

SONIC AUTOMOTIVE, INC.

COMPENSATION COMMITTEE CHARTER

Amended as of February 13, 2017

1. **Purpose.** The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Sonic Automotive, Inc. (the “Company”) shall be to discharge the Board’s responsibilities relating to compensation of the Company’s executive officers. The Committee shall have overall responsibility for designing, approving and evaluating the compensation plans, policies and programs applicable to executive officers of the Company. The Committee shall review and discuss with management the disclosures made in the “Compensation Discussion and Analysis” required by the regulations of the Securities and Exchange Commission (the “SEC”) and, based on such review and discussions, recommend to the Board whether such “Compensation Discussion and Analysis” be included in the Company’s annual filings with the SEC. The Committee shall also annually produce a report on executive officer compensation for inclusion in the Company’s proxy statement, in accordance with applicable rules and regulations. In addition, the Committee shall advise the Board regarding compensation plans, policies and programs applicable to non-employee directors for their services as a director.

The Committee should develop an executive compensation policy that is primarily based upon the practice of pay-for-performance. In conjunction with this goal, the Committee should strive to create a direct relationship between pay levels and individual performance, corporate performance and returns to stockholders. The Committee should vigilantly monitor the results of its executive compensation policy to assure that compensation payable to executive officers provides overall competitive pay levels compared to peer companies, creates proper incentives to enhance stockholder value, rewards superior performance, and is justified by returns available to stockholders. The Committee shall also be responsible for determining the Company’s policy with respect to the application of Section 162(m) of the Internal Revenue Code of 1986, as amended, and when compensation may be paid by the Company which is not deductible for Federal income tax purposes.

The Committee shall have the authority to delegate responsibility for the day-to-day management of executive compensation payable to the officers of the Company.

2. **Membership.**

A. **Size.** The Committee shall consist of not less than three (3) nor more than five (5) directors of the Company, with the specific number of members to be designated by the Board.

B. **Independence Requirement.** Each member of the Committee must be an independent, non-employee director of the Company, and must further qualify (i) as an “Independent Director” under the applicable guidelines then in effect of the New York Stock Exchange (the “NYSE”) or any other exchange on which shares of the Company’s Class A

Common Stock are traded, (ii) a “Non-Employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (iii) as an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

C. Appointment of Members. Committee members and the Chairperson of the Committee shall be appointed by the Board, under the advice of the Nominating and Corporate Governance Committee of the Board. Each member and the Chairperson shall serve at the pleasure of the Board and for such term or terms as the Board shall determine.

3. Meetings.

A. Number of Meetings. The Committee shall meet at least two times annually, or more frequently as circumstances dictate. The Committee shall meet at such times as shall be determined by the Chairperson, or upon the request of any two members of the Committee.

B. Agenda for Meetings. The Chairperson of the Committee, in consultation with the Chief Executive Officer and the Chief Financial Officer, shall set the agenda for each Committee meeting. At the request of the Chairperson, written materials pertinent to the Committee’s review and consideration of agenda items shall be distributed by the appropriate management personnel to the Committee members in advance of each meeting.

C. Quorum for Meetings. One-third of the members of the Committee, but not less than two, shall constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.

D. Telephonic Meetings; Consent in Lieu of Meetings. The Committee may meet by telephone or video conference, and may take action by unanimous written consent of its members.

4. Function.

A. Compensation of the Executive Officers. The Committee shall, at least annually, review and approve corporate goals and objectives relevant to the compensation of each executive officer of the Company (including the Chief Executive Officer), evaluate each executive officer’s performance in light of those goals and objectives, and determine and approve each executive officer’s compensation level based on this evaluation. Such compensation may include, but not be limited to, annual salary, bonus, stock options, restricted stock, equity-based awards and other direct or indirect benefits.

B. Incentive Compensation Plans. The Committee shall annually determine whether the Chief Executive Officer and other executive officers of the Company shall participate in the incentive compensation plans established for the Company’s executive officers. The Committee shall also determine the terms and conditions of each executive officer’s participation in the incentive compensation plans of the Company. The Committee shall from time to time review and recommend to the Board any changes with respect to the Company’s incentive compensation plans.

C. Equity-Based Plans. The Committee shall administer and grant stock options, restricted stock and equity-based awards to the Company's officers, employees and individuals providing key outside services to the Company pursuant to the equity-based plans of the Company. The Committee shall from time to time review and recommend to the Board any changes with respect to the Company's equity-based plans.

D. Employment Agreements. The Committee shall make recommendations to the Board regarding provisions of employment agreements, severance arrangements and change-in-control provisions or agreements applicable to executive officers, in each case as, when and if deemed appropriate by the Board.

E. Director Compensation. The Committee shall, from time to time, review and evaluate the compensation plans, policies and programs applicable to non-employee directors for their services as a director to the Company, and recommend to the Board any changes with respect to such compensation plans, policies and programs applicable to non-employee directors.

F. Compensation Consultants and Other Advisors. The Committee shall have the sole authority to retain, or obtain the advice of, a compensation consultant, outside legal counsel or other external advisor, including the sole authority to approve the advisor's fees and other retention terms and to oversee the work of the advisor. Prior to the Committee retaining, or receiving advice from, any such external advisor, and from time to time as the Committee deems appropriate, the Committee shall assess the independence of such advisor, taking into consideration all factors relevant to such advisor's independence from management, including the factors specified in the listing standards then in effect of the NYSE or any other exchange on which shares of the Company's Class A Common Stock are traded. After considering such factors, the Committee may retain, or receive advice from, any such external advisor even if the advisor is determined by the Committee not to be independent. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such external advisor retained by the Committee.

G. Evaluation of the Committee. On at least an annual basis, the Committee shall, under the advice of the Nominating and Corporate Governance Committee of the Board, perform a self-evaluation of the Committee, review the results and report to the Board with findings and recommendations.

5. General Provisions.

A. Restrictions. In the performance of its responsibilities, the Committee shall be subject to the Certificate of Incorporation and Bylaws of the Company, as amended from time to time, together with all other relevant provisions of the Delaware General Corporation Law, as amended, and all applicable rules and regulations of the SEC and the NYSE or any other exchange on which shares of the Company's Class A Common Stock are traded.

B. Reports. The Chairperson of the Committee shall (i) see that appropriate records of all meetings of the Committee are kept, and (ii) regularly deliver a summary of key actions of the Committee to the Board.

C. Subcommittees. The Committee may form and delegate authority to subcommittees of the Committee, as it deems appropriate.

D. Changes. This Charter shall not be amended or modified without the approval of the Board. This Charter shall be reviewed at least annually by the Committee to assess the Committee's performance of its responsibilities hereunder and to determine if changes should be made to this Charter.