

## 1. Purpose and Scope

AutoCanada Inc. and all its subsidiaries ("**AutoCanada**" or the "**Company**") recognize the benefits of promoting diversity at the level of the Board of Directors of the Company (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.

This document (the "**Policy**") outlines the Company's policy with respect to diversity on the Board and in relation to those in senior leadership positions at AutoCanada.

## 2. Diversity Objectives

In this Policy, diversity refers to all the characteristics that make individuals different from one another. It includes but is 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. The Company supports the spirit and intent of applicable human rights, employment equity and anti-discrimination laws.

The Board has delegated to the Governance and Nominating Committee of the Board (the "**Governance Committee**") the responsibility of overseeing and ensuring the implementation of this Policy, including establishing measurable objectives for achieving diversity, where appropriate, and annually assessing achievement against established diversity objectives, and reporting to the Board on the Company's performance against such objectives.

## 3. Board Diversity

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.

The Board does not currently limit the term of directors and relies on the Governance Committee to oversee and manage Board renewal. The Governance 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 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 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 this Policy.

#### **4. Senior Leadership Diversity**

Diversity is also 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.

#### **5. Diversity Reporting**

In each management information circular, the Company will disclose the Company's diversity commitments and objectives and will make any other disclosure in respect of this Policy required to comply with applicable securities and corporate law, including, without limitation:

- a) describing this Policy as it relates to the identification and nomination of women, Indigenous persons, persons with disabilities and visible minorities and any other identified groups in respect of which reporting may be required ("designated groups") as directors, including:
  - the Policy's objectives and key provisions;
  - measures taken to implement the Policy;
  - annual and cumulative progress in achieving Policy objectives; and
  - whether and how the Board or the Governance Committee measures Policy effectiveness;
- b) how the Board or the Governance Committee considers the representation of designated groups on the Board when identifying and nominating candidates for election or re-election to the Board;
- c) how the Company considers the representation of designated groups when making appointments in senior management;

- d) voluntary targets adopted to foster Board diversity and, if applicable, annual and cumulative progress in achieving targets and, for each of the designated groups for which a target has not been adopted, the reasons that the Company has not adopted such a target;
- e) voluntary targets adopted to foster diversity among senior management and, if applicable, annual and cumulative progress in achieving targets and, for each of the designated groups for which a target has not been adopted, the reasons that the Company has not adopted such a target;
- f) the number and percentage of Board members who identify as members of each of the designated groups;
- g) the number and percentage of senior management of the Company and each major subsidiary who identify as members of each of the designated groups; and
- h) whether the Board has implemented term limits or other mechanisms of Board renewal for its directors and a description of such term limits and mechanisms, or the reasons why term limits and mechanisms have not been adopted, as applicable.

## 6. Policy Review

The Governance Committee and the Human Resources Committee are responsible for reviewing this Policy and assessing its effectiveness annually, updating this Policy as required and reporting to the Board with respect to this Policy from time to time.

**The Board has reviewed and approved this Policy as of March 6, 2024.**