

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

In this Charter:

“**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.

MANDATE**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.

MANDATE

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.

Approved by the Board of Directors of the Corporation on March 6, 2024.