

Group 1 Automotive, Inc.

U.S. Syndicated Credit Facility

Debt Covenant Summary

1 Total Adjusted Leverage Ratio must be < 5.50

Adjusted Total Debt (numerator)

- + Debt related to real estate (incl capital leases)
- + Acquisition Line
- + Notes Payable (incl capital leases)
- + 5.00% Senior Notes (face value)
- + 5.25% Senior Notes (face value)
- + Rent Expense (Property and Equipment) x 8
- + Retail Loan Guarantees
- + Guarantees of Foreign Subsidiaries Debt in excess of \$75 million
- + U.S. Letter of Credit for foreign debt
- = **Adjusted Total Debt**

Adjusted Pro-forma EBITDA (denominator)

- + Pre-Tax Income (T12)
- + Other Interest Expense (T12)
- + Depreciation & Amortization (T12)
- + Asset Impairments (T12)
- + Gain/Loss on Debt Buybacks or Capital Asset Disposals (T12)
- + Other Non-Cash Charges including Stock-Based Compensation (T12)
- + Force Majeure Charges (limited to \$10M) (T12)
- + Non-recurring Charges (limited to 10% of EBITDA) (T12)
- + Acquisition/Disposition Pro-forma EBITDA
- + Rent Expense (T12)
- = **Adjusted Pro-forma EBITDA**

2 Fixed Charge Coverage Ratio must be > 1.20

Earnings available for Fixed Charges (numerator)

- + Adjusted Pro-forma EBITDA (T12)
- + Rent Expense (T12)
- Cash Paid for Taxes (T12)
- Cash Paid for Dividends (T12)
- Cash Paid for Maintenance Capex (\$125k per store) (T12)
- = **Earnings available for Fixed Charges**

Fixed Charges (denominator)

- + Other Interest Expense (T12)
- Non-Cash Interest (T12)
- + Rent Expense (T12)
- + Required Principle Payments (T12)
- = **Fixed Charges**

3 Restricted Payment Basket

\$208,500,000

- + 50% of Consolidated Net Income since April 1, 2014
- + 50% of Asset Impairments since April 1, 2014
- + 50% of Gain/Loss on Debt Buybacks or Capital Asset Disposals since April 1, 2014
- + 50% of Other Non-Cash Charges including Stock-Based Compensation since April 1, 2014
- + 100% of Net Proceeds from Issuance of Equity since June 2, 2014
- Cumulative Cash Dividends since June 2, 2014
- Cumulative Stock Repurchases since June 2, 2014
- = **Excess Remaining for Restricted Payments**

NOTE:

All ratios exclude the U.K., Brazil and discontinued operations

All EBITDA and fixed charge items are trailing twelve months (T12)

Floorplan debt is not considered in any calculation

Floorplan interest expense is NOT added back to earnings to calculate EBITDA