstituted following the Meeting. The Human Resources Committee has a formal mandate which is reviewed and, if required, updated annually.

Executive Compensation

The goal of the executive compensation framework is to achieve the objectives set out above under "Executive Compensation Philosophy".

To determine the appropriate compensation mix, the Human Resources Committee considers the short and long-term business objectives of the Company, the executive's ability to affect such objectives and the Company's results, together with appropriate market practices.

Annual Compensation Review Process

Each year, the Human Resources Committee reviews the total compensation for the Company's senior executives. The determination of base salary adjustments and incentive based awards for the senior executives begins with a review of the performance against applicable objectives. The Human Resources Committee also assesses the sustained individual performance and anticipated future potential of each senior executive and makes a recommendation to the Board in respect of any base salary adjustments and appropriate incentive awards.

Components of Executive Compensation

The components of the Company's compensation package for the senior executives, and the descriptions of the key attributes of the programs are outlined below.

Base Salary - Compensates senior executives for the leadership and specific skills needed to fulfill their responsibilities.

Incentive Compensation Plan - Rewards senior executives for their contribution to the achievement of annual financial and non-financial goals by providing performance-based bonuses and links the long term interests of executives and shareholders by rewarding executives for achieving the goals of the Company by awarding long-term equity-based incentives.

Base Salary

Individual executive salaries are typically set with a view towards offering market-competitive fixed compensation in order to attract and retain leaders with the appropriate skill sets. The Human Resources Committee makes an annual recommendation to the Board for the annual salaries of the senior officers, taking into consideration market comparators for the executive's position, the experience, knowledge and performance of the executive and the total compensation packages of the executives. There are no annual inflationary or automatic adjustments to executive salaries; however executive salaries will continue to be reviewed on an annual basis to ensure alignment with the market.

Incentive Compensation Plan

The Incentive Compensation Plan provides the senior executives with appropriate short-term and long-term incentives in connection with achieving performance-based goals and/or providing compensation that is linked to the long-term value of the equity of the Company.

The Incentive Compensation Plan achieves this through an annual cash bonus component and an equity incentive component. These two components of the Incentive Compensation Plan are referred to as the Short-Term Incentive Plan (the "STIP") and the Long-Term Incentive Plan (the "LTIP") and are described in further detail below.

Short-Term Incentive Plan - The STIP aims to enhance the link between pay and performance by aligning the financial, strategic and operational interests and motivations of the Company's senior executives with the annual financial, strategic and operational goals and objectives of the Company. It is designed to motivate Management to work toward common annual performance objectives while also acknowledging and rewarding individual goal achievement. The Human Resources Committee has the discretion under the STIP to determine the appropriate metrics, targets and/or objectives to be achieved. The Executive Chair does not participate in the STIP.

Long-Term Incentive Plan - The LTIP is designed to recognize and reward the impact of longer-term strategic actions undertaken by the senior executives and align the interests of the Company's senior executives and its shareholders. The program is designed to focus Management on successfully implementing the continuing strategic plan of the Company, improve retention of senior executives and attract talented individuals to the Company. In 2011, the Company established an equity-based incentive compensation plan referred to as the Share Unit Plan for Employees of AutoCanada or the "Share Unit Plan". The Share Unit Plan allows for the Human Resources Committee to grant share units, including restricted share units ("RSUs") and performance share units ("PSUs"), to employees of AutoCanada. RSUs vest over such periods as may be determined by the Human Resources Committee, with the awards to be paid in cash and/or Shares following vesting. PSUs vest over such periods and with performance criteria as may be determined by the Human Resources Committee, with the awards to be paid in cash and/or Shares following vesting. In 2018, the Company established the Phantom Stock Option Plan which allows for the grant of Share Appreciation Rights ("SARs") to employees and consultants of AutoCanada.

The Company has established a share purchase trust ("Trust") to purchase Shares from the market prior to vesting of RSUs, PSUs, DSUs, and SARs (the "Awards") in order to reduce the risk of share price appreciation between the time of the grant of the Awards and the time of settlement. Upon vesting, the Company will direct the Trust to settle the applicable Awards in Shares. RSUs, PSUs, and DSUs are entitled to accumulate dividends until they vest, if applicable. Additional RSUs and PSUs earned by executives as dividends (if declared) are awarded based on the amount of dividend per Share multiplied by the number of unvested RSUs and PSUs at the date the dividends are paid.

AutoCanada Amended and Restated Stock Option Plan

In 2009, the Company established the AutoCanada Option Plan ("Prior Option Plan"), which was amended and restated on November 9, 2022 (the "Amended and Restated Option Plan"). Further information on the changes made to the Prior Option Plan and a summary of the Amended and Restated Option Plan are below.

Pursuant to the Amended and Restated Option Plan, AutoCanada may issue up to and including 10% of its issued and outstanding Shares on the grant date (on a non-diluted basis) as Options. The aggregate number of Shares reserved for issuance to insiders pursuant to Options or other security-based compensation arrangements of AutoCanada shall not exceed 10% of the total number of Shares then outstanding at the time of grant and the aggregate number of Shares reserved for issuance to any one person shall not at any time exceed 5% of the total number of Shares then outstanding. The issuance of Shares to insiders of AutoCanada pursuant to Options or any other security based compensation arrangements shall not exceed more than 10% of the total number of Shares outstanding within a one year period and the issuance of Shares to any one insider and such insider's associates shall not exceed more than 5% of the total number of Shares outstanding within a one-year period. The Amended and Restated Option Plan is considered an "evergreen" plan, since the Shares covered by Options which have been exercised shall be available for subsequent grants under the Plan and the number of Options available to grant increases as the number of issued and outstanding Shares increases.

Pursuant to the Amended and Restated Option Plan, the Board shall make all necessary or desirable determinations regarding the granting of Options to our officers, employees and consultants ("Participants") and may take into consideration the present and potential contributions of a particular Participant to the success of AutoCanada and any other factors which it may deem proper and relevant. The exercise price of each Option is determined by the Board and shall not be lower than the closing price of the Shares on the TSX immediately preceding the date of grant.

Subject to earlier termination as described below, each Option and all rights thereunder granted pursuant to the Amended and Restated Option Plan shall expire on the date determined by the Board, provided that the duration of an Option shall not be less than one year or exceed 10 years. Unless otherwise specified by the Board, Options will vest as to 1/3 after each of the first, second and third anniversaries of the grant of the Option.

Vested Options may be exercised no later than 120 days following the date a person ceases to be an eligible Participant, unless (i) such person ceases to be an eligible Participant due to termination of employment for cause or due to the breach, expiry or termination of a consulting agreement, in which case no Options may be exercised following the date of termination or (ii) the Board exercises its discretion under the Clawback Policy, described under the "Clawback Policy" on page 30, by cancelling or adjusting the number of Options. If the cessation of office, employment or consulting arrangement is by reason of death, vested Options may be exercised by the successors of the deceased within a maximum period of 120 days following such death, unless extended by the Board to a maximum of one year in total, subject to the expiry date of such Option. Where the Option expires or is deemed to expire during a black-out period (as determined by the policies of AutoCanada) or within 10 business days from the date that any black-out period ends, the Option shall not be deemed to expire until the day that is 10 business days from the last day of the black-out period. Options are non-transferable except to the extent the rights of a Participant pass to another person upon death by will or pursuant to the laws of descent and distribution.

The Amended and Restated Option Plan provides Participants with a cashless exercise right in lieu of requiring Participants to pay the exercise price in cash in order to exercise each vested and exercisable Option. A Participant may choose to surrender to the Company unexercised Options that are vested and receive an amount of shares equal to (i) the "in-the-money" amount of the Option, less any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of the cashless exercise, divided by (ii) the market price of one Share determined as of the date of delivery of the written notice referred to in applicable Option agreement.

A Participant who proceeds with a cashless exercise as set out above may instead elect to pay to the Company the applicable withholding taxes in connection with a Cashless Exercise.

The Board may in its discretion amend the Amended and Restated Option Plan and may amend the terms and conditions of Options granted pursuant to the Amended and Restated Option Plan, without Shareholder approval. Without limiting the generality of the foregoing and assuming the Option Plan Amendments Requiring Approval are approved by the Shareholders, the Board may amend the Amended and Restated Option Plan without Shareholder approval if the amendment:

- is for the purpose of curing any ambiguity, error or omission in the Amended and Restated Option Plan or to correct or supplement any provision of the Amended and Restated Option Plan that is inconsistent with any other provision of the Amended and Restated Option Plan;
- is necessary to comply with applicable law or the requirements of any stock exchange on which the Shares are listed;
- is an amendment to the Amended and Restated Option Plan respecting administration and eligibility for participation under the Amended and Restated Option Plan (other than an amendment that would allow the participation in the Amended and Restated Option Plan by non-employee directors of the Company);
- changes the terms and conditions on which Options may be granted pursuant to the Amended and Restated Option Plan including the provisions relating to vesting provisions and the period during which an Option may be exercised or changes the provisions on transferability of Options for normal estate settlement purposes;
- changes the termination provisions of an Option or the Amended and Restated Option Plan which does not entail an extension beyond the original expiry date;
- is an amendment of the cashless exercise feature, payable in cash or securities which provides for a full deduction of the number of underlying securities from the Amended and Restated Option Plan; or
- is an amendment to the Amended and Restated Option Plan of a "housekeeping nature";
- provided that the amendment does not, without Shareholder approval,: (i) change the number of Shares issuable under the Amended and Restated Option Plan, (ii) add any form of financial assistance by the Company for the exercise of any Option, (iii) change the class of eligible Participants to the Amended and Restated Option Plan which would have the potential of broadening or increasing participation by insiders of the Company or allowing participation in the Amended and Restated Option Plan by non-employee directors, (iv) reduce the exercise price of Options granted pursuant to the Amended and Restated Option Plan, (v) extend the period during which an Option may be exercised pursuant to the Amended and Restated Option Plan, (vi) permit Options to be transferred or assigned other than for normal estate settlement purposes, or (vii) amend the amendment provisions of the Amended and Restated Option Plan.

One-time grants of Options were made in 2018 to Messrs. Antony and Hong, in 2019 to Mr. Borys, in 2021 to various Vice-Presidents, and in 2022 to Mr. Lalani. See "Outstanding Share Based Awards" for more details.

The following table sets forth the annual burn rate, calculated in accordance with the rules of the TSX, in respect of the Company's equity based compensation plans for each of the three most recently completed financial years:

	2023 Burn rate ⁽¹⁾	2022 Burn rate ⁽¹⁾	2021 Burn rate ⁽¹⁾
Stock Option Plan	—%	0.38%	1.26%

⁽¹⁾ The annual gross burn rate is calculated as follows and expressed as a percentage:

$$\frac{\text{Number of securities granted under the arrangement during the applicable fiscal year}}{\text{weighted average number of securities outstanding for the applicable fiscal year}}$$

Executive Share Ownership

We require certain of our executives, including, but limited to our Executive Chair, our President, North American Operations, our Chief Financial Officer, our Chief Strategy Officer & General Counsel, our Chief Operating Officer, and our Chief Administrative and Transformation Officer to own equity in AutoCanada so they have a vested interest in our future success and to align their interests with our shareholders. Executive share ownership guidelines increase by level of executive. Executives must meet their minimum requirement within five years of being appointed to their position and it is expected that they maintain compliance while in the position. AutoCanada common shares held, directly or indirectly, and any RSUs and DSUs held are considered part of the total equity ownership by an executive. Both of Mr. Antony and Mr. Hong meet and exceed their applicable executive share ownership guidelines; Mr. Thorpe and Mr. Lalani, who have each joined the Company in the last two years, have until 2027 and 2028, respectively, to meet their applicable share ownership guidelines. We assess compliance annually, using the ownership level on December 31, multiplied by the average closing price of the Company's shares on the TSX for the 20 trading days preceding and including December 31. The table below shows the share ownership details for each executive for which the share ownership guidelines apply as at December 31, 2023. We used their annual base salary as at December 31, 2023 and \$20.03, the average closing price of the Company's shares on the TSX for the 20 trading days preceding and including December 31, 2023, to determine compliance as of December 31, 2023 and the market value of their shareholdings.

Name	Share ownership guideline ⁽¹⁾	Annual base salary	Common shares held	DSUs / RSUs Outstanding	Total equity ownership	Market value of equity ownership	Meets ownership guideline ⁽¹⁾	Ownership year requirement
Paul Antony	5.0 x	1,000,000	814,800	706	815,506	16,334,585	Yes 16.3 x	—
Azim Lalani	3.0 x	475,000	—	14,835	14,835	297,145	— 0.6 x	2028
Peter Hong	3.0 x	700,000	22,694	110,954	133,648	2,676,969	Yes 3.8 x	—
Jeff Thorpe	3.0 x	775,000	—	—	—	—	— — x	2027
Brian Feldman	3.0 x	550,000	—	—	—	—	— — x	2028

(1) As a multiple of annual base salary

The Human Resources Committee may determine that an executive who does not comply with the share ownership guidelines should not receive future awards under the LTIP.

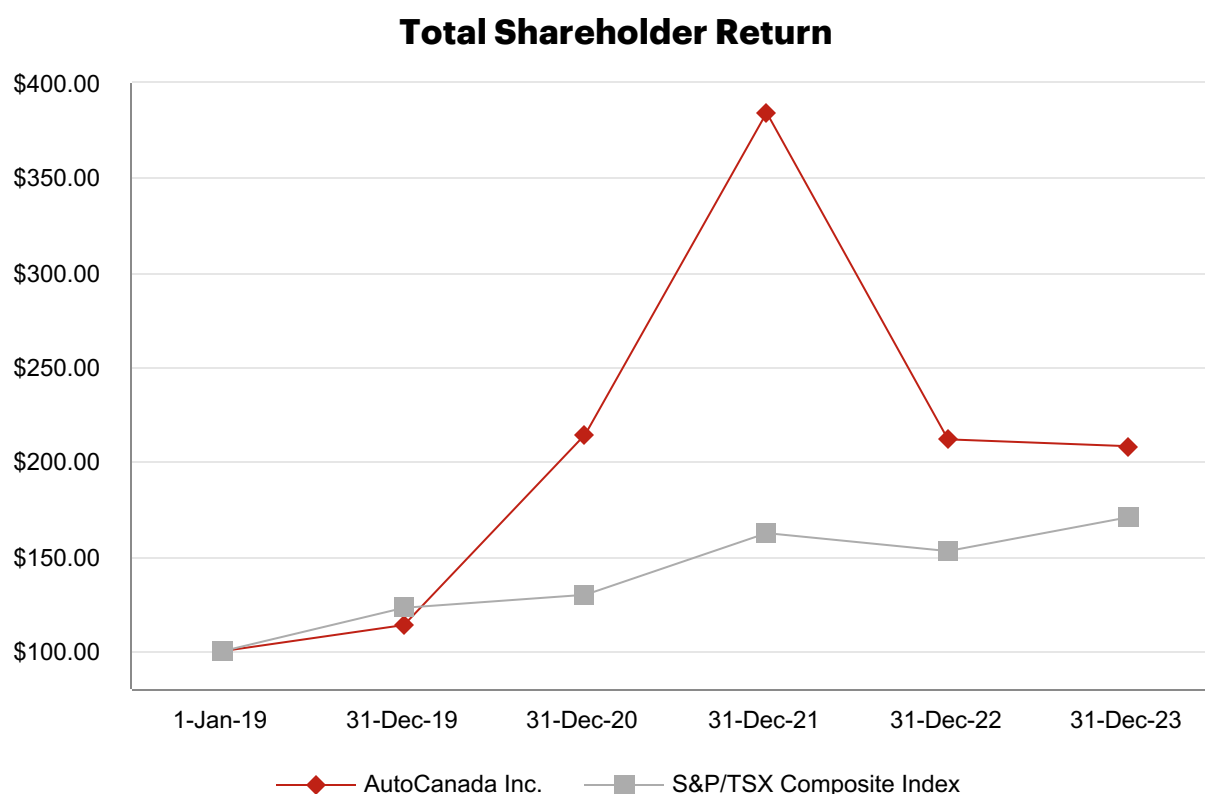
The Human Resources Committee has the discretion to enforce the share ownership guidelines on a case-by-case basis. The Human Resources Committee will evaluate whether waivers or exceptions from the share ownership guidelines should be made in the case of any executive who, due to their unique personal circumstances, would incur a hardship by complying with the share ownership guidelines.

Clawback Policy

In support of the Company's pay-for-performance compensation practices, the Company has adopted a clawback policy (the "Clawback Policy") applicable to incentive compensation paid, awarded or granted to executive officers in the event of a restatement of the financial statements of the Company or in connection with misconduct. The Clawback Policy also gives the Board discretion to claw back share-based compensation from any participant in any of the Company's equity-based compensation arrangements to the extent that such participant has engaged in misconduct. The Clawback Policy has a three year look-back period and applies to incentive compensation paid, awarded or granted following the adoption of the Clawback Policy.

Performance Graph

The Board recognizes that in a cyclical industry such as the retail automotive industry, AutoCanada's focus is on long-term shareholder value growth. The following chart compares the cumulative total shareholder return, including the reinvestment of distributions, from January 1, 2019 to the end of the most recently completed financial year on December 31, 2023 for \$100 invested in Shares with the cumulative total return from the S&P/TSX Composite Index (Total Return).



<i>Performance Graph Values</i>	1-Jan-19	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
AutoCanada Inc.	\$100.00	\$113.79	\$214.50	\$384.34	\$211.83	\$208.19
S&P/TSX Composite Index	\$100.00	122.88	\$129.76	\$162.32	\$152.83	\$170.79

<i>Actual Values</i>	1-Jan-19	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
AutoCanada Inc.	\$11.35	\$12.39	\$23.61	\$42.70	\$23.31	\$22.90
S&P/TSX Composite Index	\$14,322.86	\$17,063.43	\$17,433.36	\$21,222.84	\$19,384.92	\$20,958.44

Compensation Table for Named Executive Officers

The table below summarizes the compensation earned in respect of the last three fiscal years by the NEOs.

Name and Principal Position	Year	Base Salary (\$)	Share-Based Awards ⁽³⁾ (\$)	Option-Based Awards ⁽⁴⁾ (\$)	Non-Equity Compensation		All Other Comp. ^{(5) (6) (7)} (\$)	Total Comp. (\$)
					Short-Term Incentive Plans (\$)	Long-Term Incentive Plans (\$)		
Paul Antony ⁽⁶⁾ Executive Chair	2023	1,000,000	—	—	—	—	24,469	1,024,469
	2022	1,000,000	—	—	—	—	412,383	1,412,383
	2021	1,000,000	—	—	—	—	241,542	1,241,542
Azim Lalani Chief Financial Officer	2023	365,466	237,500	—	291,507	—	279,694	1,174,167
	2022	—	—	—	—	—	—	—
	2021	—	—	—	—	—	—	—
Mike Borys ⁽²⁾ Former Chief Financial Officer	2023	75,000	—	—	—	—	133,921	208,921
	2022	450,000	225,000	—	212,370	—	28,872	916,242
	2021	450,000	225,012	—	540,000	—	36,881	1,251,893
Peter Hong Chief Strategy Officer & General Counsel	2023	700,000	350,000	—	560,000	—	13,379	1,623,379
	2022	700,000	350,000	—	560,000	—	19,191	1,629,191
	2021	700,000	350,003	—	840,000	—	21,692	1,911,695
Jeff Thorpe ⁽¹⁾ President, North American Operations	2023	775,000	—	—	775,000	—	72,029	1,622,029
	2022	528,699	—	4,482,000	528,699	—	383,289	5,922,687
	2021	—	—	—	—	—	—	—
Brian Feldman ⁽⁷⁾ Chief Operating Officer	2023	550,000	—	—	550,000	—	115,362	1,215,362
	2022	388,303	—	4,108,500	388,303	—	285,074	5,170,180
	2021	—	—	—	—	—	—	—

- (1) Mr. Thorpe was promoted to President, North American Operations effective September 25, 2023; prior thereto he was the President, Canadian Operations since April 26, 2022.
- (2) Mr. Borys was appointed Chief Financial Officer effective August 12, 2019. On February 27, 2023, Mr. Borys retired from the role of Chief Financial Officer. Mr. Borys was paid for transition services from February 27, 2023 to March 27, 2023 in connection with his retirement from the role of Chief Financial Officer.
- (3) Includes RSUs granted under the Share Unit Plan. The fair value of the RSUs at grant date is calculated based on the average closing trading price of the Shares on the TSX during the immediately preceding seven trading days prior to the grant date.
- (4) The fair value of Option-Based Awards at grant date is determined using either the Black Scholes Model or a Monte Carlo Simulation in the case of options where vesting is conditional on the market price of Shares reaching certain thresholds. For details of the option grants see "Outstanding Option-Based Awards" below.
- (5) Includes amounts paid on account of healthcare plans and the taxable benefit related to the usage of Company vehicles. In the applicable year of hire, also includes signing bonus and moving expenses in certain cases.
- (6) With respect to Mr. Antony in 2021 and 2022, includes changes in the fair value of the 15% partnership interest issued on December 1, 2020 under the Digital Plan.
- (7) Mr. Feldman was promoted to Chief Operating Officer of the Company effective September 25, 2023; prior thereto, he was the Senior Vice President, Canadian Operations and Disruptive Technologies since April 25, 2022. Mr. Feldman's compensation arrangement is stated in Canadian dollars but settled in U.S. dollars.

The table below summarizes the Share-Based Awards granted under the Share Unit Plan to the NEOs in the last three fiscal years.

NEO	Fiscal Year of Award	Grant Date	RSUs Granted⁽²⁾ (#)	Market Value of AutoCanada Inc. Shares⁽¹⁾ (\$)	Share- Based Awards (\$)
Paul Antony	2023	N/A	—	—	—
	2022	N/A	—	—	—
	2021	N/A	—	—	—
Azim Lalani	2023	17-May-23	14,835	16.01	237,500
	2022	N/A	—	—	—
	2021	N/A	—	—	—
Mike Borys	2023	N/A	—	—	—
	2022	16-Mar-22	7,392	30.44	225,000
	2021	16-Mar-21	6,587	34.16	225,012
Peter Hong	2023	17-May-23	21,862	16.01	350,000
	2022	16-Mar-22	11,499	30.44	350,000
	2021	16-Mar-21	10,246	34.16	350,003
Jeff Thorpe	2023	N/A	—	—	—
	2022	N/A	—	—	—
	2021	N/A	—	—	—
Brian Feldman	2023	N/A	—	—	—
	2022	N/A	—	—	—
	2021	N/A	—	—	—

(1) Value is calculated based on the average closing trading price of the Shares on the TSX during the immediately preceding seven trading days prior to the grant date.

(2) RSUs granted to each of Mr. Lalani in 2023 and Mr. Hong in 2021, 2022, and 2023, vest on a schedule of 20% on December 31 of the year of grant, 20% on December 31 of the second year after the year of grant, and 60% on December 31 of the third year after the year of grant.

The table below summarizes the Option-Based Awards granted under both the Stock Option Plan and the Phantom Stock Option Plan to the NEOs in the last three fiscal years.

NEO	Fiscal Year Of Award	Grant Date	Option-Based Awards Granted (#)	Fair Value of Option-Based Award per unit⁽¹⁾ (\$)	Option-Based Awards (\$)
Paul Antony	2023	N/A	—	—	—
	2022	N/A	—	—	—
	2021	N/A	—	—	—
Azim Lalani	2023	N/A	—	—	—
	2022	22-Dec-22	100,000 ^{(2),(4)}	12.66	1,266,000
	2021	N/A	—	—	—
Mike Borys	2023	N/A	—	—	—
	2022	N/A	—	—	—
	2021	N/A	—	—	—
Peter Hong	2023	N/A	—	—	—
	2022	N/A	—	—	—
	2021	N/A	—	—	—
Jeff Thorpe	2023	N/A	—	—	—
	2022	22-Aug-22	300,000 ^{(3),(4)}	14.94	4,482,000
	2021	N/A	—	—	—
Brian Feldman	2023	N/A	—	—	—
	2022	22-Aug-22	275,000 ^{(3),(4)}	14.94	4,108,500
	2021	N/A	—	—	—

(1) The fair value of Option-Based Awards at grant date is determined using either the Black Scholes Model or a Monte Carlo Simulation in the case of options where vesting is conditional on the market price of Shares reaching certain thresholds.

(2) Options were granted on appointment of Mr. Lalani to the role of Chief Financial Officer on December 22, 2022 prior to commencement of Mr. Lalani's employment on March 27, 2023 at an exercise price of \$22.63 with a term of 6 years.

(3) SARs granted under the Phantom Stock Option Plan at an exercise price of \$31.26 with a term of 6 years.

(4) The awards vest at 20% on the third anniversary of grant, 30% vesting on the later of (a) the third anniversary of grant and (b) the volume weighted average price of the Shares on the TSX for five trading days equaling or exceeding 1.5x the exercise price, 20% on the fourth anniversary of grant, and 30% on the later of (a) the fourth anniversary of grant and (b) the volume weighted average price of the Shares on the TSX for five trading days equaling or exceeding 2x the exercise price.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth information in respect of all Option-Based Awards and Share-Based Awards outstanding at the end of the financial year ended December 31, 2023 to the NEOs.

NEO	Option-Based Awards				Share-Based Awards		
	Number of shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of share-based awards that have not vested (#)	Market value of share-based awards that have not vested ⁽¹⁾ (\$)	Market value of vested share-based awards not paid out or distributed (\$)
Paul Antony ⁽²⁾	1,000,000	10.05	August 14, 2028	12,850,000	—	—	16,167
Azim Lalani	100,000	22.63	December 22, 2028	27,000	14,835	339,722	—
Mike Borys	—	—	—	—	—	—	—
Peter Hong	500,000	10.05	August 14, 2028	6,425,000	37,211	852,132	1,688,715
Jeff Thorpe	300,000	31.26	August 22, 2028	—	—	—	—
Brian Feldman	275,000	31.26	August 22, 2028	—	—	—	—

(1) Market value for RSUs is calculated based on the closing price of the Shares on the TSX on December 31, 2023 of \$22.90 per share.

(2) Mr. Antony held 706 DSUs that were granted prior to his appointment as Executive Chair; these DSUs are included in Share-Based Awards.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information relating to the value vested or earned during the Company's financial year ended December 31, 2023 in respect of share-based awards and non-equity incentive plan compensation for NEOs.

NEO	Option-Based Awards - Value vested during the year (\$)	Share-Based Awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Paul Antony ⁽¹⁾	—	28,950,000	—
Azim Lalani	—	67,944	291,507
Mike Borys	—	—	—
Peter Hong	—	293,578	560,000
Jeff Thorpe	—	—	775,000
Brian Feldman	—	—	550,000

(1) On December 27, 2023, the Company purchased the 15% interest in the partnership that holds the Used Digital Division (the "Partnership") issued on December 1, 2020, from MAP Equity Investco Inc. ("MAP"), a company controlled by Mr. Antony, for aggregate purchase consideration of \$30,000,000 consisting of \$22,500,000 in cash and \$7,500,000 in stock units. The agreement requires \$7,500,000 of the cash purchase consideration to be paid to MAP by January 31, 2024 and the remaining \$15,000,000 of the cash purchase consideration to be used by MAP to purchase the Company's common shares within a two-year period from the closing date. The shares purchased by MAP may not be disposed of by MAP until the earlier of a two-year period or market price conditions. The number of stock units granted is determined based on the grant value divided by the weighted average share price of the Company's shares for the seven days after the closing date of the purchase of the 15% interest in the Partnership. For the year ended December 31, 2023, no cash purchase consideration was paid and no stock units were granted to MAP.

The STIP awards to Messrs. Lalani, Hong, Thorpe, and Feldman for 2023 were based on the assessment by the Human Resources Committee and the Board of Directors of the financial performance of the Company and the achievement of strategic objectives during 2023. After the fiscal year is completed, management reviews the Company's financial results and, where appropriate, presents to the Human Resources Committee matters affecting earnings that were not part of the budget and that may require adjustment. The financial performance of each of the Canadian Operations and the U.S. Operations is assessed against established performance targets. The assessment of individual performance is based on the achievement of established individual strategic objectives that are aligned with the Company's business strategy.

Based on these assessments, Messrs. Lalani, Hong, Thorpe, and Feldman are assigned an individual performance multiplier by the Governance and Compensation Committee. The individual performance multiplier is applied to the established target STIP award. The STIP awarded to Messrs. Lalani and Hong is based on a target of 80% of annual base salary and based on criteria approved by the Board, on recommendations of the Human Resources Committee. The STIP awarded to Messrs. Thorpe and Feldman is based on a target of 100% of annual base salary and based on criteria approved by the Board, on recommendations of the Human Resources Committee. The LTIP awards, in the form of RSU awards, to Messrs. Lalani and Hong for 2023 were time-based, vesting over three years, in order to provide incentives tied to the value of the Shares and to facilitate executive retention.

Termination of Employment, Change of Control and Employment Contracts

Paul Antony, Executive Chair. The employment agreement with Mr. Antony is for an indefinite term. The employment agreement provides that in the event we terminate the employment of Mr. Antony without cause, Mr. Antony will be entitled to a lump sum payment equal to two times annual base salary. This payment is not applicable if Mr. Antony is terminated as a result of the President assuming the role of Chief Executive Officer. In the event of termination without cause or resignation for good reason in connection with a change of control of the Company, Mr. Antony will be entitled to a lump sum payment equal to two times the annual base salary, and the vesting of all options and LTIP awards will accelerate. In connection with the additional responsibility of overseeing the Used Digital Division, MAP Equity Investco Inc. ("MAP"), a firm controlled by Mr. Antony, was granted incentive compensation under the Digital Plan on December 1, 2020 in the form of a limited partner interest representing 15% of the common equity interests in the limited partnership established to hold the Division. On December 27, 2023, the Company purchased the 15% interest in the Partnership from MAP for consideration consisting of cash, of which a portion is to be used by MAP to purchase the Company's common shares within a two-year period from the closing date, and stock units. In the event of a change of control of the Company, the vesting of all stock units will accelerate.

Azim Lalani, Chief Financial Officer. The employment agreement with Mr. Lalani is for an indefinite term. The employment agreement provides that in the event we terminate the employment of Mr. Lalani without cause, Mr. Lalani will be entitled to a lump sum payment equal to two times the aggregate of annual base salary plus the STIP target amount and the LTIP target amount, plus the pro-rated STIP target amount and the LTIP target amount for the year of termination. In the event of termination without cause or resignation for good reason in connection with a change of control of the Company, Mr. Lalani will be entitled to a lump sum payment equal to two times the aggregate of annual base salary plus the STIP target amount and the LTIP target amount, plus the pro-rated STIP target amount and the LTIP target amount for the year of termination, and the vesting of all options and LTIP awards will accelerate.

Mike Borys, Former Chief Financial Officer. Mr. Borys retired from the role of Chief Financial Officer on February 27, 2023 and provided transition services under a consulting agreement from February 27, 2023 to March 27, 2023. The consulting agreement provided that in the event we terminated the agreement, Mr. Borys would be entitled to payment of any fees that are owing under the agreement up to the date of termination.

Peter Hong, Chief Strategy Officer & General Counsel. The employment agreement with Mr. Hong is for an indefinite term. The employment agreement provides that in the event we terminate the employment of Mr. Hong without cause, Mr. Hong will be entitled to a lump sum payment equal to two times the aggregate of annual base salary plus the STIP target amount and the LTIP target amount. In the event of termination without cause or resignation for good reason in connection with a change of control of the Company, Mr. Hong will be entitled to a lump sum payment equal to two times the aggregate of annual base salary plus the LTIP target amount and the STIP target amount, and the vesting of all options and LTIP awards will accelerate.

Jeff Thorpe, President North American Operations. The employment agreement with Mr. Thorpe is for an indefinite term. The employment agreement provides that in the event we terminate the employment of Mr. Thorpe without cause, Mr. Thorpe will be entitled to a lump sum payment equal to two times the aggregate of annual base salary plus two times the STIP target amount plus the pro-rated STIP target amount for the year of termination. In the event of termination without cause or resignation for good reason in connection with a change of control of the Company, Mr. Thorpe will be entitled to two times the annual base salary plus two times the STIP target amount and the pro-rated STIP target amount for the year of termination, and the time-based vesting of all share-based awards will accelerate.

Brian Feldman, Chief Operating Officer. The employment agreement with Mr. Feldman is for an indefinite term. The employment agreement provides that in the event we terminate the employment of Mr. Feldman without cause, Mr. Feldman will be entitled to a lump sum payment equal to two times the aggregate of annual base salary plus two times the STIP target amount plus the pro-rated STIP target amount for the year of termination. In the event of termination without cause or resignation for good reason in connection with a change of control of the Company, Mr. Feldman will be entitled to two times the annual base salary plus two times the STIP target amount and the pro-rated STIP target amount for the year of termination, and the time-based vesting of all share-based awards will accelerate.

The following table summarizes the payments that would be received by each NEO in each circumstance where the NEO ceases to be employed by AutoCanada on December 31, 2023. The amounts shown in the table are calculated based on positions held, and the terms applicable, as at December 31, 2023.

Name	Termination for Cause (\$)	Termination Other than for Cause (\$)	Change of Control (\$)	Retirement or Disability (\$)	Resignation (\$)	Death (\$)
Paul Antony						
Lump-sum Payment	—	2,000,000	2,000,000	—	—	—
Accelerated RSU Vesting ⁽¹⁾	—	—	—	—	—	—
Stock units ⁽²⁾	—	—	—	—	—	—
Stock options ⁽³⁾	—	—	—	—	—	—
Total	—	2,000,000	2,000,000	—	—	—
Azim Lalani						
Lump-sum Payment	—	1,620,000	1,620,000	—	—	—
Accelerated RSU Vesting ⁽¹⁾	—	339,722	339,722	—	—	339,722
Stock options ⁽³⁾	—	—	—	—	—	—
Total	—	1,959,722	1,959,722	—	—	339,722
Peter Hong						
Lump-sum Payment	—	3,220,000	3,220,000	—	—	—
Accelerated RSU Vesting ⁽¹⁾	—	852,132	852,132	—	—	852,132
Stock options ⁽³⁾	—	—	—	—	—	—
Total	—	4,072,132	4,072,132	—	—	852,132
Jeff Thorpe						
Lump-sum Payment ⁽⁴⁾	—	3,100,000	3,100,000	—	—	—
SARs ⁽⁵⁾	—	—	—	—	—	—
Total	—	3,100,000	3,100,000	—	—	—
Brian Feldman						
Lump-sum Payment ⁽⁴⁾	—	2,200,000	2,200,000	—	—	—
SARs ⁽⁶⁾	—	—	—	—	—	—
Total	—	2,200,000	2,200,000	—	—	—

(1) The Share Unit Plan provides that upon death, all unvested awards will immediately vest.

(2) For the year ended December 31, 2023, no stock units were granted to Mr. Antony.

(3) The Stock Option Plan provides that a participant shall have 120 days to exercise any vested options in the case of termination without cause, retirement, resignation or death or disability. The employment agreements for Messrs. Antony, Lalani, and Hong provide that all unvested options will accelerate in the event of a change in control. The above amounts are calculated based on the closing price of Shares on December 31, 2023 of \$22.90 and assumes that all vested options will be exercised.

(4) The employment agreement for Messrs. Thorpe and Feldman provide that if a change of control occurs, each are entitled to a lump sum payment equal to two times the annual base salary plus two times the STIP target amount and the pro-rated STIP target amount for the year of termination, and the time-based vesting of all equity based incentive awards will accelerate.

(5) The employment agreement for Messrs. Thorpe and Feldman provide that in the case of termination other than for cause, the time based vesting of equity based incentive awards will be partially accelerated on a pro rata basis, based on the period from the grant of the options to the date of termination compared to the applicable time-based vesting period.

Except as described above, there is no compensatory plan, contract or arrangement where a NEO is entitled to receive any payment from us or our subsidiaries, including periodic payments or installments, in the event of the resignation, retirement or any other termination of the NEO's employment, a change of control of us or any of our subsidiaries or a change in the NEO's responsibilities following a change in control.

Compensation of Directors

Director Compensation

Each Director who is independent, as independence is defined in National Instrument 52-110 – *Audit Committees*, is compensated by way of an annual cash retainer fee, an annual fee for serving as Lead Director or chair of a committee, and an annual equity retainer fee, all as set forth in the following table:

Position/Description	Compensation per Director	Frequency
Board Director Cash Retainer Fee	\$80,000	per year
Lead Independent Director	\$30,000	per year
Committee Chair	\$20,000	per year
Committee Member (non-Chair)	\$7,500	per year ⁽¹⁾
Equity Retainer	\$100,000	per year

(1) The Committee member fee only came into effect in November 2023.

The equity retainer is paid in the form of DSUs. Each Director may also elect to receive up to 100% of their cash retainer in the form of DSUs. The Board believes that providing Directors with an equity retainer in the form of DSUs, coupled with the option to receive up to 100% of their cash fees in the form of DSUs, with DSUs not being redeemable until retirement or death, promotes alignment with the interests of AutoCanada's shareholders. An ad hoc committee of the Board was also formed in August 2023, comprised of four independent directors, Stephen Green, Barry James, Rhonda English and Lee Matheson, each of whom was paid a one-time retainer of \$15,000 for his or her membership.

The compensation of Directors was changed in November 2021. Recognizing that the Director compensation package had remained unchanged since 2016 and no peer benchmark analysis had been undertaken in the past five years, the Governance and Compensation Committee requested that a director compensation benchmarking review be conducted in January 2021, with the results of such peer benchmark having been presented and discussed at a number of subsequent meetings of the committee. The following factors were taken into consideration by the Governance and Compensation Committee: (i) contributions, responsibilities, risks and time commitment of the Independent Directors; (ii) compensation alignment with shareholder interests; (iii) compensation provided by comparative companies; and (iv) simplicity. Following a unanimous recommendation from the Governance and Nominating Committee to the Board, the Board approved the following new compensation to Independent Directors as set out in the table above with effect as of November 9, 2021. In November 2023, upon the split of the Governance and Compensation Committee into the Governance and Nominating Committee and the Human Resources Committee, the compensation of Directors was further revised by the Board to add an annual fee to each member of a committee, provided that they are not the Chair, that is equal to \$7,500.

The cash and equity retainers are paid on a quarterly basis with the number of DSUs to be issued based on the volume weighted average trading price per common share on the TSX for the immediately preceding five trading days.

Directors are entitled to reimbursement of their out-of-pocket expenses incurred in acting as a member of the Board or any committee. Directors also participate in the Company's insurance and indemnification arrangements. If deemed appropriate by the Board, special committees of the Board may be established for certain purposes, the compensation of the members thereof to be at the discretion of the Board.

The aggregate amount paid to the Directors as compensation in their capacity as such, other than Directors who are also NEOs, during the financial year ended December 31, 2023 was \$1,226,250. The aggregate amount we reimbursed the Directors for out-of-pocket expenses incurred in acting as a member of the Board or any committee during the financial year ended December 31, 2023 was \$28,745.

The Governance and Nominating Committee of the Board reviews the compensation of Directors periodically, considering such factors as time commitment, responsibility and compensation provided by comparative companies. Based on its annual review, the Governance and Nominating Committee of the Board makes recommendations to the Board when it deems changes in compensation are needed.

DSU Plan

The Board established a Deferred Share Unit Plan in 2012, which was subsequently amended and restated in both 2018 and 2021 (the "DSU Plan"). Pursuant to the DSU Plan, independent Directors may elect to receive all or a portion of their annual board compensation and any other fees payable to the independent Director in the form of Deferred Share Units ("DSUs"), subject to at least 50% of a Director's compensation being paid in DSUs (the "DSU Retainer"). The purpose of the DSU Plan and the DSU Retainer is to provide independent Directors with the opportunity to participate in the long-term success of AutoCanada and to promote a greater financial interest of Directors in the Company.

DSUs are bookkeeping entries on the books of the Company, each having a value equal to the value of one common share of the Company. Subject to the DSU Retainer, a Director may elect to receive up to 100% of their compensation in DSUs. During any given year, on quarterly predetermined payment dates, Directors who have so elected will receive, instead of director's fees in cash DSUs credited to their DSU account.

The number of DSUs credited will have a value equal to the fees that would otherwise be payable for the applicable period divided by the current share price, calculated by taking the volume weighted average trading price per Share during the immediately preceding five trading days prior to the end of the relevant period. DSUs may not be redeemed or cashed until a Director ceases to be on the Board.

At any time from the date a director ceases to be on the Board until December 31st of the following calendar year, the individual may elect to redeem the DSUs and to receive such number of Shares equal to the DSUs in his or her account or, if the Company determines it to not be prudent to acquire Shares, a cash payment equal to the value of the DSUs in his or her account, being the number of DSUs in the account multiplied by the volume weighted average trading price per Share during the immediately preceding five trading days to the date of the redemption of the DSUs, less any applicable deductions.

The Board believes that providing Directors with the alternative of receiving their cash fees in the form of DSUs, which may not be redeemed until retirement or death, further promotes director retention and alignment with the interests of AutoCanada's shareholders.

Director Compensation Table

The following table sets forth the compensation paid to each Director, other than Directors who are NEOs, for the financial year ended December 31, 2023.

Name	Cash Fees earned	Share-based awards	Option-based awards	Non-equity incentive plan compensation	All other compensation	Total Compensation
Dennis DesRosiers	—	181,875	—	—	—	181,875
Rhonda English	—	201,875	—	—	—	201,875
Stephen Green	—	245,000	—	—	—	245,000
Barry James	25,000	191,875	—	—	—	216,875
Lee Matheson	—	196,875	—	—	—	196,875
Elias Olmeta	—	183,750	—	—	—	183,750

Director Share Ownership

We require our directors to own equity in AutoCanada so they have vested interest in our future success. Directors must own three times their annual retainer in AutoCanada equity within five years of joining the Board. Directors can count their common shares and/or DSUs toward meeting the guideline. Our newer director – Ms. Rhonda English – is building her equity ownership as shown in the table that follows.

The table shows each director's equity ownership as of December 31, 2023. It does not include Mr. Antony because he is required to meet our share ownership requirements for executives (see page 27).

Name	Share ownership guideline ⁽¹⁾	Annual Retainer Fees	Common shares held	DSUs Outstanding	Total equity ownership	Market value of equity ownership ⁽²⁾	Meets ownership guideline	Ownership year requirement
Dennis DesRosiers	3.0 x	180,000	27,600	39,454	67,054	1,343,092	Yes	7.5 x
Rhonda English	3.0 x	180,000	1,500	13,133	14,633	293,099	—	1.6 x
Stephen Green	3.0 x	180,000	—	51,037	51,037	1,022,271	Yes	5.7 x
Barry James	3.0 x	180,000	19,417	27,814	47,231	946,037	Yes	5.3 x
Lee Matheson	3.0 x	180,000	15,000	19,132	34,132	683,664	Yes	3.8 x
Elias Olmeta	3.0 x	180,000	—	42,104	42,104	843,343	Yes	4.7 x

(1) As a multiple of the annual retainer fees.

(2) Market value is based on the average closing price of AutoCanada's shares on the Toronto Stock Exchange for the 20 trading days preceding and including December 31, 2023.

Incentive Plan Awards

Outstanding Share-Based Awards

The following table sets forth information in respect of all share-based awards outstanding at the end of the financial year ended December 31, 2023 to the Directors of the Company, other than Directors who are NEOs, of which the only share-based awards outstanding are DSUs.

Name	Number of unexercised share based awards	Market value of unexercised share-based awards⁽¹⁾	Market value of vested share-based awards not paid out or distributed
Dennis DesRosiers	39,454	903,497	—
Rhonda English	13,133	300,746	—
Stephen Green	51,037	1,168,747	—
Barry James	27,814	636,941	—
Lee Matheson	19,132	438,123	—
Elias Olmeta	42,104	964,182	—

(1) Value is calculated based on the closing price of the Shares on the TSX on December 31, 2023 of \$22.90 per share.

Incentive Plan Awards – Value Vested or Earned During the Year

There were no Incentive Plan Awards that vested or were earned during the Company's financial year ended December 31, 2023 in respect of share-based awards and non-equity incentive plan compensation for the Directors, other than Directors who are NEOs since, as noted above, DSUs may not be redeemed or cashed until a Director ceases to be on the Board.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides details on Shares authorized for issuance under the Company's equity compensation plans as at December 31, 2023:

Plan Category	Shares to be issued upon exercise of outstanding options		Weighted average exercise price of outstanding options	Shares remaining available for future issuance under equity compensation plans		Aggregate Shares to be issued upon exercise plus available for issuance	
	#	% of outstanding Shares		#	% of outstanding Shares	#	% of outstanding Shares
Equity compensation plans approved by securityholders (the Option Plan)	1,797,696	7.61%	\$13.57	563,422	2.39 %	2,361,118	10.0%
Equity compensation plans not approved by security holders	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	1,797,696	7.61%	\$13.57	563,422	2.39 %	2,361,118	10.0%

See "Compensation Discussion and Analysis – AutoCanada Stock Option Plan" for a description of the material features of the Option Plan.

Indebtedness of Directors and Executive Officers

No individual who is, or at any time during our most recently completed financial year was, a Director or executive officer, as applicable, of the Company, no proposed nominee for election as a Director, and no associate of any Director, executive officer or proposed Director is, or at any time during our most recently completed financial year was, indebted to (i) the Company or any of our subsidiaries, or (ii) another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of our subsidiaries, other than routine indebtedness.

Interest of Informed Persons in Material Transactions

Purchase of UDLP Minority Interest

In December 2023, the Company announced the investment by iA Financial Group ("iA") of \$25 million for a 10% equity interest in the Used Digital Division's new business unit that will sell finance, insurance and warranty products to buyers of private owner-sold vehicles on Kijiji's online marketplaces (the "Online C2C F&I Business"). The Company also announced the purchase of the minority 19.1% interest (the "UDLP Minority Interest") in the Partnership from MAP Equity Investco Inc. ("MAP"), a company controlled by the Executive Chair of the Company, and others. The address of MAP is 148 Fullarton Street, Suite 1601, London, Ontario, N6A 5P3. Mr. Antony is the Executive Chair and a director of AutoCanada. Prior to the consolidation of the Partnership ownership, MAP, and sellers of certain businesses purchased in the past by the Partnership held the UDLP Minority Interest. AutoCanada held the remaining 80.9% of the common equity of the Partnership. The Company has purchased the UDLP Minority Interest to consolidate its ownership of the Partnership, increasing its equity ownership interest in the Partnership from 80.9% to 100.0%.

Class D units of UDLP held by MAP representing 15% of the common equity of UDLP, purchased for consideration of \$22.5 million in cash and such number of stock units of AutoCanada (the "MAP Stock Units") equal to \$7.5 million divided by the average closing price of AutoCanada common shares on the TSX for the seven trading days after the date of the announcement.

The cash portion of the consideration for the UDLP Ownership Consolidation was funded with the proceeds of the iA investment in the Online C2C F&I Business.

MAP has agreed to use the after-tax cash proceeds from the sale of the UDLP Minority Investment to purchase outstanding Shares in the market by December 2025. The Common Shares to be purchased by MAP with such proceeds may not be sold until the earlier of (i) two years after the date MAP has used all after-tax cash proceeds to purchase Shares and (ii) the date following such full application of proceeds on which the 10-day volume weighted average price of the Shares on the TSX exceeds \$75.

The MAP Stock Units vest on the earlier of three years from the date of issuance and the date on which the 10-day volume weighted average price of the Shares on the TSX exceeds \$75. The MAP Stock Units are not subject to any other conditions to vesting and are not transferable.

The business of the Used Digital Division currently includes used vehicle dealerships, a used vehicle auction and an online 'instant cash offer' used vehicle acquisition solution, in addition to the Online C2C F&I Business.

Except as described above and elsewhere in this Information Circular, no informed person of the Company, nor any proposed Director, nor any associate or affiliate of any informed person or proposed Director, has any material interest, direct or indirect, in any transaction since the commencement of our last financial year or in any proposed transaction which has materially affected or would materially affect us or any of our subsidiaries.

Interest of Certain Persons or Companies in Matters to be Acted Upon

No person who has been a Director or executive officer of the Company at any time since the beginning of our last financial year, nor any proposed nominee for election as a Director, nor any associate or affiliate of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of Directors or the appointment of the auditor.

Statement of Corporate Governance

A discussion of our governance system within the context of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and the *Canada Business Corporations Act* is attached to this Information Circular as Appendix "A".

Audit Committee

For information about the Audit Committee, including a copy of the Audit Committee Charter, see "Audit Committee Information" in the Company's Annual Information Form for the year ended December 31, 2023 which can be found at www.sedarplus.ca.

Other Business

As at the date hereof, the Directors are not aware of any matter intended to come before the Meeting other than those items of business set forth in the attached Notice of Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named in the Instrument of Proxy to vote in respect of those matters in accordance with their judgment.

Additional Information

Additional information relating to the Company can be found at www.sedarplus.ca or our website at www.autocan.ca. Additional financial information is contained in the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022, and the Company's annual management's discussion and analysis of financial condition and results of operations for fiscal 2023.

Copies of the Annual Information Form, the Company's Annual Report (including management's discussion and analysis and consolidated financial statements) and this Information Circular may be obtained by request to AutoCanada Inc., #200, 15511 – 123 Avenue NW, Edmonton, Alberta, T5V 0C3, Attention: Chief Strategy Officer & General Counsel.

BOARD OF DIRECTORS APPROVAL

The contents and sending of this Information Circular to the Shareholders of the Company have been approved by the Board of Directors.

DATED at Edmonton, Alberta, March 18, 2024

APPENDIX A – Statement of Corporate Governance Practices

The Board considers good governance to be central to the effective and efficient operation of AutoCanada and its subsidiaries. We are committed to reviewing and adapting our governance practices in order to meet the changing needs and to ensure compliance with the regulatory requirements of AutoCanada, and its subsidiaries. Set out below is a discussion on the current composition of the Board and the current governance practices of AutoCanada.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT OR TOPIC	OUR CORPORATE GOVERNANCE PRACTICES																																
1. Board of Directors																																	
a. Disclose the identity of Directors who are independent.	As of the date of this Information Circular, Dennis DesRosiers, Rhonda English, Stephen Green, Barry James, Lee Matheson and Elias Olmeta are independent Directors based on the definition of independence in National Instrument 52-110 – <i>Audit Committees</i> . If following the Meeting, the nominees proposed by the Company are elected, Stephen Carlisle, Rhonda English, Stephen Green, Barry James, Christopher Harris and Elias Olmeta will be the independent Directors based on the definition of independence in National Instrument 52-110 – <i>Audit Committees</i> .																																
b. Disclose the identity of Directors who are not independent, and describe the basis for that determination.	The Board has determined that Paul Antony is not independent, as independence is defined in National Instrument 52-110 – <i>Audit Committees</i> , as he is an officer of AutoCanada.																																
c. Disclose whether or not a majority of Directors are independent. If a majority of Directors are not independent, describe what the Board does to facilitate its exercise of independent judgement in carrying out its responsibilities.	As of the date of this Information Circular and if, following the Meeting, the nominees proposed by the Company are elected, the Board is and will continue to be comprised of a majority of independent directors, in that currently six of the seven Directors are independent Directors, and if, following the Meeting, the nominees proposed by the Company are elected, six of the seven Directors will be independent Directors.																																
d. If a Director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the Director and the other issuer.	<p>Directors who are presently a director of another reporting issuer are as follows:</p> <table border="1" data-bbox="831 1045 1508 1610"> <thead> <tr> <th data-bbox="831 1045 1156 1075">Current Directors</th> <th data-bbox="1156 1045 1508 1075">Name of Reporting Issuer</th> </tr> </thead> <tbody> <tr> <td data-bbox="831 1075 1156 1104">Paul Antony</td> <td data-bbox="1156 1075 1508 1104">None</td> </tr> <tr> <td data-bbox="831 1104 1156 1134">Dennis DesRosiers</td> <td data-bbox="1156 1104 1508 1134">None</td> </tr> <tr> <td data-bbox="831 1134 1156 1163">Rhonda English</td> <td data-bbox="1156 1134 1508 1163">None</td> </tr> <tr> <td data-bbox="831 1163 1156 1192">Stephen Green</td> <td data-bbox="1156 1163 1508 1192">None</td> </tr> <tr> <td data-bbox="831 1192 1156 1222">Barry James</td> <td data-bbox="1156 1192 1508 1222">Corus Entertainment Inc.</td> </tr> <tr> <td data-bbox="831 1222 1156 1251">Lee Matheson</td> <td data-bbox="1156 1222 1508 1251">Optiva Inc.; Tucows Inc.</td> </tr> <tr> <td data-bbox="831 1251 1156 1281">Elias Olmeta</td> <td data-bbox="1156 1251 1508 1281">None</td> </tr> <tr> <th data-bbox="831 1331 1156 1360">Proposed New Directors</th> <th data-bbox="1156 1331 1508 1360">Name of Reporting Issuer</th> </tr> <tr> <td data-bbox="831 1360 1156 1390">Paul Antony</td> <td data-bbox="1156 1360 1508 1390">None</td> </tr> <tr> <td data-bbox="831 1390 1156 1419">Stephen Carlisle</td> <td data-bbox="1156 1390 1508 1419">None</td> </tr> <tr> <td data-bbox="831 1419 1156 1449">Rhonda English</td> <td data-bbox="1156 1419 1508 1449">None</td> </tr> <tr> <td data-bbox="831 1449 1156 1478">Stephen Green</td> <td data-bbox="1156 1449 1508 1478">None</td> </tr> <tr> <td data-bbox="831 1478 1156 1507">Christopher Harris</td> <td data-bbox="1156 1478 1508 1507">None</td> </tr> <tr> <td data-bbox="831 1507 1156 1537">Barry James</td> <td data-bbox="1156 1507 1508 1537">Corus Entertainment Inc.</td> </tr> <tr> <td data-bbox="831 1537 1156 1566">Elias Olmeta</td> <td data-bbox="1156 1537 1508 1566">None</td> </tr> </tbody> </table>	Current Directors	Name of Reporting Issuer	Paul Antony	None	Dennis DesRosiers	None	Rhonda English	None	Stephen Green	None	Barry James	Corus Entertainment Inc.	Lee Matheson	Optiva Inc.; Tucows Inc.	Elias Olmeta	None	Proposed New Directors	Name of Reporting Issuer	Paul Antony	None	Stephen Carlisle	None	Rhonda English	None	Stephen Green	None	Christopher Harris	None	Barry James	Corus Entertainment Inc.	Elias Olmeta	None
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e. Disclose whether or not the independent Directors hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.	The independent Directors hold regularly scheduled quarterly meetings and at such other times as may be considered necessary by the independent directors at which members of management are not in attendance. In addition, at each meeting of the full Board and its committees, the independent Directors are provided with the opportunity to hold an <i>in camera</i> session without members of management present.																																

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT OR TOPIC	OUR CORPORATE GOVERNANCE PRACTICES
<p>f. Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.</p>	<p>Paul Antony is the Executive Chair and is not independent. Accordingly, Stephen Green, who is independent, is currently the Lead Director of the Board. The Lead Director's roles and responsibilities are outlined in the Company's Lead Director Position Description. The Chair of each of the Board's committees, the Audit Committee, the Governance and Nominating Committee, and the Human Resources Committee are each independent Directors; Barry James is the Chair of the Audit Committee, Stephen Green is the Chair of the Governance and Nominating Committee, and Rhonda English is the Chair of the Human Resources Committee.</p>
<p>g. Disclose the attendance record of each Director for all board meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>Meeting attendance is disclosed for each Director under "Information Concerning Director Nominees" above.</p>
<p>2. Board Mandate</p>	
<p>Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.</p>	<p>The text of the mandate of the Board of Directors of AutoCanada, which was most recently updated in March of 2024, (entitled "Mandate for the Board of Directors of AutoCanada") is attached to this Information Circular as Appendix "B".</p>
<p>3. Position Descriptions</p>	
<p>a. Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.</p>	<p>The Board has a written position description for each of the Executive Chair, the Lead Director, the Chair of the Audit Committee, the Chair of the Governance and Nominating Committee and the Chair of the Human Resources Committee. Each of the foregoing were updated and or put in place in March of 2024.</p>
<p>b. Disclose whether or not the Board and Chief Executive Officer have developed a written position description for the Chief Executive Officer. If the Board and Chief Executive Officer have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the Chief Executive Officer.</p>	<p>The Board has developed a written position for the Executive Chair, which was most recently updated in March of 2024.</p>
<p>4. Orientation and Continuing Education</p>	
<p>a. Briefly describe what measures the Board takes to orient new directors regarding</p> <ul style="list-style-type: none"> i. the role of the Board, its committees and its directors, and ii. the nature and operations of the issuer's business 	<p>New directors are provided with the mandates and charters of the Board and each of its committees, the Company's written code of ethical business conduct, the Company's policies, the Company's most recent annual and quarterly reports and other relevant information.</p> <p>The members of senior management review with the Board at each meeting the nature and operations of the Company's business.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT OR TOPIC	OUR CORPORATE GOVERNANCE PRACTICES
<p>b. Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>The Board is comprised of highly qualified Directors with extensive experience and knowledge. All of the Directors are seasoned business executives, directors or professionals with considerable experience. The Governance and Nominating Committee continually monitors the composition of the Board to ensure Directors collectively possess all of the necessary skills to enable the Board to fulfill its duties. Directors do not receive a formal continuing education program. However, to ensure that the members of the Board remain fully informed about AutoCanada's operations on a continuing basis, management reports on AutoCanada's and its subsidiaries' activities and on various aspects relevant to the business on an on-going basis.</p> <p>Directors also receive a comprehensive information package prior to each Board and committee meeting. The Board and the committees also received a number of presentations in 2023 that focused on performance, strategy and opportunities for the business. Directors also have access to the Company's senior management and employees on an ongoing basis.</p> <p>The Board relies on professional assistance when judged necessary in order to be educated or updated on a particular topic. The Board encourages directors of the Company to participate in continuous improvement programs from time to time, as considered appropriate.</p> <p>The Governance and Nominating Committee periodically reviews, monitors and makes recommendations with respect to the sufficiency of director continuing education opportunities available to the Company's directors.</p>
<p>5. Ethical Business Conduct</p>	
<p>a. Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:</p>	<p>We have adopted a written code of ethical business conduct applicable to our directors, officers, employees and consultants, which code was most recently updated in March of 2024, and applies to all AutoCanada personnel, including personnel at all of our dealerships and collision centres.</p>
<p>i. disclose how a person or company may obtain a copy of the code;</p>	<p>The code is available at the Canadian Securities Administrator's System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedarplus.ca and on our website at www.autocan.ca.</p>
<p>ii. describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and</p>	<p>A copy of the code of conduct is provided or made available to each of our directors, officers and employees, including the officers and employees of our dealerships and collision centres, and each is requested to certify that he/she has read the code.</p>
<p>iii. provide a cross-reference to any material change report(s) filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>	<p>No material change reports have been filed by us since the beginning of our most recently completed financial year that pertains to the conduct of a director or executive officer that constitutes a departure from the code.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT OR TOPIC	OUR CORPORATE GOVERNANCE PRACTICES
<p>b. Describe any steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>A director is required to disclose to the Board information regarding any transaction or agreement in respect of which a director or executive officer has a material interest and to abstain from voting on any matter in respect of such transaction or agreement in which the director has an interest. The Board may request the director to recuse himself or herself from the portion of any meeting at which such transaction or agreement is discussed.</p> <p>As of August 2022, the Board, on recommendation of the Audit Committee, adopted a formal Related Party Transactions Policy and amended the mandate of the Audit Committee to include oversight of related party transactions. In accordance with its mandate, the Audit Committee reviews all proposed related party transactions that are not in the ordinary course and are not dealt with by a special committee of independent Directors pursuant to securities law and, if appropriate, recommends those transactions to the Board for approval.</p>
<p>c. Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board encourages and promotes a culture of ethical business conduct by requiring the Executive Chair and all other senior officers to conduct themselves in a manner that aligns with the Company's core values and exemplifies ethical business conduct. In addition, our directors, officers and employees, including the officers and employees of our dealerships are required to certify that they have read the code of conduct. The Board monitors compliance with the code of conduct and is responsible for considering any waivers of the code of conduct. The Governance and Nominating Committee is responsible for reviewing and evaluating the code of conduct from time to time and making recommendations for any necessary or appropriate changes to the Board. In March 2023, the Board in furtherance of supporting a culture of ethical business conduct, the Company adopted a clawback policy (the "Clawback Policy") applicable to incentive compensation paid, awarded or granted to executive officers in the event of a restatement of the financial statements of the Company or in connection with misconduct. The Clawback Policy also gives the Board discretion to claw back share-based compensation from any participant in any of the Company's equity-based compensation arrangements to the extent that such participant has engaged in misconduct. The Clawback Policy has a three year look-back period and applies to incentive compensation paid, awarded or granted following the adoption of the Clawback Policy.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
6. Nomination of Directors	
<p>a. Describe the process by which the Board identifies new candidates for Board nomination.</p>	<p>The Board has delegated to the Governance and Nominating Committee responsibility to identify and recommend qualified individuals to be recruited to the Board, as and when required. In fulfilling this responsibility, the Governance and Nominating Committee identifies current gaps, if any, and expected future gaps. In addition to seeking candidates who have the necessary skill sets disclosed by the skills matrix, new candidates are expected to have sound business acumen, along with a high level of financial experience. New candidates for Board nomination also need to possess strong leadership skills, integrity, and the time availability required of a director to fulfill Board responsibilities. Industry specific skills that would be of benefit to the Company, along with experience would be weighed, in addition to diversity and personality fit, in order to ensure that the Board considers all avenues possible to bring forward an informal list of potential nominees.</p>
<p>b. Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.</p>	<p>The Governance and Nominating Committee is as of the date hereof composed of three independent directors. Because the Governance and Nominating Committee is independent and functions in accordance with a detailed mandate, the Board believes its nomination process is objective.</p>
<p>c. If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The charter of the Governance and Nominating Committee delineates the responsibilities, powers and operation of the committee when discharging its duties as a nominating committee. The committee meets regularly.</p>
7. Director Term Limits	
<p>Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.</p>	<p>The Governance and Nominating Committee is responsible for periodically examining and making recommendations to the Board in relation to mechanisms of Board renewal. The Board does not currently limit the term of directors and relies on the Governance and Nominating Committee to oversee and manage Board renewal. The Governance and Nominating Committee continues to be of the view that a director term limit and mandatory retirement age is not in the best interests of the Company at this time. The Governance and Nominating Committee strives to achieve a balance between the depth of institutional experience among the Company's directors and the need for renewal and new perspectives on the Board. The Governance and Nominating Committee continues to evaluate on an ongoing basis the issue of Board renewal in light of the stated diversity objectives for the Board set forth in the Diversity Policy.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
8. Policies Regarding the Representation of Designated Groups on the Board	
<p>a. Disclose whether the issuer has adopted a written policy relating to the identification and nomination of members of "designated groups" (as such term is defined in the <i>Canada Business Corporations Regulations, 2001</i> being women, Aboriginal peoples, persons with disabilities and members of visible minorities) for directors. If the issuer has not adopted such a policy, disclose why it has not done so.</p>	<p>At AutoCanada, diversity is a principle which is supported both by the Board and senior management. The Company first adopted a written diversity policy in 2015 which was most recently updated in March of 2024 (the "Diversity Policy"), which recognizes and embraces the many benefits of promoting diversity at the level of the Board and those in senior leadership positions at the Company. The Company believes that diverse perspectives enhance its organizational strength, problem solving ability and opportunity for innovation.</p> <p>Our Diversity Policy specifically seeks to advance diversity at the Board and in relation to those in senior leadership positions at the Company having regard to the following criteria, including, but not limited to business experience, geography, age, gender, gender identity or expression, race, religion, culture and ethnicity, members of visible minorities, geographic background, Indigenous peoples, persons with disabilities, sexual orientation and other personal characteristics.</p>
<p>b. Disclose the following in respect of the Diversity Policy:</p> <ol style="list-style-type: none"> i. short summary of its objectives and key provisions, ii. the measures taken to ensure that the policy has been effectively implemented, iii. annual and cumulative progress by the issuer in achieving the objectives of the policy, and iv. whether and, if so, how the Board or its committees measure the effectiveness of the Diversity Policy. 	<p>The Diversity Policy outlines the Company's policy with respect to diversity on the Board and in relation to those in senior leadership positions at AutoCanada. It aims to ensure that diversity criteria, including gender, visible minorities, persons with disabilities and Indigenous persons, among other aspects of diversity are factored into (i) the selection of candidates for the Board by the Governance and Nominating Committee and (ii) the selection of candidates by the Board, the Human Resources Committee, the Executive Chair or such other executive officers for senior leadership positions. Given the infrequent turnover of directors, the Board has not set specific targets as to the number of designated group board members it will maintain. However, the Board has made a commitment to the recruitment of diverse individuals by making the consideration of diversity criteria, a key search criterion. The Governance and Nominating Committee and the Human Resources Committee may be required to annually report on and evaluate the effectiveness of the Diversity Policy in the boardroom and at the executive level.</p>
<p>c. Disclose whether or not the Board or nominating committee considers the level of representation of designated groups on the board in identifying and nominating candidates for election or re-election.</p>	<p>Diversity is an important consideration in determining the composition of Board. The Company believes that a Board made up of highly qualified individuals from diverse backgrounds promotes better corporate governance, performance and decision-making. To support the Company's Board diversity objectives, the Governance Committee will, when identifying and considering the selection of candidates for election or re-election to the Board: (a) consider only candidates who are highly qualified based on their experience, functional expertise and personal skills and qualities; (b) consider diversity criteria, including gender, visible minorities, persons with disabilities and Indigenous persons, among other aspects of diversity; and (c) in addition to its own searches, as and when appropriate from time to time, engage qualified independent external advisors to conduct a search for and evaluate candidates against objective criteria and the Governance Committee's expertise, skills and diversity objectives.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
9. Policies Regarding the Representation of Designated Groups in Executive Officer Appointments	
<p>Disclose whether and, if so, how the issuer considers the level of representation of designated groups in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of designated groups in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p>	<p>Diversity is an important consideration in determining the composition of the Company's senior leadership. The Company believes that having individuals in senior leadership positions from diverse backgrounds promotes better innovation, performance and decision-making. To support the Company's senior leadership diversity objectives, the Board, the Human Resources Committee, the Executive Chair and such other executive officers, will, when identifying and considering the selection of candidates for senior leadership positions: (a) consider only candidates who are highly qualified based on their experience, functional expertise and personal skills and qualities; (b) consider diversity criteria, including gender, visible minorities, persons with disabilities and Indigenous persons, among other aspects of diversity; (c) consider the level of representation of women, visible minorities, persons with disabilities and Indigenous persons, among other aspects of diversity, in senior leadership positions; and (d) in addition to its own searches, as and when appropriate from time to time, engage qualified independent external advisors to conduct a search for and evaluate candidates against objective criteria and the Company's expertise, skills and diversity objectives.</p>
10. Targets Regarding the Representation of Designated Groups on the Board and in Executive Officer Positions	
<p>Disclose whether the issuer has adopted a target regarding designated groups on the issuer's Board and in Executive Officer Appointments. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>The Board has not set specific targets as to the number of designated group board members it will maintain. Additionally, the Company has not adopted specific targets regarding the representation of designated groups in executive officer positions of the Company. The Company believes that consideration of a potential Director nominee and recruiting for executive level positions should involve an assessment of a candidate's qualities and competencies as a whole instead of emphasizing one diversity metric.</p>
11. Number of Designated Groups on the Board and in Executive Officer Positions	
<p>a. Disclose for each group referred to in the definition designated groups, the number and proportion, expressed as a percentage, of members of each group who hold positions on the board of directors.</p>	<p>The Company currently has: (i) one female director, Rhonda English, which represents 14.5% of total directors and 16.5% of independent directors and (ii) two directors who identify as a visible minority, Christopher Harris and Elias Olmeta, which represents 28.5% of total directors and 33.3% of independent directors. The Company does not have any directors who identify as Aboriginal peoples or persons with disabilities.</p>
<p>b. Disclose for each group referred to in the definition designated groups, the number and proportion, expressed as a percentage, of members of each group who are executive officers of the issuer, including all of its major subsidiaries.</p>	<p>The Company currently has two executive officers who identify as a visible minority, Peter Hong and Azim Lalani, which represents 33.33% of executive officers. The Company does not currently have any executive officers who identify as women, Aboriginal peoples, or persons with disabilities.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
12. Compensation	
<p>a. Describe the process by which the Board determines the compensation for the issuer’s directors and officers.</p>	<p>Compensation of Directors is determined by the Board, taking into consideration recommendations of the Governance and Nominating Committee. The Governance and Nominating Committee periodically reviews the design and competitiveness of Board compensation against peer groups, with a view to align interests of Directors and shareholders and provide market competitive compensation. Directors who are also officers of the Company receive no remuneration for serving as Directors.</p> <p>Compensation for the Executive Chair, the President, North American Operations, the Chief Financial Officer, the Chief Strategy Officer & General Counsel, the Chief Operating Officer and the Chief Administrative and Transformation Officer and other key officers or executives of AutoCanada is to be approved by the Board, taking into consideration any recommendations by the Human Resources Committee.</p>
<p>b. Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.</p>	<p>The Human Resources Committee is composed entirely of independent directors.</p>
<p>c. If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>The charter of the Human Resources Committee delineates the responsibilities, powers and operation of the committee when discharging its duties as a compensation committee, and the committee has followed this charter in discharging its responsibilities, powers and operations. The committee meets regularly and, at minimum, on a quarterly basis.</p>
13. Other Board Committees	
<p>If the Board has standing committees other than the audit, governance and compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board does not maintain any other standing committees.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
14. Assessments	
<p>Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>The Governance and Nominating Committee is responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board, the Board committees and individual Directors, with a view to ensuring that they are fulfilling their respective responsibilities and duties and working effectively together as a unit.</p> <p>In 2023, the Board undertook its annual recurring formal assessment process developed and designed by the Governance and Nominating Committee, consisting of the completion by each Director a written board assessment, questionnaire, and a written director self-evaluation questionnaire in order to assess such matters as Board roles and structure, Board processes, Board composition and development, and Board dynamics and effectiveness. The results of such questionnaires were summarized in a report to identify strengths, opportunities and suggestions with respect to each area of discussion and were compared against prior year results. The Governance and Nominating Committee reported on such summary to the Board. Following the Governance and Nominating Committee and the Board's analysis of the above-mentioned report, a list of recommendations and an associated action plan will be developed with a view to further improving Board performance.</p> <p>The Governance and Nominating Committee also informally monitors Director performance throughout the year to ensure that the Board, the Board committees and individual Directors are performing effectively.</p>
15. Environmental, Social and Governance	
<p>Disclose the Board's role with respect to environmental, social and governance oversight.</p>	<p>The Governance and Nominating Committee reviews, monitors, reports, and where appropriate, provides recommendations to the Board on environmental, social and governance ("ESG") programs, policies and performance. In August of 2023, AutoCanada published its inaugural ESG Report, which marked our first comprehensive disclosure covering our ESG programs and performance.</p>

APPENDIX B – Mandate for the Board of Directors of AutoCanada Inc.

1 PURPOSE AND RESPONSIBILITY OF THE BOARD

The board of directors (the “**Board**”) of AutoCanada Inc. (the “**Corporation**”) acknowledges responsibility for the stewardship of the Corporation and its business. This stewardship function includes responsibility for the matters set out in this Charter, which form part of the Board’s statutory responsibility to manage, or supervise the management of, the business and affairs of the Corporation.

2 REVIEW OF CHARTER

The Board shall review and assess the adequacy of this Charter annually and at such other times as it considers appropriate, and shall make such changes to this Charter as it considers necessary or appropriate.

3 DEFINITIONS AND INTERPRETATION

3.1 Definitions

“**Audit Committee**” means the Audit Committee of the Board;

“**Chair**” means the Chair of the Board;

“**Charter**” means this Charter, as amended from time to time;

“**Director**” means a member of the Board;

“**Executive Chair/CEO**” means the highest ranking executive officer of the Corporation, being the Executive Chair or Chief Executive Officer of the Corporation;

“**Governance and Nominating Committee**” means the Governance and Nominating Committee of the Board;

“**Human Resources Committee**” means the Human Resources Committee of the Board;

“**Shareholders**” means the shareholders of the Corporation; and

“**Stock Exchanges**” means, at any time, the Toronto Stock Exchange and any other stock exchange on which any securities of the Corporation are listed for trading at the applicable time.

3.2 Interpretation

This Charter is subject to and shall be interpreted in a manner consistent with the articles and by-laws of the Corporation, the Canada Business Corporations Act (the “CBCA”), and any other applicable legislation.

4 ELECTION AND REMOVAL OF DIRECTORS

4.1 Number of Directors

The Board shall consist of such number of Directors as the Board may determine from time to time, within the range set out in the Corporation’s articles.

4.2 Election of Directors

Directors shall be elected by the Shareholders annually for a one-year term, but if Directors are not elected at any annual meeting of the Shareholders of the Corporation, the incumbent Directors shall continue to hold office until their successors are elected.

4.3 Vacancies

The Board may appoint an individual to fill a vacancy that occurs on the Board between annual elections of Directors, to the extent permitted by the CBCA.

4.4 Ceasing to Be a Director

A Director will cease to hold office upon:

- a. delivering a resignation in writing to the Corporation (or at such later date as may be specified in the resignation);
- b. being removed from office by an ordinary resolution of the Shareholders at an annual or special meeting of the Shareholders of the Corporation;
- c. his or her death; or
- d. becoming disqualified from acting as a Director.

5 CRITERIA FOR DIRECTORS

5.1 Qualifications of Directors

Every Director shall be an individual who is at least 18 years of age, has not been found by a court to be of unsound mind and does not have the status of bankrupt.

5.2 Residency

At least 25% of the Directors shall be resident Canadians.

5.3 Independence of Directors

At least a majority of the Directors shall be independent for the purposes of all applicable laws and Stock Exchange requirements.

5.4 Other Criteria

The Board may establish other criteria for Directors as contemplated in this Charter.

6 CHAIR OF THE BOARD

6.1 Chair and Lead Director

In the event the Chair is not an independent Director, an independent Director shall be appointed to act as Lead Director with the mandate to ensure independent oversight of the business and affairs of the Corporation.

6.2 Chair to Be Appointed Annually

The Board shall appoint the Chair and the Lead Director, if applicable, annually at the first meeting of the Board after a meeting of the Shareholders at which Directors are elected; provided, however, that if the appointment of the Chair or the Lead Director, as applicable, is not so made, the Director who is then serving as Chair and the Director who is then serving as Lead Director, if applicable, shall continue to hold such office until his or her successor is appointed.

6.3 Position Descriptions

The Board shall review and, if determined appropriate, approve the recommendations of the Governance and Nominating Committee concerning formal position descriptions for:

- a. the Chair;
- b. the Lead Director, if the Chair is not an independent Director;
- c. the chair of each standing committee of the Board; and
- d. the Executive Chair/CEO.

7 REMUNERATION OF DIRECTORS AND RETAINING ADVISORS

7.1 Remuneration

Directors shall receive such remuneration for their service as the Board may determine from time to time, in consultation with the Governance and Nominating Committee.

7.2 Retaining and Compensating Advisors

Each Director shall have the authority to retain outside counsel and any other external advisors from time to time with the approval of the chair of the Governance and Nominating Committee.

8 MEETINGS OF THE BOARD

8.1 Time and Place of Meetings

Meetings of the Board shall be called and held in a manner consistent with and at any location contemplated in the Corporation's by-laws.

8.2 Frequency of Board Meetings

Subject to the Corporation's by-laws, the Board shall meet at least quarterly.

8.3 Quorum

In order to transact business at a meeting of the Board:

- a. at least a majority of Directors then in office shall be present; and
- b. at least 25% of the Directors present must be resident Canadians (or, if this is not the case, a resident Canadian Director who is unable to be present and whose presence at the meeting would have resulted in the required number of resident Canadian Directors being present, must approve the business transacted at the meeting, whether in writing, by phone or otherwise).

8.4 Secretary of the Meeting

The Chair shall designate from time to time an individual who may, but need not, be a Director to act as secretary of any meeting of the Board.

8.5 Right to Vote

Each member of the Board shall have the right to vote on matters that come before the Board unless a member has an interest that precludes them from voting on a matter pursuant to the CBCA.

8.6 Voting

Any matters to be determined by the Board shall be decided by a majority of votes cast at a meeting of the Board called for such purpose. Actions of the Board may be taken by an instrument or instruments in writing signed by all of the Directors, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Board called for such purpose.

8.7 Invitees

The Board may invite any of the Corporation's officers, employees, advisors or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

8.8 Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each Director shall maintain the confidentiality of all information received in his or her capacity as a Director of the Corporation.

9 IN CAMERA SESSIONS

9.1 In Camera Sessions of Non-Management Directors

In connection with each meeting of the Board, the non-management Directors shall have the opportunity to meet without any member of management being present (including any Director who is also a member of management).

9.2 In Camera Sessions of Independent Directors

If there are any non-management Directors who are not independent Directors, the independent Directors shall have the opportunity to meet at the conclusion of each meeting of the Board with only independent Directors present.

10 DELEGATION AND RELIANCE

10.1 Delegation to Committees

The Board may establish and delegate to committees of the Board any duties and responsibilities of the Board which the Board is not prohibited by law from delegating. However, no committee of the Board shall have the authority to make decisions which bind the Corporation, except to the extent that such authority has been specifically delegated to such committee by the Board.

10.2 Requirement for Certain Committees

The Board shall establish and maintain the following standing committees, each having mandates that incorporate all applicable laws and Stock Exchange requirements:

- a. Audit Committee;
- b. Governance and Nominating Committee; and
- c. Human Resources Committee.

10.3 Composition of Committees

The Board shall appoint and maintain in office members of each of its committees such that the composition of each such committee is in compliance with all applicable laws and Stock Exchange requirements, having regard to the recommendations of the Governance and Nominating Committee with respect to such matters.

10.4 Review of Charters

On an annual basis, the Board will review the recommendations of the Governance and Nominating Committee with respect to the charters of each committee of the Board. The Board will approve such changes to the charters as it determines appropriate.

10.5 Delegation to Management

Subject to applicable laws and the Corporation's articles and by-laws, the Board may designate the offices of the Corporation, appoint officers thereto, specify their duties and delegate to them the powers to manage the business and affairs of the Corporation.

10.6 Reliance on Management

The Board is entitled to rely in good faith on the information and advice provided to it by the Corporation's management.

10.7 Reliance on Others

The Board is entitled to rely in good faith on information and advice provided to it by advisors, consultants and such other persons as the Board considers appropriate.

10.8 Oversight

The Board retains responsibility for oversight of any matters delegated to any committee of the Board or to management of the Corporation.

11 DUTIES OF DIRECTORS

11.1 Fiduciary Duty and Duty of Care

In exercising his or her powers and discharging his or her responsibilities, a Director shall:

- a. act honestly and in good faith with a view to the best interests of the Corporation; and
- b. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

11.2 Compliance with CBCA and Constatng Documents

A Director shall comply with the provisions of the CBCA and the Corporation's articles and by-laws.

11.3 Compliance with the Corporation's Policies

A Director shall comply with all policies of the Corporation applicable to members of the Board, as approved by the Board from time to time.

12 RESPONSIBILITIES OF DIRECTORS

12.1 Responsibilities Set out in Charter

A Director shall review and participate in the proceedings of the Board necessary in order for the Board to discharge its duties and responsibilities as set out in this Charter.

12.2 Orientation and Education

A Director shall participate in any orientation and continuing education programs developed for the Directors.

12.3 Meeting Preparation and Attendance

In connection with each meeting of the Board and each meeting of a committee of the Board which the Director is a member, a Director shall:

- a. review thoroughly the materials provided to the Director by management in connection with the meeting, provided that such review is practicable in view of the time at which such material was delivered to the Director; and
- b. attend each meeting in person to the extent practicable (unless the meeting is scheduled to be held by teleconference or video-conference).

12.4 Assessment and Evaluation

A Director shall participate in such processes as may be established by the Board or any of its committees for assessing and evaluating the Board, its committees and individual Directors.

12.5 Other Responsibilities

A Director shall perform such other functions as may be delegated to that Director by the Board or any committee of the Board from time to time.

13 BOARD RESPONSIBILITY FOR SPECIFIC MATTERS

13.1 Responsibility for Specific Matters

The Board acknowledges responsibility for the matters set out below, recognizing that these matters represent in part responsibilities reflected in requirements and recommendations adopted by applicable securities regulatory authorities and the Stock Exchanges and do not limit the Board's overall responsibility for the stewardship of the Corporation and its business or its responsibility to manage, or supervise the management of, the business and affairs of the Corporation. The Board may, as it deems appropriate, adopt delegation of authority guidelines for additional specific matters requiring Board review and approval.

13.2 Delegation to Committees

Whether or not specific reference is made to committees of the Board in connection with any of the matters referred to below, the Board may direct any committee of the

Board to consider such matters and to report and make recommendations to the Board with respect to these matters.

14 CORPORATE GOVERNANCE

14.1 Governance Practices and Principles

The Board shall be responsible for developing the Corporation's approach to corporate governance.

14.2 Governance Disclosure

- a. Approval of Disclosure. The Board shall approve disclosure about the Corporation's governance practices in any document before it is delivered to the Shareholders or filed with any securities regulatory authorities or the Stock Exchanges having regard to the recommendations of the Governance and Nominating Committee.
- b. Determination that Differences Are Appropriate. If the Corporation's governance practices differ from those recommended by applicable securities regulatory authorities or the Stock Exchanges, the Board shall consider these differences and why the Board considers them to be appropriate having regard to the recommendations of the Governance and Nominating Committee.

14.3 Delegation to Governance and Nominating Committee

The Board may direct the Governance and Nominating Committee to consider the matters contemplated in this Section 14 and to report and make recommendations to the Board with respect to these matters.

15 RESPONSIBILITIES RELATING TO MANAGEMENT

15.1 Integrity of Management

The Board shall, to the extent feasible, satisfy itself:

- a. as to the integrity of the Executive Chair/CEO and other executive officers of the Corporation; and
- b. that the Executive Chair/CEO and other executive officers of the Corporation create a culture of integrity throughout the organization.

15.2 Succession Planning

- a. General. The Board shall be responsible for succession planning, including appointing, training and monitoring the performance of the executive officers of the Corporation.
- b. Executive Chair/CEO Succession. Having regard to the recommendations of the Human Resources Committee, the Board shall adopt:
 - i. policies and principles regarding identifying and evaluating candidates as potential successors to the Executive Chair/CEO; and
 - ii. policies regarding succession in the event of an emergency or the retirement of the Executive Chair/CEO.

15.3 Goals and Objectives of Executive Chair/CEO

The Board shall receive recommendations of the Human Resources Committee with respect to the corporate goals and objectives that the Executive Chair/CEO is responsible for meeting and shall approve those goals and objectives as appropriate.

15.4 Compensation Policy

The Board shall receive recommendations of the Human Resources Committee or the Governance and Nominating Committee, as applicable, and make such determinations as it considers appropriate with respect to:

- a. the Executive Chair/CEO's compensation;
- b. the compensation of the other executive officers;
- c. the compensation of the Directors; and
- d. equity-based compensation plans.

16 OVERSIGHT OF THE OPERATION OF THE BUSINESS

16.1 Risk Management

Taking into account the reports of management and such other persons as the Board may consider appropriate, the Board shall identify the principal risks of the Corporation's business and satisfy itself as to the implementation of appropriate systems to manage these risks.

16.2 Strategic Planning and Annual Budget and Business Plan

The Board shall oversee the strategic planning process of the Corporation which takes into account, among other things, the opportunities and risks of the Corporation's business and shall approve the Corporation's annual budget and business plan.

16.3 Internal Control and Management Information Systems

The Board shall review the reports of management and the Audit Committee concerning the integrity of the Corporation's internal control and management information systems and, where appropriate, require management (overseen by the Audit Committee, as appropriate) to implement changes to such systems to ensure the integrity of such systems.

16.4 Disclosure Policy and Feedback Process

- a. The Board shall adopt a disclosure policy for the Corporation's communications with Shareholders, the investment community, the media, governments and their agencies, employees and the general public, having regard to the recommendations of management and the Governance and Nominating Committee. Such policy shall be developed with reference to the requirements and recommendations of applicable securities laws and Stock Exchange requirements.
- b. The Board shall establish a process pursuant to which the Board can receive feedback from securityholders and other stakeholders.

16.5 Financial Statements

- a. The Board shall receive regular reports from the Audit Committee with respect to the integrity of the Corporation's financial reporting system and its compliance with all regulatory requirements relating to financial reporting.
- b. The Board shall review and approve, the recommendation of the Audit Committee with respect to the annual and quarterly financial statements of the Corporation and the related management discussion & analysis.

16.6 Capital Management

The Board shall receive regular reports from management on the structure and management of the Corporation's capital.

16.7 Pension Plan Matters

The Board shall receive and review reports from management and from the Human Resources Committee covering administration, investment performance, funding, financial impact, actuarial reports and other pension plan related matters, if applicable.

16.8 Code of Business Conduct and Ethics

- a. Adoption of Code of Business Conduct and Ethics. The Board will adopt a code of business conduct and ethics for the Corporation (the "Code") having regard to the recommendations of the Governance and Nominating Committee. In adopting the Code, the Board will consider the recommendations of the Governance and Nominating Committee concerning its compliance with applicable laws and Stock Exchange requirements and other recommended best practices in governance.
- b. Compliance and Disclosure. The Board will direct the Governance and Nominating Committee to monitor compliance with the Code and recommend disclosures with respect thereto. The Board will consider any report of the Governance and Nominating Committee concerning these matters, and will approve, if determined appropriate, the disclosure in respect of the Code.
- c. Waivers. The Board shall consider any report of the Governance and Nominating Committee with respect to any waiver granted to a Director or an executive officer of the Corporation from complying with the Code and shall approve or reject such request as it deems appropriate.

17 NOMINATION OF DIRECTORS

17.1 Nomination and Appointment of Directors

- a. The Board shall nominate individuals for election as Directors by the Shareholders, having regard to the recommendations of the Governance and Nominating Committee.
- b. The Board shall adopt a process (having regard to the recommendations of the Governance and Nominating Committee) pursuant to which the Board shall consider:
 - i. what competencies and skills the Board, as a whole, should possess;
 - ii. what competencies and skills each existing Director possesses and which the Board, as a whole, possesses;
 - iii. diversity on the Board, including diversity based on gender, visible minorities, persons with disabilities and Indigenous persons, among other aspects of diversity;
 - iv. the mechanisms that should be adopted to ensure periodic Board renewal;
 - v. the personality and other qualities of each Director; and
 - vi. the appropriate size of the Board, with a view to facilitating effective decision-making.

18 BOARD EFFECTIVENESS

18.1 Director Orientation and Continuing Education

The Board shall review and, if determined appropriate, approve the recommendations of the Governance and Nominating Committee concerning:

- a. a comprehensive orientation program aimed at ensuring that all new Directors understand the nature and operations of the Corporation's business, the role of the Board and the committees of the Board and the contribution that individual Directors are expected to make to the Board; and
- b. a continuing education program for all Directors that enables them to enhance their skills and abilities as Directors and ensure that their knowledge of the Corporation's business remains current.

18.2 Board, Committee and Director Assessments

The Board shall adopt a process having regard to the recommendation of the Governance and Nominating Committee for assessing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Directors on an annual basis.

18.3 Annual Assessment of the Board

Each year, the Board shall assess its performance and effectiveness and review this Charter in accordance with the process established by the Governance and Nominating Committee.



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