

## 1. INTRODUCTION

### 1.1. Expectations

As a public company incorporated under the Canada Business Corporations Act, AutoCanada Inc. (“**AutoCanada**” or the “**Company**”) has established internal guidelines to control the trading in its securities by its directors, officers, consultants and employees (collectively, “**AutoCanada Personnel**”) to ensure they are aware of and comply with their obligations under applicable laws and the Company’s policies with respect to “**insider trading**” and “**tipping**” (as described in Sections 2.1 and 2.2 below). As used in this Policy, the Company refers to AutoCanada Inc. and its Subsidiaries (as defined in Section 2.3 below), unless the circumstances otherwise require.

All AutoCanada Personnel are required to strictly abide by all applicable laws and this Policy at all times. The objectives of this Policy are to:

- a) educate AutoCanada Personnel about their legal obligations with respect to insider trading and tipping; and
- b) foster and facilitate compliance with applicable laws to prevent trades by AutoCanada Personnel that would not otherwise be in full compliance with applicable laws.

### 1.2. Scope of this Policy

This Policy applies to all AutoCanada Personnel and to their Family Members (as defined in Section 2.3 below). This Policy continues to apply to trades in the securities of AutoCanada by AutoCanada Personnel and their Family Members and persons whose trades in AutoCanada’s securities are directed by, or subject to, their control even after termination of their employment or engagement with the Company. If such individuals are in possession of Material Information (as defined in Section 2.3 below) that has not been Generally Disclosed (as defined in Section 2.3 below) when their employment is terminated or engagement ends, such individuals may not purchase, sell, hedge or otherwise trade in the securities of the Company until that information has been Generally Disclosed or no longer constitutes Material Information.

This Policy is intended to supplement, and is not intended to replace, applicable securities legislation. Questions concerning this policy or applicable laws should be directed to AutoCanada’s legal team, the disclosure committee (the “**Disclosure Committee**”) or any of the Company’s Executive Chair, Chief Financial Officer or General Counsel (each, a “**Disclosure Officer**”).

## 2. LEGAL BACKGROUND

### 2.1. Insider Trading

- a) Applicable securities laws prohibit any person in a “**special relationship**” with the Company from purchasing or selling securities issued by the Company, and from engaging in hedging and derivative transactions in respect of such securities, when they have knowledge of a Material Fact

- or Material Change (each as defined in Section 2.3 below) with respect to the Company that has not been Generally Disclosed. This prohibited activity is commonly known as “**insider trading**”.
- b) Under applicable securities laws, a person in a “**special relationship**” includes but is not limited to:
    - a) a director, officer or employee of the Company;
    - b) any person or company who beneficially owns, directly or indirectly, more than 10% of the voting securities of the Company or who exercises control or direction over more than 10% of the votes attached to the voting securities of the Company or a combination of both carrying and exercising control or direction over more than 10% of the votes attached to the voting securities of the Company;
    - c) a director, officer or employee of a company that is proposing to make or considering or evaluating whether to make a take-over bid (as defined in the Securities Act (Alberta)) for the securities of the Company;
    - d) a director, officer or employee of a company that is proposing to become or considering or evaluating whether to become a party to a reorganization, amalgamation, merger or a similar transaction with the Company;
    - e) a person engaged in or who is proposing to engage in any business or professional activity with or on behalf of the Company and its directors, officers and employees, and includes, without limitation, contractors and consultants; and
    - f) a person that learns of a Material Fact or Material Change with respect to the Company from any other person who is in a special relationship with the Company, and knows or ought reasonably to have known that the other person is a person in such a special relationship.
  - c) Applicable securities laws also prohibit any person in a “special relationship” with the Company from purchasing or selling the securities of any Public Company other than the Company when the person has knowledge of a Material Fact or Material Change regarding that other Public Company which has not been Generally Disclosed and which knowledge was gained during the course of the person’s work at the Company.

## 2.2. Tipping

Applicable securities laws prohibit a company or any person in a “special relationship” with a Public Company from informing any other person, other than in the “necessary course of business,” of a Material Fact or Material Change in respect of the Public Company before the Material Fact or Material Change has been Generally Disclosed. This prohibited activity is commonly known as “tipping.” Both the person who provides the information (tipper) and the person who receives the information (tippee) could be liable under applicable securities laws as a result of such tipping.

Applicable securities laws also prohibit a company or any person in a “special relationship” with a Public Company from recommending or encouraging another person, other than in the “necessary course of business,” to trade in the securities of the Public Company with knowledge of a Material Fact or Material Change with respect to the Public Company that has not been Generally Disclosed.

## 2.3. Definitions

- a) **“Board”** means the board of directors of the Company.
- b) **“Business Day”** means a day other than a Saturday, Sunday or statutory or civic holiday on which banks are required or permitted to be closed in Edmonton, Alberta or Toronto, Ontario.
- c) **“Discretionary Blackout Periods”** are imposed by the Disclosure Committee from time to time on Insiders, in addition to the Regularly Scheduled Blackout Periods.
- d) **“Family Member”** means, in relation to any AutoCanada Personnel, (a) any spouse, child, stepchild, grandchild, parent or stepparent, (b) other family members living in the same household as such AutoCanada Personnel, and (c) investment partnerships and other entities (including trusts and corporations) over which such AutoCanada Personnel have or share voting or investment control.
- e) **“Generally Disclosed”** information has been **“Generally Disclosed”** if: (i) the information has been disseminated in a manner calculated to effectively reach the marketplace; and (ii) public investors have been given a reasonable amount of time to analyze the information.
- f) **“Insider”** means:
  - i. each director and officer of the Company;
  - ii. each director and officer of a Subsidiary;
  - iii. all other AutoCanada Personnel who are routinely in possession of undisclosed Material Information; and
  - iv. any AutoCanada Personnel who are notified by a Disclosure Officer that such individual has been designated to be an “Insider” for purposes of this Policy (whether temporarily or on an ongoing basis).
- g) **“Major Subsidiary”** means a Subsidiary if:
  - i. the assets of the Subsidiary, on a consolidated basis with its Subsidiaries, as included in the most recent annual audited balance sheet of AutoCanada, are 30% or more of the consolidated assets of AutoCanada as reported on that balance sheet; or
  - ii. the revenue of the Subsidiary, on a consolidated basis with its Subsidiaries, as included in the most recent annual audited income statement of AutoCanada, is 30% or more of the consolidated revenues of AutoCanada as reported on that income statement.
- h) **“Material Change”**, in relation to the affairs of the Company, means a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company and includes a decision to implement such a change made by (i) the Board or (ii) senior management of the Company in the belief that confirmation of the decision by the Board is probable.
- i) **“Material Fact”**, in relation to securities issued or proposed to be issued by the Company, means a fact that would reasonably be expected to have a significant effect on the market price or value of such securities.
- j) **“Material Information”** means any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price

- or value of any of the securities issued by the Company or which could affect the decision of a reasonable investor to invest in a company's securities. Material Information includes both Material Changes and Material Facts. (See attached Schedule A for examples of potential Material Information.)
- k) **"NI 55-104"** means National Instrument 55-104 – Insider Reporting Requirements and Exemptions.
  - l) **"Public Company"** means any issuer whose securities are publically traded, whether or not a reporting issuer and whether in Canada or any other jurisdiction.
  - m) **"Regularly Scheduled Blackout Period"** means a period beginning on the day following the end of a fiscal quarter and ending at the close of business on the first full trading day after the Company releases its related annual or quarterly financial results (for example, if the financial results are released prior to the open of markets on Thursday, the Regularly Scheduled Blackout Period will end at the close of business on such day).
  - n) **"Reporting Insider"** means:
    - i. every director and officer of AutoCanada Inc.;
    - ii. every director, the chief executive officer, the chief financial officer and chief operating officer of a Major Subsidiary; and
    - iii. any other Insider designated from time to time as a "Reporting Insider" by any Disclosure Officer, on the basis that such Insider:
      - A. in the ordinary course of business receives or has access to Material Information concerning the Company before such Material Information is generally disclosed; and
      - B. directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of Company.
  - o) **"Subsidiary"** in relation to the Company, means any other company of which the Company owns, whether directly or through one or more intermediary entities, voting securities to which are attached the right to vote more than 50% of the total voting rights in respect of the election of directors of such other company and includes also any partnership or other unincorporated association in which the Company has a controlling interest as a result of ownership of securities or contractual rights, whether held directly or through intermediary entities and, for greater certainty, each such intermediary entity is a "Subsidiary".

## 3. OBLIGATIONS

### 3.1. Obligations on All AutoCanada Personnel

- a) AutoCanada Personnel and their Family Members are prohibited from purchasing or selling the securities of the Company while in possession of Material Information with respect to the Company that has not been Generally Disclosed, other than in transactions pursuant to an approved Automatic Share Purchase Plan ("ASPP") or Automatic Share Disposition Plan ("ASDP") in accordance with Section 3.4 below.

- b) No AutoCanada Personnel may purchase financial instruments, including, for greater certainty, 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 Company securities or share-based or option-based awards granted by AutoCanada as compensation or held, directly or indirectly, by the AutoCanada Personnel. 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.
- c) AutoCanada Personnel and their Family Members are prohibited from purchasing or selling securities of another Public Company while in possession of undisclosed Material Information regarding that Public Company which knowledge was gained during the course of their work at the Company.
- d) AutoCanada Personnel and their Family Members are prohibited from informing other persons of Material Information regarding the Company before that Material Information has been Generally Disclosed, unless, in the case of AutoCanada Personnel, such Material Information is disclosed in the “necessary course of the Company’s business”.
- e) AutoCanada Personnel and their Family Members are prohibited from informing other persons of Material Information regarding another Public Company where the AutoCanada Personnel has gained knowledge of Material Information regarding that Public Company in the course of their work at the Company before that Material Information has been Generally Disclosed, unless, in the case of AutoCanada Personnel, such Material Information is disclosed in the “necessary course of the Company’s business”.

The “necessary course of business” exception is a limited one and exists so as not to unduly interfere with the Company’s ordinary business activities. Disclosure in the “necessary course of business” is subject to compliance with the Company’s Disclosure Policy and requires the prior approval of a Disclosure Officer, except in limited circumstances. The exception could cover communications that are required to be made to further the business purposes of the Company with:

- i. vendors, suppliers or strategic partners on issues such as research and development, sales and marketing and supply contracts;
- ii. other employees, officers and directors of the Company;
- iii. lenders, legal counsel, underwriters, auditors, and financial and other professional advisors to the Company;
- iv. parties to various types of negotiations with the Company;
- v. credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency’s ratings generally are or will be publicly available);
- vi. labour unions and industry associations; or
- vii. government agencies and non-governmental regulators.

## 3.2. Additional Restrictions on Insiders

Insiders and their Family Members must refrain from trading in securities of the Company (other than in transactions pursuant to a previously approved ASDP or ASPP):

- a) during the continuance of any Regularly Scheduled Blackout Period; and
- b) during the period identified in any notice issued by any Disclosure Officer to Insiders implementing a Discretionary Blackout Period.

## 3.3. Insider Reports

- a) Under securities laws, Reporting Insiders are required to file a report (an “Insider Report”) with securities regulators any time their direct or indirect beneficial ownership of, or control or direction over, securities of the Company (including derivatives thereof) changes, including any time they trade such securities. This is a broad obligation and Reporting Insiders must file an Insider Report electronically through the System for Electronic Disclosure by Insiders or any successor system implemented by the Canadian Securities Administrators (“SEDI”) within ten days following the date of becoming a Reporting Insider and within five days after each trade or change in beneficial ownership of, or control or discretion over, securities of the Company. Reporting Insiders are personally responsible for filing accurate and timely Insider Reports. Reporting Insiders who are AutoCanada Personnel are required to provide a copy of all Insider Reports to the Company’s General Counsel concurrent with their filing to regulatory authorities. Questions relating to the SEDI filing obligations of Reporting Insiders should be directed to the General Counsel.
- b) Reporting Insiders who are AutoCanada Personnel are also required to promptly notify the Company’s General Counsel of updates to their profile on SEDI following any change of name, address or relationship with the Company or other change in personal information.
- c) A Reporting Insider may elect to avail of the reporting exemptions set out in Part 5 of NI 55-104 in respect of (i) securities acquired through re-investment of dividends in accordance with securities based compensation arrangements, or (ii) securities acquired as dividend equivalent payments under securities based compensation arrangements, to report such acquisitions of securities on or before March 31 of the subsequent calendar year.
- d) If the Company, at its sole discretion, elects to file an issuer grant report in respect of a grant of securities, a Reporting Insider, upon being notified of such a grant, may elect to avail of the reporting exemptions set out in Part 6 of NI 55-104 in respect of securities granted under a securities based compensation arrangement, to report such acquisitions of securities on or before March 31 of the subsequent calendar year.

## 3.4. Automatic Share Purchase Plans and Automatic Share Disposition Plans

Restrictions on AutoCanada Personnel and Insiders in Section 3.1(a) and 3.2, respectively, do not apply to transactions pursuant to an approved ASDP or ASPP. In order to comply with this Policy, an ASDP or ASPP entered into by any AutoCanada Personnel must (a) meet the requirements of Canadian securities laws and (b) be approved in writing in advance by the Disclosure Committee in order to ensure the terms of the ASDP or ASPP are acceptable. In general, an ASPP or ASDP must:

- a) not be entered into during a Regularly Scheduled or Discretionary Blackout Period or at a time when the person entering into the plan is aware of Material Information;
- b) be entered into by the AutoCanada Personnel with the AutoCanada Personnel's broker and be binding upon the AutoCanada Personnel and documented in a written plan document;
- c) be accompanied by a certificate from the Company provided by the AutoCanada Personnel to the broker at the time of entering into the plan confirming that the Company is aware of the plan and certifying that, to the best of its knowledge, the AutoCanada Personnel is not in possession of Material Information;
- d) prohibit the broker from consulting with the AutoCanada Personnel regarding any sales made under the plan and prohibiting the AutoCanada Personnel from disclosing to the broker any information concerning the Company that might influence the execution of the plan;
- e) be automatic, such that the amount, pricing and timing of transactions and other instructions are set out in a written plan document at the time of the establishment of the plan, or discretion on these matters is delegated to an independent third party, and the AutoCanada Personnel may not have any authority to subsequently influence how, when or whether a purchase or sale is consummated;
- f) contain meaningful restrictions on the ability of the AutoCanada Personnel to vary, suspend or terminate the plan that have the effect of ensuring that the AutoCanada Personnel cannot profit from undisclosed Material Information through a decision to vary, suspend or terminate the plan; and
- g) be given or entered into in good faith and not as part of a plan or scheme to evade insider trading prohibitions.

Any proposed ASDP or ASPP must be submitted for approval by the AutoCanada Personnel at least three Business Days prior to the entry into the ASPP or ASDP. In evaluating a proposed ASDP or ASPP, the Disclosure Committee may take into account the stated purposes and objectives of this Policy along with any general "best practices" in respect of ASDPs or ASPPs then in existence, and may impose such additional requirements as determined to be necessary or appropriate.

If the ASDP or ASPP is approved and entered into by the AutoCanada Personnel, no further pre-approval of transactions conducted pursuant to the ASPP or ASDP will be required under this Policy.

### 3.5. Waiver

Notwithstanding any of the prohibitions contained in Section 3.2, the Disclosure Committee may, at its discretion, waive such prohibitions contained in Section 3.2 in exceptional circumstances, provided that the person seeking the waiver does not have any Material Information that has not been Generally Disclosed and that making such an exception would not violate any applicable securities laws. The Company's Disclosure Committee will report any such waivers to the Governance and Nominating Committee of the Board at its next regularly scheduled meeting.



### 3.6. Potential Dismissal, Civil and Criminal Penalties

The consequences of prohibited insider trading, tipping, short selling or a failure to file an Insider Report where required on a timely basis can be severe and may include dismissal, fines, civil remedies and criminal sanctions.

### 3.7. Policy Review and Dissemination

This Policy will be reviewed by the Governance and Nominating Committee of the Board on a periodic basis and disseminated to AutoCanada Personnel following any modifications to the Policy.

### 3.8. Effective Date

This Policy has been approved by the Governance and Nominating Committee of the Board and is dated and effective as of March 6, 2024. Questions about this Policy should be directed to the General Counsel or a member of the Disclosure Committee.



## **BLACKOUT PERIODS**

### **QUICK REFERENCE LIST**

**Do not trade in the securities of the company or of another public company when you:**

- know Material Information about the Company which has not been Generally Disclosed;
- know Material Information about another Public Company which has not been Generally Disclosed and you learned of such Material Information because of your business or dealings with the Company;
- are an Insider subject to a Regularly Scheduled Blackout Period or a Discretionary Blackout Period; or
- have received any other notice from any Disclosure Officer that you cannot trade in the securities of the Company or another Public Company.

## SCHEDULE A

### EXAMPLES OF POTENTIAL MATERIAL INFORMATION

The following are examples of information that could constitute Material Information as they may result in, or may reasonably be expected to result in, a significant change in the market price or value of any of the listed securities of the Company and/or a reasonable investor may consider them important in making a decision to buy, hold or sell securities:

#### Changes in AutoCanada Structure

- changes in share ownership that may affect control of AutoCanada
- major reorganizations, amalgamations or mergers
- take-over bids, issuer bids or insider bids

#### Changes in Capital Structure

- the public or private sale of securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, stock dividend or distribution
- changes in AutoCanada's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to rights of security holders

#### Changes in Financial Results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of AutoCanada's assets
- any material change in AutoCanada's accounting policies

#### Changes in Business and Operations

- any development that affects AutoCanada's resources, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts or products or losses of significant contracts or business

- changes to the board of directors or executive management, including the departure of the company's Executive Chair, Chief Financial Officer, President or Chief Operating Officer
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of ethics and conduct rules for directors, officers and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of AutoCanada's securities or their movement from one quotation system or exchange to another

## Acquisitions and Dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other entities, including a take-over bid for, or business combination involving, another company; it being understood that an acquisition or disposition of a single dealership would not be considered material unless otherwise determined by the Disclosure Committee

## Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money
- any material mortgaging or encumbering of AutoCanada's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

## Other

- any other developments relating to the business and affairs of AutoCanada that would reasonably be expected to significantly affect the market price or value of any of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.