

The Audit Committee (**the "Committee"**) is a standing committee appointed by the Board of Directors (**the "Board"**) of AutoCanada Inc. (**the "Company"**) to assist the Board in fulfilling its oversight responsibilities with respect to the Company's financial reporting, including responsibility to:

- oversee the integrity of the Company's consolidated financial statements and financial reporting process, including the audit process and the Company's internal accounting controls and procedures and compliance with related legal and regulatory requirements;
- oversee the qualifications and independence of the Company's internal and external auditors;
- oversee the work of the Company's financial management and internal and external auditors in these areas; and
- provide an open avenue of communication between the Board and the officers of the Company ("Management") and the internal and external auditors of the Company.
- In addition, the Committee may perform such other activities consistent with this Charter and will review and/or approve any other matter specifically delegated to the Committee by the Board.

AUTHORITY

The Audit Committee Charter (the "Charter") sets out the authority of the Committee to carry out the responsibilities established for it by the Board as articulated within the Charter.

In discharging its responsibilities, the Committee will have unrestricted access to members of Management, employees, and relevant information it considers necessary to discharge its duties. The Committee also will have unrestricted access to records, data, and reports. If access to requested documents is denied due to legal or confidentiality reasons, the Committee and/or director of internal audit will follow a prescribed, Board approved mechanism for resolution of the matter.

The Committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. The Company's Management and staff shall cooperate with Committee requests.

The Committee is empowered to:

- a) appoint, compensate, and oversee all audit and non-audit services performed by auditors, including the work of any registered public accounting firm engaged by the Company;
- b) resolve any disagreements between Management and the external auditor regarding financial reporting and other matters; and
- c) pre-approve all audit and non-audit services performed by auditors or other external assurance providers.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's consolidated financial statements are complete and accurate or are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of Management and the Company's external auditors. The Committee, its Chair and any Committee members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Committee member as having accounting or related financial expertise for disclosure purposes or otherwise is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose

on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Committee member who is identified as having accounting or related financial expertise, like the role of all Committee members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

COMPOSITION AND PROCEDURES

In addition to the procedures and powers set out in any resolution of the Board, the Committee will have the following composition and procedures:

1. Composition

The Committee shall consist of no fewer than three members. None of the members of the Committee shall be an officer or employee of the Company or any of its subsidiaries and each member of the Committee shall be an "independent director" (in accordance with the definition of "independent director" from time to time under the requirements or guidelines for Committee service under applicable securities laws and the rules of any stock exchange on which the Company's shares are listed for trading). A minimum of two-thirds of the members of the Committee shall constitute a quorum of the Committee.

At the time of the annual appointment of the members of the Committee, the Board shall appoint a Chair of the Committee. The Chair shall be a member of the Committee and shall preside over all Committee meetings including ensuring compliance with this Charter. The Chair may vote on any matter requiring a vote by the Committee and shall provide a second vote in the case of a tie vote. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for that purpose.

2. Appointment and Replacement of Committee Members

Any member of the Committee may be removed or replaced at any time by ordinary resolution of the Board and shall automatically cease to be a member of the Committee upon ceasing to be a member of the Board. The Board may fill vacancies on the Committee by election from among the directors of the Company. The Board shall fill any vacancy if the membership of the Committee is less than three. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its power so long as a quorum remains in office. Subject to the foregoing, the members of the Committee shall be elected by the Board annually and each member of the Committee shall hold office as such until the next annual meeting of shareholders after his or her election or until he or she resigns, is removed or his or her successor shall be duly elected.

3. Financial literacy

All members of the Committee must be "financially literate" (as that term is defined under securities laws and the rules of any stock exchange on which the Company's shares are listed for trading) or must become financially literate within a reasonable period of time after his or her appointment to the Committee.

4. Invitees and Separate in Camera Meetings

The Committee may invite any Directors, officers or employees of the Company or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee. The external auditor shall receive notice of and attend, at the expense of the Company, each meeting of the Committee. The Committee will endeavour to meet at least once every quarter, and more often as warranted, with the Chief Financial Officer of the Company, the internal auditors, the external auditors and with only the members of the Committee in separate in camera sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately. The time, place and procedures for each Committee meeting will be determined by the Committee.

5. Professional Assistance

The Committee may retain special legal, accounting, financial or other consultants to advise the Committee at the Company's expense.

6. Reliance

Absent actual knowledge to the contrary (which will be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Company from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by Management of the Company and the external auditors, as to any information, technology, internal audit and other non-audit services provided by the external auditors or other assurance providers to the Company and its subsidiaries.

7. Review of Charter

The Committee will periodically review and reassess the adequacy of this Charter as it deems appropriate and recommend changes to the Board. The Committee will evaluate its performance with reference to this Charter. The Committee will approve the form of disclosure of this Charter, where required by applicable securities laws or regulatory requirements, in the annual proxy circular or annual information form of the Company.

8. Delegation

The Committee may delegate from time to time to any individual Committee member any of the Committee's responsibilities, where the Committee determines it is appropriate to do so in order for necessary decisions to be made between meetings of the Committee and where such delegation is permitted by law. Any such decisions will be reported to the Committee at its next meeting.

9. Reporting to the Board

The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter. The person designated as secretary shall prepare minutes of all meetings to be filed in the corporate records.

SPECIFIC MANDATES OF THE COMMITTEE

I. In Respect of the Company's Internal Auditors

The Committee will:

- a) review and approve the internal audit charter at least annually. The internal audit charter should be reviewed to ensure that it accurately reflects the internal audit activity's purpose, authority, and responsibility, consistent with the mandatory guidance of the IIA's International Professional Practices Framework and the scope and nature of assurance and consulting services, as well as changes in the financial, risk management, and governance processes of the Company and reflects developments in the professional practice of internal auditing;
- b) advise the Board about increases and decreases to the requested resources to achieve the internal audit plan. Evaluate whether any additional resources are needed permanently or should be provided through outsourcing;
- c) perform the following in regards to the director of internal audit:
 - i. advise the Board regarding the qualifications and recruitment, appointment, and removal of the director of internal audit;
 - ii. provide input to Management related to evaluating the performance of the director of internal audit;
 - iii. review and approve Management's recommendation for the appropriate compensation of the director of internal audit;
- d) review and provide input on the internal audit activity's strategic plan, objectives, performance measures, and outcomes. Review and approve proposed risk-based internal audit plan and make recommendations concerning internal audit projects;
- e) review and approve the internal audit plan and engagement work program, including reviewing internal audit resources necessary to achieve the plan and review the internal audit activity's performance relative to its audit plan;
- f) review internal audit reports and other communications to Management and review and track Management's action plans to address the results of internal audit engagements;
- g) review the assistance internal audit provides Management in the creation of a testing plan over Internal Controls over Financial Reporting (ICFR) for the Company to obtain assurance over ICFR activities;
- h) review and advise Management on the results of any special investigations;
- i) inquire of the director of internal audit whether any internal audit engagements or non-audit engagements have been completed but not reported to the Committee; if so, inquire whether any matters of significance arose from such work;
- j) inquire of the director of internal audit whether any evidence of fraud has been identified during internal audit engagements and evaluate what additional actions, if any, should be taken;

- k) inquire of the director of internal audit about steps taken to ensure that the internal audit activity conforms with the IIA's International Standards for the Professional Practice of Internal Auditing (Standards); and
- l) ensure that the internal audit activity has a quality assurance and improvement program and the following steps are taken:
 - i. ensure the results of these periodic assessments are presented to the Committee;
 - ii. ensure that the internal audit activity has an external quality assurance review every five years;
 - iii. review the results of the independent external quality assurance review and monitor the implementation of the internal audit activity's action plans to address any recommendations; and
 - iv. advise the Board about any recommendations for the continuous improvement of the internal audit activity.

II. In Respect of the Company's External Auditors

The Committee will:

- a) review the performance of the external auditors (including the lead partner of the independent audit team) of the Company who are accountable to the Committee and the Board. Make recommendations to the Board as to the reappointment or appointment of the external auditors of the Company to be nominated in the Company's proxy circular for shareholder approval and shall have authority to terminate the external auditors; in reviewing the performance of the external auditors, the Committee will consider annual and comprehensive assessments including Audit Quality Indicators using the CPA Canada Tool (or equivalent);
- b) review the reasons for any proposed change in the external auditors of the Company which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed replacement auditors before making its recommendation to the Board;
- c) recommend to the Board the terms of engagement and the compensation to be paid by the Company to the Company's external auditors;
- d) review the independence of the Company's external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- e) approve in advance all permitted non-audit services to be provided to the Company or any of its affiliates by the external auditors or any of their affiliates, subject to any de minimus exception allowed by applicable law; the Committee may delegate to one or more designated members of the Committee the authority to grant pre- approvals required by this subsection, subject to any such matters being presented to the Committee at its first scheduled meeting following such pre-approval;

- f) review the disclosure with respect to its pre-approval of audit and non-audit services provided by the Company's external auditors;
- g) approve any hiring by the Company or its subsidiaries of partners or employees or former partners or employees of the Company's present or former external auditors;
- h) review a written or oral report describing:
 - i. critical accounting policies and practices to be used in the Company's financial statements,
 - ii. alternative treatments of financial information within IFRS that have been discussed with Management and that are significant to the Company's consolidated financial statements, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors, and
 - iii. other material written communication between the Company's external auditors or Management, such as any management letter or schedule of unadjusted differences;
- i) review with the external auditors and Management the general audit approach and scope of proposed audits of the consolidated financial statements of the Company, including reviewing any significant changes to the external auditors' audit plan, the objectives, staffing, locations, coordination and reliance upon Management in the audit, the overall audit plans, the audit procedures to be used and the timing and estimated budgets of the audits;
- j) if a review engagement report is requested of the external auditors, review such report before the release of the interim consolidated financial statements of the Company or any of its subsidiaries;
- k) discuss with the external auditors any difficulties or disputes that arose with Management during the course of the audit, any restrictions on the scope of activities or access to requested information and the adequacy of Management's responses in correcting audit-related deficiencies;
- l) review and resolve disagreements between Management and the Company's external auditors regarding financial reporting or the application of any accounting principles or practices;
- m) obtain from the external auditors, and review, (i) a summary of the external auditors' internal quality-control procedures, and consider any material issues in respect thereof, and (ii) details of each category of service provided by the external auditors and the related fees;
- n) review the Annual Report of the Canadian Public Accountability Report (CPAB) concerning audit quality and discuss the implications, if any, for the Company; and
- o) review the rotation of partners on the audit engagement for the external auditors in accordance with the applicable requirements and assess the competencies and capabilities of the incoming partner;

III. In Respect of the Company's Financial Disclosure

The Committee will:

- a) review with the external auditors and Management:
 - i. the Company's audited consolidated financial statements and the notes and Management's Discussion and Analysis relating to such consolidated financial statements, the recommendations for approval of each of the foregoing from each of the Chief Executive Officer or Executive Chair, and Chief Financial Officer, and based on such recommendations provide, where applicable, its own recommendations to the Board for their approval and release of each of the foregoing to the public;
 - ii. the Company's interim consolidated financial statements and the notes and Management's Discussion and Analysis relating to such consolidated financial statements, the recommendations for approval of each of the foregoing from each of the Chief Executive Officer or Executive Chair, and Chief Financial Officer, and based on such recommendations provide, where applicable, its own recommendations to the Board for their approval and release of each of the foregoing to the public;
 - iii. the quality, appropriateness and acceptability of the Company's accounting principles and practices used in its financial reporting, changes in the Company's accounting principles or practices and the application of particular accounting principles and disclosure practices by Management to new transactions or events;
 - iv. all significant financial reporting issues and judgments made in connection with the preparation of the Company's consolidated financial statements, including the effects of alternative methods in respect of any matter considered significant by the external auditor within IFRS on the consolidated financial statements and any "second opinions" sought by Management from an independent or other audit firm or advisor with respect to the accounting treatment of a particular item;
 - v. the effect of regulatory and accounting initiatives on the Company's consolidated financial statements and other financial disclosures, including any related regulatory reports;
 - vi. any reserves, accruals, provisions or estimates that may have a significant effect upon the consolidated financial statements of the Company;
 - vii. the use of special purpose entities and the business purpose and economic effect of off balance sheet transactions, arrangements, obligations, guarantees and other relationships of the Company and their impact on the reported financial results of the Company;
 - viii. any legal matter, claim or contingency that could have a significant impact on the consolidated financial statements, the Company's compliance policies and any material

reports, inquiries or other correspondence received from regulators or governmental agencies and the manner in which any such legal matter, claim or contingency has been disclosed in the Company's consolidated financial statements;

- ix. review the treatment for financial reporting purposes of any significant transactions that are not a normal part of the Company's operations; and
 - x. the use of any "pro forma" or "adjusted" information not in accordance with IFRS.
- b) review, or establish procedures for the review of, all public disclosure documents containing audited, unaudited or forward-looking financial information before release by the Company, including any prospectus, management information circulars, offering memoranda, annual reports, management certifications, management's discussion and analysis, annual information forms and press releases;
 - c) review earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each earnings release or each instance in which the Company gives earning guidance;
 - d) establish and monitor policies and procedures for (A) the receipt and treatment of complaints received by the Company regarding accounting, internal accounting controls or audit matters, and (B) the anonymous submission by employees of concerns regarding questionable accounting or auditing matters, and will review periodically with the Management these procedures and any significant complaints received and recommendations in response to such complaints;
 - e) receive from the Chief Executive Officer or Executive Chair, and Chief Financial Officer, a certificate certifying in respect of each annual and interim report the matters such officers are required to certify in connection with the filing of such reports under applicable securities laws;
 - f) review and discuss the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities; and;
 - g) review annually insurance programs relating to the Company and its investments.

IV. In Respect of Internal Controls

The Committee will:

- a) review the adequacy and effectiveness of the Company's internal accounting and financial controls based on recommendations from Management, the internal auditors, and the external auditors for the improvement of accounting practices and internal controls;
- b) review Management's assessment of the effectiveness of internal control over financial reporting as of the end of each fiscal year; and
- c) oversee compliance with internal controls.

V. In Respect of Related Party Transactions

The Committee or the Chair of the Committee, as applicable, will review related party transactions in accordance with the related party transactions policy of the Company. The Committee will periodically review and reassess the adequacy of the related party transactions policy of the Company as it deems appropriate and recommend changes to the Board. The Committee shall review and make recommendations with respect to the Company's expense reimbursement policy and the rules relating to the standardization of the Company's expense reporting practices.

VI. In Respect of Risk Assessment and Risk Management

The Committee will assist Management in assessing and managing the Company's major risks (including data privacy and cyber security), including by:

- a) reviewing and discussing the Company's major risks with Management and the systems implemented and strategies taken by Management to monitor and manage such major risks; and
- b) making periodic reports to the Board regarding risk management and recommendations to the Board whether any new risk management systems or strategies should be considered or implemented.

VII. In Respect of Other Items

The Committee will:

- a) on an annual basis review and assess Committee member attendance and performance and report thereon to the Board and review this Charter and, if required implement amendments to this Charter;
- b) on an annual basis review the dividend reinvestment plan and normal course issuer bid, if any;
- c) on a quarterly basis review compliance with the Disclosure Policy of the Company; and
- d) review and carry out the activities set forth on the attached Appendix "A" as well as other actions which may be necessary for the Committee to carry out the spirit and intent of this Charter. The schedule shall be reviewed from time to time by the Committee.

APPENDIX A
AUTOCANADA INC.
AUDIT COMMITTEE
ANNUAL MEETING TIMETABLE

Legend:

* - As needed

X - Recommended timing

ITEM	March	May	August	November
I. Audit Committee Purpose				
Conduct Special Investigations	*	*	*	*
II. Audit Committee Composition and Meetings				
Assess independence and financial literacy of audit committee				X
Establish number and timing of meetings			X	
Audit Committee Chair to establish meeting agenda	X	X	X	X
Enhance financial literacy update on current financial events	X	X	X	X
In camera session with Auditors	X	X	X	X
In camera session with committee members	X	X	X	X

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ITEM	March	May	August	November
In camera session with CFO	X	X	X	X
III. Audit Committee Responsibilities and Duties (financial statements)				
Review and approve for recommendation to the Board of Directors:				
<ul style="list-style-type: none"> Interim Financial Statements 		X	X	X
<ul style="list-style-type: none"> Interim MD&A 		X	X	X
<ul style="list-style-type: none"> Procedures adopted for certification by CEO, or Executive Chairman, and CFO of interim financial statements and disclosure controls 		X	X	X
<ul style="list-style-type: none"> Annual Financial Statements 	X			
<ul style="list-style-type: none"> Annual MD&A 	X			
<ul style="list-style-type: none"> Procedures adopted for certification by CEO, or Executive Chairman, and CFO of annual financial statements and disclosure controls 	X			
Review external auditor's report	X			
Review CFO Risks Memo addressing Financial Risk, Legal and Regulatory Risk, and Technology and Data Risk; Treasury, Hedging and cash management	X	X	X	X
Review of management analysis of financial reporting issues and judgmental stances taken	X	X	X	X
Taxation Matters Review (At least annually)	*	*	*	*
Information Systems/Cybersecurity Review (At least annually)	*	*	*	*
Review of Material Events and Transactions – Review management reports on any significant or unusual events, transactions that may have a	*	*	*	*

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ITEM	March	May	August	November
Material impact on Financial Statements and/or Disclosures				
IV. Audit Committee Responsibilities and Duties (non-financial statements)				
Review charter				X
Review external audit plan		X		
Approve audit fees		X		
Review Information Circular and recommend approval	X			
Recommend appointment of external auditors	X			
Review regulatory reports	X	X	X	X
Consider internal controls and financial risks				X
Review related party transactions in accordance with the related party transaction policy	X	X	X	X
Review and assess the adequacy of the related party transaction policy		X		
Review the expense reimbursement policy and the rules relating to the standardization of expense reporting practices		X		
Review and discuss major risks and management's reports thereon	X	X	X	X
Review the qualifications of external auditors				X
Complete External Auditor assessment (Comprehensive review every 5 years)				X (2021)
Review independence and discuss auditor independence	*	*	*	*
Discuss and review appropriateness of accounting principles, critical accounting policies and management judgments and estimates	*	*	*	*
Approve the hiring of employees or former employees of the auditors	*	*	*	*
Approve in advance any non-audit services and receive report thereon	X	X	X	X
Review legal matters with counsel	X	X	X	X
Maintain minutes and report to the Board	X	X	X	X

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AutoCanada Inc. Audit Committee CHARTER



ITEM	March	May	August	November
Perform self-assessment of audit committee performance and its members				X
Prepare report of Audit Committee effectiveness and compliance with its charter				X
Review the disclosure of the audit committee charter to the Shareholders in the Annual Information Form	X			
Review financial personnel succession planning				X
Review effectiveness of CFO and Finance Department as a whole against annual objectives (At least annually)	*	*	*	*
Appointment of audit committee members	*	*	*	*
Review any material written communication between external auditors and the Management such as management letters and the schedule of unadjusted differences	X	*	*	*
Review earnings news releases	X	X	X	X
Monitor procedures for the receipt and treatment of complaints received regarding accounting internal control or audit matters	X	X	X	X
Review and discuss the corporate insurance program				X
Review the prior quarter dividends if the dividends are approved quarterly	X	X	X	X
On a quarterly basis review compliance with the Disclosure Policy of the Company.	X	X	X	X
Perform other activities as appropriate	*	*	*	*

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