

## BY-LAW NO.2

A By-Law Relating to Advance Notice of Nominations of Directors of

### ROCKY MOUNTAIN DEALERSHIPS INC.

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BE IT ENACTED as a by-law of Rocky Mountain Dealerships Inc. (the “**Corporation**”) as follows:

1. In this by-law:
  - (a) “**Act**” means the *Business Corporations Act* (Alberta), and the regulations thereunder, as amended from time to time;
  - (b) “**Affiliate**”, when used to indicate a relationship with a specific person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
  - (c) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, including the written rules, regulations and forms made or promulgated under any such statute, and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province and territory of Canada;
  - (d) “**Board**” means the board of directors of the Corporation;
  - (e) “**Business Day**” means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta, or any other day on which the principal chartered banks in the City of Calgary are closed for business;
  - (f) “**Notice Date**” means the date the first Public Announcement of an annual shareholder meeting or special shareholder meeting (which is not also an annual shareholder meeting), as applicable, is made; and
  - (g) “**Public Announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).
2. Subject only to the Act, the articles of the Corporation, any other by-laws of the Corporation and Applicable Securities Laws, only persons who are nominated in accordance with this by-law shall be eligible for election as directors of the Corporation.
3. At any annual meeting of shareholders or any special meeting of shareholders (where one of the purposes for which such special meeting was called was the election of directors), nominations of persons for election to the Board may be made:
  - (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
  - (b) by or at the direction or request of one or more shareholders of the Corporation pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of a meeting of the shareholders of the Corporation made in accordance with the provisions of the Act; or

- (c) by any person (a “**Nominating Shareholder**”) who:
  - (i) at the close of business on the date of the giving of the notice provided for in this by-law and at the close of business on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares of the Corporation carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides satisfactory evidence of such beneficial ownership to the Corporation; and
  - (ii) who complies with the timing and notice procedures set forth below in this by-law.
- 4. In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 5 below) and in proper written form (in accordance with paragraph 6 below) to the Corporate Secretary of the Corporation in accordance with this by-law.
- 5. To be timely, a Nominating Shareholder’s notice to the Corporate Secretary of the Corporation must be made:
  - (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not less than 30 days prior to the date of the meeting; provided, however, that in the event such meeting is to be held on a date that is less than 50 days after the Notice Date, notice by the Nominating Shareholder must be made not later than the close of business on the 10th day following the Notice Date; and
  - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not also called for other purposes), not later than the close of business on the 15th day following the Notice Date.

Each of the notice periods set forth in paragraphs 5(a) and 5(b) above shall reset if the meeting is adjourned and/or postponed, and for these purposes the Notice Date shall be the date of the first Public Announcement of the adjournment and/or postponement.

- 6. To be in proper written form, a Nominating Shareholder’s notice to the Corporate Secretary of the Corporation must set forth:
  - (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
    - (i) the name, age, business address and residential address of the person;
    - (ii) the principal occupation, business or employment of the person, both present and within the five years preceding the notice, and the name and principal business of any company in which any such employment is carried on;
    - (iii) whether the person is a resident Canadian within the meaning of the Act;
    - (iv) the number of securities of each class or series of securities in the capital of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such person, as of the record date for the meeting of shareholders (if such date shall then have

been made publicly available and shall have occurred) and as of the date of such notice;

- (v) full particulars regarding any relationship, agreement, arrangement or understanding (including and without limitation, whether familial, business, financial, compensatory or indemnity related or otherwise) between the nominee and the Nominating Shareholder, or any associates or affiliates of, or any person or entity acting jointly or in concert with, the nominee or the Nominating Shareholder in connection with the nominee's nomination and election as a director;
  - (vi) whether the nominee is party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Corporation or any other third party which may give rise to a real or perceived conflict of interest between the interests of the Corporation and the interests of the nominee;
  - (vii) such person's written consent to being named in the notice as a nominee and to serving as a director of the Corporation if elected; and
  - (viii) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and
- (b) as to the Nominating Shareholder (which, for the purpose of this subsection 6(b), includes the Nominating Shareholder's Affiliates):
- (i) the name and address of such Nominating Shareholder, as they appear on the securities register of the Corporation;
  - (ii) the number of securities of each class or series of securities in the capital of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such person, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iii) full particulars regarding any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the notice by, or on behalf of, such Nominating Shareholder, whether or not such instrument or right shall be subject to settlement in underlying securities of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such Nominating Shareholder with respect to securities of the Corporation;
  - (iv) full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct or control the voting of any securities of the Corporation;
  - (v) whether such Nominating Shareholder intends to deliver a proxy circular and/or form of proxy to any shareholders of the Corporation in connection

with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination; and

- (vi) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee. The Corporation may also require any proposed nominee to provide the Corporation with a written consent to be named as a nominee and to act as a director, if elected.

In addition, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

7. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this by-law; provided, however, that nothing in this by-law shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairperson of the meeting.
8. The Chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this by-law and, if any proposed nomination is not in compliance with the procedures set forth in this by-law, to declare that such defective nomination shall be disregarded.
9. Notice given to the Corporate Secretary of the Corporation pursuant to this by-law may only be given by personal delivery, facsimile or email (at such email address as set forth on the Corporation's profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com)), and shall be deemed to have been given and made (i) if personally delivered, only at the time it is served by personal delivery to the Corporate Secretary of the Corporation at the principal executive office of the Corporation or (ii) if transmitted by facsimile or email, if sent before 5:00 p.m. (Calgary time) on a Business Day, on such Business Day, and otherwise on the next Business Day.
10. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this by-law.
11. This by-law was approved and adopted by the Board effective September 11, 2017 (the "**Effective Date**") and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this by-law is not approved by ordinary resolution of shareholders of the Corporation present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this by-law shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.