

SONIC AUTOMOTIVE, INC.

CORPORATE GOVERNANCE GUIDELINES

As Amended on July 24, 2019

1. **Board Membership.** The consideration of nominees for election as directors shall be a continuous process and not confined to the time when an incumbent director leaves the Board of Directors (the “Board”) of Sonic Automotive, Inc. (the “Company”). The Nominating and Corporate Governance Committee (the “NCG Committee”) is responsible for identifying and making recommendations to the Board of qualified nominees for election as directors of the Company, including reviewing, evaluating, and considering qualified nominees recommended by stockholders. There will be no difference in the manner in which the NCG Committee evaluates nominees for director based on whether the nominee is recommended by a stockholder, a Board member or the NCG Committee. Key management personnel and directors who are not members of the NCG Committee are encouraged to submit the names of prospective directors to the NCG Committee.

2. **Process for Submission of Proposed Nominees by Stockholders.** Stockholders may recommend a director candidate for consideration by the NCG Committee by submitting the candidate’s name in accordance with the applicable provisions of the Company’s Bylaws, as amended from time to time, that require advance notice to the Company and certain other information. A stockholder who is interested in recommending a director candidate should request a copy of the Company’s Bylaw provisions by writing to Sonic Automotive, Inc., Attn: Corporate Secretary, 4401 Colwick Road, Charlotte, North Carolina 28211.

3. **Director Qualification Standards.** The following qualification standards shall be reviewed by the NCG Committee when recommending to the Board nominees for election as directors:

A. **Independence.** A director should have the ability to apply independent judgment to a business situation. In addition, directors who are intended by the NCG Committee and the Board to qualify as “independent directors” under applicable United States Securities and Exchange Commission (“SEC”) rules and regulations or applicable rules of the New York Stock Exchange (“NYSE”) or any other exchange on which shares of the Company’s Class A Common Stock are traded must meet the applicable criteria for “independence” established by the SEC and the NYSE or such other exchange. It is desirable that any non-employee director be qualified as an “independent director” under rules and regulations of the SEC and the NYSE or such other exchange, as such rules and regulations are in effect from time to time. On an on-going basis, the Board will affirmatively determine for each director whether or not he or she is independent, and disclose the determinations in the Company’s annual proxy statement.

B. **Representation.** A director should have the ability to represent broadly the interests of all of the Company’s stockholders and constituencies.

C. Maturity and Experience. A director should be mature and have broad training and experience at the policy making level in business, economics, government, education or technology. A director should have expertise that is useful to the Company and complementary to the background and experience of other Board members so that an optimum balance of expertise among members of the Board can be achieved and maintained.

D. Time and Commitment; Service on Other Boards. A director should have both the time and willingness to be an active member of the Board, as well as a member of one or more Committees of the Board. A director should be committed to serving on the Board over a period of years to develop knowledge about the Company's principal operations. While service on the board of directors of other companies is not discouraged, the Board believes that directors who are full-time employees of the Company or of other companies should serve on no more than three (3) outside public company boards at a time (in addition to service on the Company's Board), and that directors who are not engaged in full-time employment should serve on no more than four (4) outside public company boards at a time (in addition to service on the Company's Board). The Board may, however, make exceptions to this standard as it deems appropriate in the interests of the Company's stockholders.

4. Board Leadership. In accordance with the By-Laws of the Company, the Chairman of the Board shall preside over all meetings of the Board and supervise its affairs. In addition, the independent directors shall annually designate an independent director to serve as the Lead Independent Director. The Lead Independent Director's duties and responsibilities shall be as determined from time to time by the independent directors, including without limitation, presiding in regularly scheduled executive sessions with the non-employee directors without the presence of management and coordinating feedback to the Chief Executive Officer on behalf of non-employee directors regarding business issues and Board management. The NCG Committee shall recommend annually a Lead Independent Director candidate for appointment by the independent directors.

5. Criteria of Board Composition, Size and Proportion.

A. Composition. The Board should be composed ideally of persons having a diversity of skills, background and expertise that are useful to the Company and its future and ongoing needs. The NCG Committee should consider existing Board composition in evaluating potential new director candidates.

B. Size. The current By-Laws limit the number of directors at thirteen (13). The NCG Committee should annually evaluate the current size of the Board and make recommendations, as it deems appropriate, regarding changes in the size of the Board.

6. Committee Membership.

A. Service. All non-employee directors who qualify as "independent directors" should be willing and able to serve on one or more permanent Committees of the Board. All of the members of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be independent directors.

B. Rotation. The NCG Committee shall annually review the composition of the members of the Committees of the Board, and shall recommend rotations of Committee members to the Board as the NCG Committee deems appropriate or desirable.

7. Meetings.

A. Attendance. All directors should attend the Annual Stockholders Meeting, regularly scheduled meetings of the Board and of the Committees on which the director serves, and special meetings, either in person or by telephone. It is the Board's strong preference that directors attend meetings in person. For any director that fails to attend at least seventy five percent (75%) of the regularly scheduled meetings of the Board in a particular calendar year, the NCG Committee shall consider such director's attendance in its recommendation to the Board regarding nomination of the director for re-election.

B. Number of Meetings and Scheduling. It is desirable that the Board have at least four (4) regularly scheduled meetings per year. The Chairman of the Board should publish the schedule of regularly scheduled Board meetings for the upcoming calendar year by no later than October 1 of the preceding calendar year. Executive sessions of the independent directors will be held at each regularly scheduled Board meeting, and the Lead Independent Director, or his/her designee, will chair such executive sessions.

C. Selection of Agenda Items. The Chairman of the Board will establish the agenda for each Board meeting. The Lead Independent Director will establish the agenda for each executive session of the non-employee directors. Each Committee chairperson will establish the agenda for Committee meetings. All members of the Board and its Committees are encouraged to submit items for consideration by the Board and its Committees at the meetings.

D. Advance Distribution and Review of Board and Committee Materials. Written agendas for each Board or Committee meeting, along with other written materials pertinent to the Board's or Committee's review and consideration of agenda items, shall be distributed by the appropriate management personnel to, and reviewed by, the Board or Committee members in advance of each meeting.

8. Stock Ownership.

All non-employee members of the Board are required to beneficially own, directly or indirectly, shares of Class A Common Stock or Class B Common Stock of the Company (inclusive of securities convertible into such shares) having a market value (if applicable, on an as-converted basis) equal to five times the annual cash retainer fee payable to non-employee directors. Each non-employee member of the Board is allowed a period of five years from the later of (i) April 30, 2017 or (ii) the date on which such director joins the Board to satisfy this requirement.

The Chief Executive Officer of the Company is required to beneficially own, directly or indirectly, shares of Class A Common Stock or Class B Common Stock of the Company (inclusive of securities convertible into such shares) having a market value (if applicable, on an as-converted basis) equal to three times the Chief Executive Officer's cash base salary. The

Chief Executive Officer is allowed a period of three years from the date on which such Chief Executive Officer becomes the Chief Executive Officer to satisfy this requirement.

9. Prior Approval of Other Directorships. A director of the Company must notify the NCG Committee, and receive the prior approval of the NCG Committee, before accepting an appointment to the Board of Directors of another public company.

10. Criteria of Tenure of Directors.

A. Retirement from Board. While the Board does not feel that setting a mandatory retirement age for directors is appropriate or necessarily in the Company's best interests, each director is encouraged to consider his or her own circumstances in this regard before agreeing to stand for re-election as a director at the end of the director's term.

B. Change in Occupation or Profession. Non-employee directors must inform the Board of any change in such director's occupation or profession, and must offer to stand down at the end of the particular director's term following such a change.

C. Resignation of Employee Directors. Any director of the Company who is also an employee of the Company must offer to resign from the Board (and from the boards of directors or governing bodies of any subsidiary of the Company) upon the earlier to occur of (a) retirement from the Company, (b) resignation from the Company, (c) other termination of employment with the Company, or (d) downward revision of status or office in the Company.

D. Effect of Withheld Votes in Uncontested Elections of Directors. In an uncontested election of directors, any nominee for director who is an incumbent director and receives a greater number of votes "against" his or her election than votes "for" his or her election shall promptly tender his or her resignation to the Corporate Secretary of the Company following certification of the stockholder vote for consideration by the Board. The NCG Committee shall promptly evaluate such director's tendered resignation, taking into account the best interests of the Company and its stockholders, and shall recommend to the Board whether to accept or reject such resignation. In assessing whether to accept or reject the tendered resignation, the NCG Committee will consider all factors it deems relevant, including any stated reasons why stockholders voted "against" such director, the director's length of service and qualifications, the director's contributions to the Company, and these guidelines. The Board shall act on the NCG Committee's recommendation within 120 days following certification of the stockholder vote. The Board shall consider the NCG Committee's recommendation and any additional information the Board believes to be relevant in deciding whether to accept the tendered resignation. The Company will promptly disclose the Board's decision and the reasons therefor in a Form 8-K filing with the SEC. Any director who tenders his or her resignation pursuant to this governance principle shall not participate in any committee or Board consideration of it.

11. Director Access to Management and Independent Advisors. Board members have complete access to management of the Company and are encouraged to make regular contact. The Chairman, at his or her discretion, may also invite independent advisors to the Company to attend Board meetings. Committees of the Board may retain and consult with independent

advisors at the Company's expense as provided for in the respective Charters of each Committee. Board members may consult with independent advisors regarding Company business or affairs, provided that such consultations shall not be at the Company's expense unless approved in advance by the NCG Committee. The NCG Committee will approve such requests as it deems necessary or appropriate.

12. Chief Executive Officer. The Board, under the advice of the Compensation Committee, shall conduct a review and assessment of the performance of the Chief Executive Officer at least annually. The review shall include a meeting of the non-employee directors in executive session to discuss the CEO's performance and to review the CEO's salary, bonus and other incentive and equity compensation.

13. Key Management Personnel.

A. Evaluation of Performance. The Board, under the advice of the Compensation Committee, shall adopt a process for performance reviews of key management personnel of the Company, which reviews shall be conducted not less than annually.

B. Succession Planning. The Compensation Committee, in consultation with the Chief Executive Officer, shall review not less frequently than annually the succession planning for key management personnel of the Company. The Compensation Committee shall annually report to the Board regarding its recommendations for succession planning for key management personnel.

C. Attendance at Board Meetings. As recommended by, and at the discretion of, the Chief Executive Officer, key management personnel shall attend meetings of the Board. The Chief Executive Officer is encouraged to bring key management representatives to meetings of the Board who: (i) can assist in explaining capital requests, (ii) can provide insight into factors affecting their area of business or expertise in the Company, or (iii) the Chief Executive Officer determines should be exposed to the Board.

14. Criteria of Removal of Directors.

A. Attendance. If over two (2) successive years attendance by a director at meetings of the Board and meetings of any Committees of the Board falls below sixty percent (60%), the director must offer to resign from the Board.

B. Disability or Illness. A director must offer to resign from the Board if the director is suffering from a disability or illness that prevents active participation in the affairs of the Board over a sustained period.

C. Neglect or Other Causes. If a director neglects the director's duties or other grounds exist under applicable law for removal, or the director fails to continue to satisfy the criteria for tenure described in Section 8 hereof, the director must offer to resign.

15. Director Compensation. Non-employee directors of the Company shall receive fees (which may include equity-based awards) for their services as a director as determined by

the Board from time to time, based on the recommendation of the Compensation Committee. In addition, the Board, in its discretion and with advice from the Compensation Committee, may award additional fees to non-employee directors for service on a Committee of the Board. All such fees must be consistent with appropriate rules and regulations of the SEC, the NYSE or any other exchange on which shares of the Company's Class A Common Stock are traded. Directors who are also employees of the Company shall receive no additional compensation for service on the Board.

16. Director Orientation. The NCG Committee shall develop and implement a director orientation program for the purpose of educating new directors regarding the Company's business and the duties and responsibilities of the Board and its members.

17. Director Continuing Education. Each director of the Company is encouraged to attend seminars that focus on educating or updating directors of public companies in the areas of corporate governance and responsibility or other areas that are useful to the director's service to the Company. The NCG Committee shall review proposed seminars for a particular director in advance to ensure that such seminars comply with applicable SEC or stock exchange rules regarding continuing director education. Expenses of attending a director continuing education seminar shall be paid by the Company if such director's attendance of the seminar has received the prior approval of the NCG Committee.

18. Annual Performance Evaluation of the Board and Committees. The NCG Committee shall recommend to the Board a process for an evaluation by the Board of the performance and effectiveness of the Board and its Committees. The Board shall conduct this performance evaluation not less frequently than annually. The NCG Committee shall also recommend to each standing Committee of the Board a process for self-evaluation by the particular Committee, which evaluations shall be conducted not less than annually. The results of such annual performance evaluations shall be reported to the Board by the chairpersons of each Committee.

19. Stockholder Communications. Stockholders may send communications to the Board addressed to Sonic Automotive, Inc., Attn: Corporate Secretary, 4401 Colwick Road, Charlotte, North Carolina 28211. All such communications to the Board shall be promptly forwarded by the Corporate Secretary to each of the directors via regular mail, facsimile transmission, secure overnight carrier, or hand delivery.