

# GROUP 1 AUTOMOTIVE®

## FINANCE/RISK MANAGEMENT COMMITTEE CHARTER

The Board of Directors (the “**Board**”) of Group 1 Automotive, Inc. (the “**Company**”) has heretofore constituted and established a Finance/Risk Management Committee of the Board (the “**Committee**”) with the authority, responsibility and specific duties as described in this Finance/Risk Management Committee Charter (this “**Charter**”).

### I. Purpose

The general purpose of the Committee is to assist the Board in fulfilling its responsibility to oversee the Company’s (i) review and evaluation of corporate finance and capital allocation strategies and (ii) identification, assessment and management of its principal risks, pursuant to the Group 1 Automotive, Inc. Authority Limits and Financial Guidelines (the “**Guidelines**”), as more specifically described below.

The Committee’s role is one of oversight, recognizing that management is responsible for executing the Company’s risk management policies and procedures. While the Committee has the responsibilities and powers set forth in this Charter, management is ultimately responsible for designing, implementing and maintaining an effective risk management program.

### II. Composition

The Committee shall consist of at least four members of the Board. Each member of the Committee shall be appointed by, and serve at the discretion of, the Board, based on the recommendation of the Governance & Corporate Responsibility Committee. Committee members may be removed from the Committee by the Board at any time, with or without cause, and any vacancies will be filled by the Board. The Chair of the Committee shall be a member of the Committee designated by the Board based on the recommendation of the Governance & Corporate Responsibility Committee or, if no such designation is made, elected by the affirmative vote of the majority of the Committee.

### III. Authority and Responsibilities

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee as more specifically delineated below. Without limiting the generality of the preceding statements:

#### A. Authority

The Committee has the authority to:

1. Conduct or authorize investigations into any matter within the scope of the responsibilities delegated to the Committee, including to require any officer,

employee or advisor of the Company to meet with the Committee or any of its advisors;

2. Retain and determine funding for, and approve or modify contractual terms and fees payable to, legal counsel, accounting experts, or other experts and advisors, in the Committee's sole discretion and as it deems necessary or appropriate in carrying out its duties. The Company must provide for payment of (a) compensation, as determined by the Committee, to such advisors engaged by the Committee and (b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties; and

3. Delegate to its Chair, any one of its members or any subcommittee it may form, the responsibility and authority for any particular matter, as it deems appropriate from time to time under the circumstances and consistent with applicable law. Each subcommittee will keep minutes and regularly report to the Committee.

**B. *Responsibilities***

The Committee has the following responsibilities:

1. Review and authorize finance-related activities within limits prescribed by the Board.

2. Review and provide guidance to the full Board regarding the Company's:

a) financial condition and capital structure;

b) long-term and short-term financial policies and objectives, including dividend policy, plans or programs for the repurchase or redemption of Company securities and capital and debt issuances;

c) financial strategies, guidelines and procedures, related to off-balance sheet transactions, hedging transactions, capital and other investments, including investment of the Company's cash reserves and material loans or advances to any person; and

d) compliance with its material debt instruments and credit facilities.

3. At least annually, review, discuss with management and approve the Company's policies governing use of financial derivatives.

4. Review and approve any off-balance sheet structures contemplated by the Company, other than as specified in the Guidelines.

5. Oversee the Company's treasury activities, including an annual review of the Company's principal commercial and banking relationships and banking and treasury authorizations.

6. Review, oversee and discuss with management communications with rating agencies, regarding projections and similar information.
7. Review and approve risk management-related activities as specified in the Guidelines.
8. Assess and discuss with management the Company's major risk exposures and steps management has taken to monitor and control such risk exposures, as well as risk assessment and management policies.
9. Oversee the Company's insurance programs, including coverage for business interruption, property and casualty, workers' compensation, fiduciary liability, data security and directors and officers.
10. Review and discuss with management the Company's cyber security and information security risk exposures, monitor the Company's cyber security and information security program, and make any recommendations to the Board regarding the same.
11. Review and provide guidance to the Board and management regarding the assessment of future capital spending and acquisition opportunities as specified in the Guidelines, and review capital expenditure plans, including significant acquisitions and dispositions of businesses and assets and other specific capital projects as further described in the Guidelines.
12. The Committee shall perform any other duties or responsibilities delegated to the Committee by the Board from time to time.

#### **IV. Procedures**

- A. ***Meetings.*** The Committee shall meet as frequently as necessary to carry out its responsibilities. The Committee shall meet at the call of its Chair, a majority of the members of the Committee or the Chair of the Board. Meetings may, at the discretion of the Committee, include members of the Company's management, independent consultants and such other persons as the Committee or its Chair may determine.
- B. ***Quorum and Approval.*** A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of

members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.

C. **Rules.** The Committee may determine additional rules and procedures, including designation of a Chair *pro tempore* in the absence of the Chair.

D. **Reports.** The Committee shall maintain minutes of its meetings and make regular reports to the Board, directly or through the Chair.

E. **Review of Charter.** Each year, the Committee shall review the need for changes in this Charter and recommend any proposed changes to the Board for approval.

F. **Performance Review.** Each year, the Committee shall review and evaluate its own performance and shall submit itself to the Board's review and evaluation.

G. **Fees.** Each member of the Committee shall be paid the fee set by the Board for his or her services as a member of, or Chair of, the Committee.

#### V. **Posting Requirement**

The Company will make this Charter available on or through the Company's website as required by applicable rules and regulations. In addition, the Company will disclose in its Proxy Statement that a copy of this Charter is available on the Company's website and provide the website address.

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While the Committee members have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under applicable federal or state law.