
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-12297

Penske Automotive Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

22-3086739

(I.R.S. Employer
Identification No.)

2555 Telegraph Road
Bloomfield Hills, Michigan
(Address of principal executive offices)

48302-0954
(Zip Code)

Registrant's telephone number, including area code:

(248) 648-2500

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Voting Common Stock, par value \$0.0001 per share	PAG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 25, 2025, there were 66,168,443 shares of voting common stock outstanding.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

**PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS**

	March 31, 2025	December 31, 2024
	(Unaudited)	
	(In millions, except share and per share amounts)	
ASSETS		
Cash and cash equivalents	\$ 118.4	\$ 72.4
Accounts receivable, net of allowance for doubtful accounts of \$6.9 and \$6.3	1,201.6	1,002.1
Inventories	4,500.3	4,640.2
Other current assets	233.3	213.1
Total current assets	6,053.6	5,927.8
Property and equipment, net	3,075.9	3,006.2
Operating lease right-of-use assets	2,443.3	2,467.2
Goodwill	2,383.3	2,371.3
Other indefinite-lived intangible assets	1,006.3	1,011.6
Equity method investments	1,857.3	1,827.0
Other long-term assets	112.2	109.8
Total assets	\$ 16,931.9	\$ 16,720.9
LIABILITIES AND EQUITY		
Floor plan notes payable	\$ 2,481.6	\$ 2,535.8
Floor plan notes payable — non-trade	1,482.3	1,488.2
Accounts payable	976.1	851.7
Accrued expenses and other current liabilities	983.6	889.0
Current portion of long-term debt	778.5	721.2
Total current liabilities	6,702.1	6,485.9
Long-term debt	993.0	1,130.8
Long-term operating lease liabilities	2,363.7	2,392.6
Deferred tax liabilities	1,212.8	1,231.0
Other long-term liabilities	247.6	253.3
Total liabilities	11,519.2	11,493.6
Commitments and contingent liabilities (Note 10)		
Equity		
Penske Automotive Group stockholders' equity:		
Preferred Stock, \$0.0001 par value; 100,000 shares authorized; none issued and outstanding	—	—
Common Stock, \$0.0001 par value, 240,000,000 shares authorized; 66,664,013 shares issued and outstanding at March 31, 2025; 66,774,651 shares issued and outstanding at December 31, 2024	—	—
Non-voting Common Stock, \$0.0001 par value; 7,125,000 shares authorized; none issued and outstanding	—	—
Class C Common Stock, \$0.0001 par value; 20,000,000 shares authorized; none issued and outstanding	—	—
Additional paid-in capital	—	9.1
Retained earnings	5,704.3	5,565.2
Accumulated other comprehensive loss	(309.6)	(364.5)
Total Penske Automotive Group stockholders' equity	5,394.7	5,209.8
Non-controlling interest	18.0	17.5
Total equity	5,412.7	5,227.3
Total liabilities and equity	\$ 16,931.9	\$ 16,720.9

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME

	Three Months Ended March 31,	
	2025	2024
(Unaudited)		
(In millions, except per share amounts)		
Revenue:		
Retail automotive dealership	\$ 6,569.3	\$ 6,478.0
Retail commercial truck dealership	823.7	791.8
Commercial vehicle distribution and other	211.5	178.0
Total revenues	7,604.5	7,447.8
Cost of sales:		
Retail automotive dealership	5,485.5	5,420.8
Retail commercial truck dealership	682.7	647.0
Commercial vehicle distribution and other	167.3	134.8
Total cost of sales	6,335.5	6,202.6
Gross profit	1,269.0	1,245.2
Selling, general, and administrative expenses	913.6	879.8
Depreciation	39.9	37.8
Operating income	315.5	327.6
Floor plan interest expense	(41.5)	(44.8)
Other interest expense	(22.5)	(21.3)
Gain on sale of dealership	52.3	—
Equity in earnings of affiliates	33.3	33.3
Income before income taxes	337.1	294.8
Income taxes	(92.1)	(78.6)
Net income	245.0	216.2
Less: Income attributable to non-controlling interests	0.7	1.0
Net income attributable to Penske Automotive Group common stockholders	\$ 244.3	\$ 215.2
Basic earnings per share attributable to Penske Automotive Group common stockholders:		
Net income attributable to Penske Automotive Group common stockholders	\$ 3.66	\$ 3.21
Shares used in determining basic earnings per share	66.8	67.1
Diluted earnings per share attributable to Penske Automotive Group common stockholders:		
Net income attributable to Penske Automotive Group common stockholders	\$ 3.66	\$ 3.21
Shares used in determining diluted earnings per share	66.8	67.1
Amounts attributable to Penske Automotive Group common stockholders:		
Net income	\$ 245.0	\$ 216.2
Less: Income attributable to non-controlling interests	0.7	1.0
Net income attributable to Penske Automotive Group common stockholders	\$ 244.3	\$ 215.2
Cash dividends per share	\$ 1.22	\$ 0.87

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31,	
	2025	2024
	(Unaudited) (In millions)	
Net income	\$ 245.0	\$ 216.2
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	55.3	(36.6)
Other adjustments to comprehensive income, net of tax	(0.3)	3.6
Other comprehensive income (loss), net of tax:	55.0	(33.0)
Comprehensive income	300.0	183.2
Less: Comprehensive income attributable to non-controlling interests	0.8	1.2
Comprehensive income attributable to Penske Automotive Group common stockholders	\$ 299.2	\$ 182.0

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2025	2024
	(Unaudited) (In millions)	
Operating Activities:		
Net income	\$ 245.0	\$ 216.2
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	39.9	37.8
Earnings of equity method investments	(33.3)	(33.3)
Deferred income taxes	(23.2)	14.6
Stock-based compensation	8.0	7.5
Gain on sale of dealership	(52.3)	—
Changes in operating assets and liabilities:		
Accounts receivable	(188.9)	75.9
Inventories	191.7	(77.2)
Other current assets	(16.1)	(33.8)
Floor plan notes payable	(73.0)	134.8
Accounts payable and accrued expenses	187.4	130.5
Other	(2.5)	(17.0)
Net cash provided by operating activities	<u>282.7</u>	<u>456.0</u>
Investing Activities:		
Purchases of property, equipment, and improvements	(76.6)	(102.5)
Proceeds from sale of dealerships	77.8	—
Proceeds from sale of property and equipment	4.0	—
Acquisitions net, including repayment of sellers' floor plan notes payable of \$0.0 and \$83.1, respectively	—	(243.6)
Other	(1.7)	(6.3)
Net cash provided by (used in) investing activities	<u>3.5</u>	<u>(352.4)</u>
Financing Activities:		
Proceeds from borrowings under revolving U.S. credit agreement and mortgage facilities	1,098.6	668.7
Repayments under revolving U.S. credit agreement and mortgage facilities	(1,143.1)	(700.2)
Net cash (repayments) borrowings of other debt	(47.5)	80.2
Net repayments of floor plan notes payable — non-trade	(27.6)	(30.7)
Repurchases of common stock	(39.9)	(32.9)
Payments of tax withholding for stock-based compensation	(0.1)	—
Dividends	(81.8)	(58.6)
Payment of debt issuance costs	(0.3)	(0.5)
Other	—	(8.1)
Net cash used in financing activities	<u>(241.7)</u>	<u>(82.1)</u>
Effect of exchange rate changes on cash and cash equivalents	1.5	(1.0)
Net change in cash and cash equivalents	46.0	20.5
Cash and cash equivalents, beginning of period	72.4	96.4
Cash and cash equivalents, end of period	<u>\$ 118.4</u>	<u>\$ 116.9</u>
Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest	\$ 69.2	\$ 68.6
Income taxes	23.5	22.5

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF EQUITY

Three Months Ended March 31, 2025

	Voting and Non-voting Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Penske Automotive Group Stockholders' Equity	Non-controlling Interest	Total Equity
	Issued Shares	Amount						
(Unaudited)								
(Dollars in millions)								
Balance, December 31, 2024	66,774,651	\$ —	\$ 9.1	\$ 5,565.2	\$ (364.5)	\$ 5,209.8	\$ 17.5	\$ 5,227.3
Equity compensation	144,590	—	8.0	—	—	8.0	—	8.0
Repurchases of common stock	(255,228)	—	(17.1)	(23.4)	—	(40.5)	—	(40.5)
Dividends	—	—	—	(81.8)	—	(81.8)	—	(81.8)
Distributions to non-controlling interest	—	—	—	—	—	—	(0.3)	(0.3)
Foreign currency translation	—	—	—	—	55.2	55.2	0.1	55.3
Other	—	—	—	—	(0.3)	(0.3)	—	(0.3)
Net income	—	—	—	244.3	—	244.3	0.7	245.0
Balance, March 31, 2025	66,664,013	\$ —	\$ —	\$ 5,704.3	\$ (309.6)	\$ 5,394.7	\$ 18.0	\$ 5,412.7

Three Months Ended March 31, 2024

	Voting and Non-voting Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Penske Automotive Group Stockholders' Equity	Non-controlling Interest	Total Equity
	Issued Shares	Amount						
(Unaudited)								
(Dollars in millions)								
Balance, December 31, 2023	67,111,181	\$ —	\$ —	\$ 4,990.3	\$ (264.1)	\$ 4,726.2	\$ 29.4	\$ 4,755.6
Equity compensation	159,507	—	7.5	—	—	7.5	—	7.5
Repurchases of common stock	(221,329)	—	(7.5)	(25.7)	—	(33.2)	—	(33.2)
Dividends	—	—	—	(58.6)	—	(58.6)	—	(58.6)
Distributions to non-controlling interest	—	—	—	—	—	—	(0.3)	(0.3)
Foreign currency translation	—	—	—	—	(36.8)	(36.8)	0.2	(36.6)
Other	—	—	—	(8.1)	3.6	(4.5)	—	(4.5)
Net income	—	—	—	215.2	—	215.2	1.0	216.2
Balance, March 31, 2024	67,049,359	\$ —	\$ —	\$ 5,113.1	\$ (297.3)	\$ 4,815.8	\$ 30.3	\$ 4,846.1

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(Unaudited)

(In millions, except share and per share amounts)

1. Interim Financial Statements

Unless the context otherwise requires, the use of the terms "PAG," "we," "us," and "our" in these Notes to the Consolidated Condensed Financial Statements refers to Penske Automotive Group, Inc. and its consolidated subsidiaries.

Business Overview and Concentrations

We are a diversified international transportation services company and one of the world's premier automotive and commercial truck retailers. We operate dealerships in the United States, the United Kingdom, Canada, Germany, Italy, Japan, and Australia, and we are one of the largest retailers of commercial trucks in North America for Freightliner. We also distribute and retail commercial vehicles, diesel and gas engines, power systems, and related parts and services principally in Australia and New Zealand. Additionally, we own 28.9% of Penske Transportation Solutions, a business that manages one of the largest, most comprehensive and modern trucking fleets in North America with trucks, tractors, and trailers under lease, rental, and/or maintenance contracts, and provides innovative transportation, supply chain, and technology solutions to its customers.

Retail Automotive. As of March 31, 2025, we operated 352 retail automotive franchised dealerships, of which 147 are located in the U.S. and 205 are located outside of the U.S., principally in the U.K. As of March 31, 2025, we also operated 16 used vehicle dealerships, with six dealerships in the U.S. operating under the brand name CarShop, nine dealerships in the U.K. operating under the brand name Sytner Select, and one dealership in Australia operating under the brand name Penske Select. During the three months ended March 31, 2025, we sold one retail automotive franchise in the U.S.

In addition to selling new and used vehicles, we generate higher-margin revenue at each of our dealerships through maintenance and repair services, the sale and placement of third-party finance and insurance products, third-party extended service and maintenance contracts, replacement and aftermarket automotive products, and at certain of our locations, collision repair services. We operate our franchised dealerships under franchise agreements with a number of automotive manufacturers and distributors that are subject to certain rights and restrictions typical of the industry. Some of our dealerships in the U.K. and Europe operate under an agency model where we receive a fee for facilitating the sale by the manufacturer of a new vehicle but do not hold the vehicle in inventory. Vehicles sold under this agency model are counted as new agency units sold instead of new retail units sold by us, and only the fee we receive from the manufacturer, not the price of the vehicle, is reported as new revenue with no corresponding cost of sale.

Retail Commercial Truck Dealership. We operate Premier Truck Group ("PTG"), a heavy- and medium-duty truck dealership group offering primarily Freightliner and Western Star trucks (both Daimler brands), with locations across 10 U.S. states and the Canadian provinces of Ontario and Manitoba. As of March 31, 2025, PTG operated 45 locations selling new and/or used trucks, performing service and parts operations, or offering collision repair services.

Penske Australia. Penske Australia is the exclusive importer and distributor of Western Star heavy-duty trucks (a Daimler brand), MAN heavy- and medium-duty trucks and buses (a VW Group brand), and Dennis Eagle refuse collection vehicles, together with associated parts, across Australia, New Zealand, and portions of the Pacific. In most of these same markets, we are also a leading distributor of diesel and gas engines and power systems, principally representing MTU (a Rolls-Royce solution), Detroit Diesel, Allison Transmission, and Bergen Engines. Penske Australia offers products across the on- and off-highway markets, including in the trucking, mining, power generation, energy solutions, defense, marine, rail, and construction sectors and supports full parts and aftersales service through a network of branches, field service locations, and dealers across the region.

Penske Transportation Solutions. We hold a 28.9% ownership interest in Penske Truck Leasing Co., L.P. ("PTL"). PTL is owned 41.1% by Penske Corporation, 28.9% by us, and 30.0% by Mitsui & Co., Ltd. ("Mitsui"). We account for our investment in PTL under the equity method, and we therefore record our share of PTL's earnings on our statements of income under the caption "Equity in earnings of affiliates," which also includes the results of our other equity method investments. Penske Transportation Solutions ("PTS") is the universal brand name for PTL's various business lines through which it is capable of meeting customers' needs across the supply chain with a broad product offering that includes full-service truck leasing, truck rental, and contract maintenance along with logistics services, such as dedicated contract carriage, distribution center management, freight management, and dry van truckload carrier services.

Basis of Presentation

The accompanying unaudited consolidated condensed financial statements of PAG have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and disclosures normally included in our annual financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been condensed or omitted pursuant to the SEC rules and regulations. The information presented as of March 31, 2025 and for the three months ended March 31, 2025 and 2024 is unaudited but includes all adjustments which our management believes to be necessary for the fair presentation of results for the periods presented. Results for interim periods are not necessarily indicative of results to be expected for the year. These consolidated condensed financial statements should be read in conjunction with our audited financial statements for the year ended December 31, 2024, which are included as part of our Annual Report on Form 10-K.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The accounts requiring the use of estimates include accounts receivable, inventories, income taxes, intangible assets, leases, and certain reserves.

Fair Value of Financial Instruments

Accounting standards define fair value as the price that would be received from selling an asset, or paid to transfer a liability in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. Accounting standards establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and also establishes the following three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities
- Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted market prices in markets that are not active, or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Our financial instruments consist of cash and cash equivalents, debt, floor plan notes payable, and forward exchange contracts used to hedge future cash flows. Other than our fixed rate debt, the carrying amount of all significant financial instruments approximates fair value due either to length of maturity, the existence of variable interest rates that approximate prevailing market rates, or as a result of mark to market accounting.

Our fixed rate debt consists of amounts outstanding under our senior subordinated notes and mortgage facilities. We estimate the fair value of our senior unsecured notes using quoted prices for the identical liability (Level 2), and we estimate the fair value of our mortgage facilities using a present value technique based on our current market interest rates for similar types of financial instruments (Level 2). A summary of our fixed rate debt is as follows:

	March 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
3.50% senior subordinated notes due 2025	549.5	545.5	549.1	\$ 543.0
3.75% senior subordinated notes due 2029	496.8	456.6	496.6	451.8
Mortgage facilities ⁽¹⁾	428.4	407.9	474.8	450.6

(1) In addition to fixed rate debt, our mortgage facilities also include a revolving mortgage facility with Toyota Motor Credit Corporation in the U.S. and other revolving mortgage facilities that bear interest at variable rates. The fair value equals the carrying value.

Income Taxes

Tax regulations may require items to be included in our tax return at different times than when those items are reflected in our financial statements. Some of the differences are permanent, such as expenses that are not deductible on our tax return, and some are temporary differences, such as the timing of depreciation expense. Temporary differences create deferred tax assets and liabilities. Deferred tax assets generally represent items that will be used as a tax deduction or credit in our tax return in future years which we have already recorded in our financial statements. Deferred tax liabilities generally represent deductions taken on our tax return that have not yet been recognized as an expense in our financial statements. We establish valuation allowances for our deferred tax assets if the amount of expected future taxable income is not more likely than not to allow for the use of the deduction or credit.

Recent Accounting Pronouncements

Segment Reporting

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss and also requires that public entities provide all annual disclosures about a reportable segment's profit or loss and assets in interim periods. This ASU is effective for financial statements issued for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption was permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. We adopted this ASU on the effective date for our first annual period beginning on January 1, 2024. In response to this ASU, we revised our presentation of our "Segment Information" footnote. The adoption of this accounting standard update has not had a material impact on our consolidated financial statements and disclosures.

Income Taxes

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This ASU expands public entities' annual income tax disclosures by requiring disclosure of specific categories in the rate reconciliation and disclosure of additional information for reconciling items that meet a quantitative threshold. This ASU is effective for financial statements issued for annual periods beginning after December 15, 2024, with early adoption permitted. The amendments should be applied on a prospective basis with retrospective application permitted. We are currently evaluating the impact of adopting this ASU on our consolidated financial statements and disclosures.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." This ASU requires public business entities to disclose in the notes to financial statements specific categories within relevant expense captions presented on the face of the income statement. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied on a prospective basis with retrospective application permitted. We are currently evaluating the impact of adopting this ASU on our consolidated financial statements and disclosures.

2. Revenues

Automotive and commercial truck dealerships generate the majority of our revenues. New and used vehicle revenues typically include sales to retail customers, to fleet customers, and to leasing companies providing consumer leasing. We generate finance and insurance revenues from sales of third-party extended service contracts, sales of third-party insurance policies, commissions relating to the sale of finance and lease contracts to third parties, and the sales of certain other products. Service and parts revenues include fees paid by customers for repair, maintenance and collision services, and the sale of replacement parts and other aftermarket accessories as well as warranty repairs that are reimbursed directly by various vehicle manufacturers. Revenues are recognized upon satisfaction of our performance obligations under contracts

with our customers and are measured at the amount of consideration we expect to be entitled to in exchange for transferring goods or providing services. A discussion of revenue recognition by reportable segment is included below.

Retail Automotive and Retail Commercial Truck Dealership Revenue Recognition

Dealership Vehicle Sales. We record revenue for vehicle sales at a point in time when vehicles are delivered, which is when the transfer of title, risks and rewards of ownership, and control are considered passed to the customer. The amount of consideration we receive for vehicle sales, including any non-cash consideration representing the fair value of trade-in vehicles if applicable, is stated within the executed contract with our customer. Payment is typically due and collected within 30 days subsequent to transfer of control of the vehicle. For dealerships operating under an agency model, we receive a commission for each vehicle sale that we facilitate under the terms of the agency agreement with the manufacturer, which is recorded as new vehicle revenue.

Dealership Parts and Service Sales. We record revenue for vehicle service and collision work over time as work is completed and when parts are delivered to our customers. For service and parts revenues recorded over time, we utilize a method that considers total costs incurred to date and the applicable margin in relation to total expected efforts to complete our performance obligation in order to determine the appropriate amount of revenue to recognize over time. Recognition of this revenue over time reflects the amount of consideration we expect to be entitled to for the transfer of goods and services performed to date, representative of the amount for which we have a right to payment. The amount of consideration we receive for parts and service sales, including collision repair work, is based upon labor hours expended and parts utilized to perform and complete the necessary services to our customers. Payment is typically due upon delivery or within a period of time shortly thereafter. We receive payment from our customers upon transfer of control or within a period typically less than 30 days subsequent to the completion of services for the customer. We allow for customer returns of parts sales up to 30 days after the sale.

Dealership Finance and Insurance Sales. Subsequent to the sale of a vehicle to a customer, we sell installment sale contracts to various financial institutions on a non-recourse basis (with specified exceptions). We receive a commission from the lender equal to either the difference between the interest rate charged to the customer and the interest rate set by the financing institution or a flat fee. We also receive commissions for facilitating the sale of various products to customers, including vehicle protection products, vehicle theft protection, and extended service contracts. These commissions are recorded as revenue at a point in time when the customer enters into the contract. Payment is typically due and collected within 30 days subsequent to the execution of the contract with the customer.

In the case of finance contracts, a customer may prepay or fail to pay their contract, thereby terminating the contract. Customers may also terminate extended service contracts and other insurance products, which are fully paid at purchase, and become eligible for refunds of unused premiums. In these circumstances, a portion of the commissions we received may be charged back based on the terms of the contracts. The revenue we record relating to these transactions is net of an estimate of the amount of chargebacks we will be required to pay. Our estimate is based upon our historical experience with similar contracts, including the impact of refinance and default rates on retail finance contracts and cancellation rates on extended service contracts and other insurance products. Aggregate reserves relating to chargeback activity were \$50.5 million and \$48.2 million as of March 31, 2025, and December 31, 2024, respectively.

Commercial Vehicle Distribution and Other Revenue Recognition

Penske Australia. We record revenue from the distribution of vehicles and other products at a point in time when delivered, which is when the transfer of title, risks and rewards of ownership, and control are considered passed to the customer. We record revenue for service or repair work over time as work is completed and when parts are delivered to our customers. For service and parts revenues recorded over time, we utilize a method that considers total costs incurred to date and the applicable margin in relation to total expected efforts to complete our performance obligation in order to determine the appropriate amount of revenue to recognize over time. Recognition of this revenue over time reflects the amount of consideration we expect to be entitled to for the transfer of goods and services performed to date, representative of the amount for which we have a right to payment.

The amount of consideration we receive for vehicle and product sales is stated within the executed contract with our customer. The amount of consideration we receive for parts and service sales is based upon labor hours expended and parts utilized to perform and complete the necessary services to our customers. Payment is typically due upon delivery, upon invoice, or within a period of time shortly thereafter. We receive payment from our customers upon transfer of control or within a period typically within 45 days subsequent to transfer of control or invoice.

We record revenue from the distribution of engines and other products at a point in time when delivered, which is when the transfer of title, risks and rewards of ownership, and control are considered passed to the customer. We record revenue for service or repair work over time as work is completed and when parts are delivered to our customers. For service and parts revenues recorded over time, we utilize a method that considers total costs incurred to date and the applicable margin in relation to total expected efforts to complete our performance obligation in order to determine the appropriate amount of revenue to recognize over time. Recognition of revenue over time reflects the amount of consideration we expect to be entitled to for the transfer of goods and services performed to date, representative of the amount for which we have a right to payment.

For our long-term power generation contracts, we record revenue over time as services are provided in accordance with contract milestones, which is considered an output method that requires judgment to determine our progress towards contract completion and the corresponding amount of revenue to recognize. Any revisions to estimates related to revenues or costs to complete contracts are recorded in the period in which the revisions to estimates are identified and the amounts can be reasonably estimated.

The amount of consideration we receive for engine, product, and power generation sales is stated within the executed contract with our customer. The amount of consideration we receive for service sales is based upon labor hours expended and parts utilized to perform and complete the necessary services to our customers. Payment is typically due upon delivery, upon invoice, or within a period of time shortly thereafter. We receive payment from our customers upon transfer of control or within a period typically within 45 days subsequent to transfer of control or invoice.

Retail Automotive Dealership

The following tables disaggregate our retail automotive segment revenue by product type and geographic location for the three months ended March 31, 2025 and 2024:

Retail Automotive Dealership Revenue	Three Months Ended March 31,	
	2025	2024
New vehicle	\$ 3,022.1	\$ 2,802.6
Used vehicle	2,200.5	2,336.2
Finance and insurance, net	198.2	206.0
Service and parts	789.4	746.1
Fleet and wholesale	359.1	387.1
Total retail automotive dealership revenue	<u>\$ 6,569.3</u>	<u>\$ 6,478.0</u>

Retail Automotive Dealership Revenue	Three Months Ended March 31,	
	2025	2024
U.S.	\$ 3,691.0	\$ 3,415.0
U.K.	2,323.2	2,546.5
Germany, Italy, Japan, and Australia	555.1	516.5
Total retail automotive dealership revenue	<u>\$ 6,569.3</u>	<u>\$ 6,478.0</u>

Retail Commercial Truck Dealership

The following table disaggregates our retail commercial truck segment revenue by product type for the three months ended March 31, 2025 and 2024:

Retail Commercial Truck Dealership Revenue	Three Months Ended March 31,	
	2025	2024
New truck	\$ 527.2	\$ 494.2
Used truck	63.8	62.4
Finance and insurance, net	4.5	5.3
Service and parts	222.0	223.6
Other	6.2	6.3
Total retail commercial truck dealership revenue	<u>\$ 823.7</u>	<u>\$ 791.8</u>

Commercial Vehicle Distribution and Other

Our other reportable segment relates to our Penske Australia business. Commercial vehicle distribution and other revenue was \$211.5 million, including \$62.9 million of service and parts revenue, during the three months ended March 31, 2025, and \$178.0 million, including \$67.0 million of service and parts revenue, during the three months ended March 31, 2024.

Contract Balances

The following table summarizes our accounts receivable and unearned revenues as of March 31, 2025, and December 31, 2024:

	March 31, 2025	December 31, 2024
Accounts receivable		
Contracts in transit	\$ 343.3	\$ 281.7
Vehicle receivables	205.9	136.3
Manufacturer receivables	244.5	233.3
Trade receivables	385.1	326.9
Accrued expenses		
Unearned revenues	\$ 290.1	\$ 266.8

Contracts in transit represent receivables from unaffiliated finance companies relating to the sale of customers' installment sales and lease contracts arising in connection with the sale of a vehicle by us. Vehicle receivables represent receivables for any portion of the vehicle sales price not paid by the finance company. Manufacturer receivables represent amounts due from manufacturers, including incentives, holdbacks, rebates, warranty claims, and other receivables due from the factory. Trade receivables represent receivables due from customers, including amounts due for parts and service sales as well as receivables due from finance companies and others for the commissions earned on financing, as well as commissions earned on insurance and extended service products provided by third parties. We evaluate collectability of receivables and estimate an allowance for doubtful accounts based on the age of the receivable, contractual life, historical collection experience, current conditions, and forecasts of future economic conditions, which is recorded within "Accounts receivable" on our consolidated balance sheets with our receivables presented net of the allowance.

Unearned revenues primarily relate to payments received from customers prior to satisfaction of our performance obligations, such as refundable customer deposits, non-refundable customer deposits, and deferred revenues from operating leases. These amounts are presented within "Accrued expenses and other current liabilities" on our consolidated balance sheets. Of the amounts recorded as unearned revenues as of December 31, 2024, \$121.7 million was recognized as revenue during the three months ended March 31, 2025.

Additional Revenue Recognition Related Policies

We do not have any material significant payment terms associated with contracts with our customers. Payment is due and collected as previously detailed for each reportable segment. We do not offer material rights of return or service-type warranties.

Taxes collected from customers and remitted to governmental authorities are recorded on a net basis (excluded from revenue). Shipping costs incurred subsequent to transfer of control to our customers are recognized as cost of sales. Sales promotions that we offer to customers are accounted for as a reduction of revenues at the time of sale.

3. Leases

We lease land and facilities, including certain dealerships and office space. Our property leases are generally for an initial period between 5 and 20 years and are typically structured to include renewal options at our election. We include renewal options that we are reasonably certain to exercise in the measurement of our lease liabilities and right-of-use assets. We also have equipment leases that primarily relate to office and computer equipment, service and shop equipment, company vehicles, and other miscellaneous items. These leases are generally for a period of less than 5 years. We do not have any material leases, individually or in the aggregate, classified as a finance leasing arrangement.

We estimate the total undiscounted rent obligations under these leases, including any extension periods that we are reasonably certain to exercise, to be \$5.3 billion as of March 31, 2025. Some of our lease arrangements include rental payments that are adjusted based on an index or rate, such as the Consumer Price Index (CPI). As the rate implicit in the lease is generally not readily determinable for our operating leases, the discount rates used to determine the present value of our lease liability are based on our incremental borrowing rate at the lease commencement date and commensurate with the remaining lease term. Our incremental borrowing rate for a lease is the rate of interest we would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments in a similar economic environment. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

Pursuant to the leases for some of our larger facilities, we are required to comply with specified financial ratios, including a "rent coverage" ratio and a ratio of debt to earnings before interest, taxes, depreciation, and amortization ("EBITDA"), each as defined. For these leases, non-compliance with the ratios may require us to post collateral in the form of a letter of credit. A breach of the other lease covenants gives rise to certain remedies by the landlord, the most severe of which include the termination of the applicable lease and acceleration of the total rent payments due under the lease.

In connection with the sale, relocation, and closure of certain of our dealerships, we have entered into a number of third-party sublease agreements. The rent paid by our sub-tenants on such properties for the three months ended March 31, 2025 and 2024 was \$4.4 million and \$3.9 million, respectively. We have in the past and may in the future enter into sale-leaseback transactions to finance certain property acquisitions and capital expenditures, pursuant to which we sell property to third parties and agree to lease those assets back for a certain period of time. Such sales generate proceeds that vary from period to period. We do not have any material leases that have not yet commenced as of March 31, 2025.

The following table summarizes our net operating lease cost during the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
Lease Cost		
Operating lease cost ⁽¹⁾	\$ 69.0	\$ 67.3
Sublease income	(4.4)	(3.9)
Total lease cost	<u>\$ 64.6</u>	<u>\$ 63.4</u>

(1) Includes short-term leases and variable lease costs, which are immaterial.

The following table summarizes supplemental cash flow information related to our operating leases:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 69.9	\$ 66.5
Right-of-use assets modified or obtained in exchange for operating lease liabilities, net	\$ (28.5)	\$ 102.1

Supplemental balance sheet information related to the weighted average remaining lease term and discount rate of our leases is as follows:

	March 31, 2025	December 31, 2024
Lease Term and Discount Rate		
Weighted-average remaining lease term - operating leases	23 years	24 years
Weighted-average discount rate - operating leases	6.7 %	6.7 %

The following table summarizes the maturity of our lease liabilities on an undiscounted cash flow basis and a reconciliation to the operating lease liabilities recognized on our consolidated condensed balance sheet as of March 31, 2025:

	March 31, 2025
Maturity of Lease Liabilities	
2025 ⁽¹⁾	\$ 196.1
2026	254.2
2027	243.2
2028	239.2
2029	231.4
2030	227.8
2031 and thereafter	3,884.1
Total future minimum lease payments	<u>\$ 5,276.0</u>
Less: Imputed interest	<u>(2,814.2)</u>
Present value of future minimum lease payments	<u>\$ 2,461.8</u>
Current operating lease liabilities ⁽²⁾	\$ 98.1
Long-term operating lease liabilities	2,363.7
Total operating lease liabilities	<u>\$ 2,461.8</u>

(1) Excludes the three months ended March 31, 2025.

(2) Included within "Accrued expenses and other current liabilities" on Consolidated Condensed Balance Sheet as of March 31, 2025.

4. Inventories

Inventories consisted of the following:

	March 31, 2025	December 31, 2024
Retail automotive dealership new vehicles	\$ 2,076.8	\$ 2,345.7
Retail automotive dealership used vehicles	1,144.1	1,119.2
Retail automotive parts, accessories, and other	172.8	167.8
Retail commercial truck dealership vehicles and parts	601.8	518.4
Commercial vehicle distribution vehicles, parts, and engines	504.8	489.1
Total inventories	<u>\$ 4,500.3</u>	<u>\$ 4,640.2</u>

We receive credits from certain vehicle manufacturers that reduce the cost of sales when the vehicles are sold. Such credits amounted to \$16.7 million and \$14.4 million during the three months ended March 31, 2025 and 2024, respectively.

5. Business Combinations

During the three months ended March 31, 2025, we made no acquisitions. During the three months ended March 31, 2024, we acquired 16 retail automotive franchises in the U.K. and acquired two retail automotive franchises in Italy. Our financial statements include the results of operations of the acquired entities from the date of acquisition. The fair value of the assets acquired and liabilities assumed have been recorded in our consolidated condensed financial statements and may be subject to adjustment pending completion of final valuation. The following table summarizes the aggregate consideration paid and the aggregate amounts of the assets acquired and liabilities assumed for the three months ended March 31, 2024:

	Three Months Ended March 31, 2024
Accounts receivable	\$ 33.6
Inventories	90.3
Other current assets	—
Property and equipment	14.9
Indefinite-lived intangibles	185.8
Other noncurrent assets	—
Current liabilities	(55.1)
Noncurrent liabilities	(25.9)
Total cash used in acquisitions	<u>\$ 243.6</u>

Our following unaudited consolidated pro forma results of operations for the three months ended March 31, 2024 give effect to acquisitions consummated during 2024 as if they had occurred on January 1, 2024. This pro forma information is based on historical results of operations, adjusted for the income statement effects of incremental interest expense directly resulting from the acquisitions and the related tax effects. The pro forma information is not necessarily indicative of the results that would have been achieved had the transactions occurred on the first day of each of the periods presented or that may be achieved in the future:

	Three Months Ended March 31, 2024
Revenues	\$ 7,742.4
Net income attributable to Penske Automotive Group common stockholders	220.2
Net income per diluted common share	\$ 3.28

6. Intangible Assets

The following is a summary of the changes in the carrying amount of goodwill and other indefinite-lived intangible assets during the three months ended March 31, 2025:

	Goodwill	Other Indefinite-Lived Intangible Assets
Balance, January 1, 2025	\$ 2,371.3	\$ 1,011.6
Additions	—	—
Disposals	(7.7)	(9.9)
Impairment	—	(3.4)
Foreign currency translation	19.7	8.0
Balance, March 31, 2025	<u>\$ 2,383.3</u>	<u>\$ 1,006.3</u>

As of March 31, 2025, the goodwill balance for reporting units within our Retail Automotive, Retail Commercial Truck, and Other reportable segments was \$1,815.2 million, \$497.5 million, and \$70.6 million, respectively. There is no goodwill recorded in our Non-Automotive Investments reportable segment.

7. Vehicle Financing

We finance substantially all of the commercial vehicles we purchase for distribution, new vehicles for retail sale, and a portion of our used vehicle inventories for retail sale under floor plan and other revolving arrangements with various lenders, including the captive finance companies associated with automotive manufacturers. In the U.S., the floor plan arrangements are due on demand; however, we have not historically been required to repay floor plan advances prior to the sale of the vehicles that have been financed. We typically make monthly interest payments on the amount financed. Outside of the U.S., substantially all of the floor plan arrangements are payable on demand or have an original maturity of 90 days or less, and we are generally required to repay floor plan advances at the earlier of the sale of the vehicles that have been financed or the stated maturity.

The agreements typically grant a security interest in substantially all of the assets of our dealership and distribution subsidiaries and in the U.S., Australia, and New Zealand and in some cases are guaranteed or partially guaranteed by us. Interest rates under the arrangements are variable and increase or decrease based on changes in the prevailing benchmark interest rates in our various markets. To date, we have not experienced any material limitation with respect to the amount or availability of financing from any institution providing us with vehicle financing. We also receive non-refundable credits from certain of our vehicle manufacturers, which are treated as a reduction in the cost of sales as vehicles are sold.

The weighted average interest rate on floor plan borrowings was 4.3% and 4.9% for the three months ended March 31, 2025 and 2024, respectively. We classify floor plan notes payable to a party other than the manufacturer of a particular new vehicle and all floor plan notes payable relating to pre-owned vehicles as "Floor plan notes payable — non-trade" on our consolidated balance sheets and classify related cash flows as a financing activity on our consolidated statements of cash flows.

8. Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to common stockholders by the number of weighted average shares of voting common stock outstanding, including unvested restricted stock awards which contain rights to non-forfeitable dividends. Diluted earnings per share is computed by dividing net income attributable to common stockholders by the number of weighted average shares of voting common stock outstanding, adjusted for the dilutive

impact of unissued shares paid to directors during the year as compensation. A reconciliation of the number of shares used in the calculation of basic and diluted earnings per share for the three months ended March 31, 2025 and 2024 follows:

	Three Months Ended March 31,	
	2025	2024
Weighted average number of common shares outstanding	66,772,412	67,061,968
Effect of non-participatory equity compensation	17,364	15,433
Weighted average number of common shares outstanding, including effect of dilutive securities	<u>66,789,776</u>	<u>67,077,401</u>

9. Long-Term Debt

Long-term debt consisted of the following:

	March 31, 2025	December 31, 2024
U.S. credit agreement — revolving credit line	\$ —	\$ —
U.K. credit agreement — revolving credit line	82.7	171.4
3.50% senior subordinated notes due 2025	549.5	549.1
3.75% senior subordinated notes due 2029	496.8	496.6
Mortgage facilities	428.4	474.8
Other debt	214.1	160.1
Total long-term debt	<u>1,771.5</u>	<u>1,852.0</u>
Less: current portion	<u>(778.5)</u>	<u>(721.2)</u>
Net long-term debt	<u>\$ 993.0</u>	<u>\$ 1,130.8</u>

U.S. Credit Agreement

On April 29, 2025, we entered into the Twelfth Amendment (the "Amendment") to our U.S. credit agreement with Mercedes-Benz Financial Services USA LLC, Toyota Motor Credit Corporation, and Daimler Truck Financial Services USA LLC (as amended, the "U.S. credit agreement") principally to lower the applicable interest rate on revolving loans exceeding a defined borrowing base. As amended, the U.S. credit agreement provides for up to \$1.5 billion in revolving loans for working capital, acquisitions, capital expenditures, investments, and other general corporate purposes and provides up to an additional \$75 million of letters of credit. The U.S. credit agreement provides for a maximum of \$400 million of borrowings for foreign acquisitions and expires on September 30, 2027.

The interest rate on outstanding borrowings is based on an adjusted Secured Overnight Financing Rate ("SOFR") plus 1.50%, with uncollateralized borrowings in excess of a defined borrowing base bearing interest at adjusted SOFR plus a margin ranging from 1.50% to 2.00%, based on a ratio of consolidated non-vehicle debt to adjusted earnings before interest, taxes, depreciation, and amortization. The previous interest rate for uncollateralized borrowings in excess of the defined borrowing base was adjusted SOFR plus 2.00%.

The U.S. credit agreement is fully and unconditionally guaranteed on a joint and several basis by substantially all of our U.S. subsidiaries and contains a number of significant operating covenants that, among other things, restrict our ability to dispose of assets, incur additional indebtedness, repay certain other indebtedness, pay dividends, create liens on assets, make investments or acquisitions, and engage in mergers or consolidations. We are also required to comply with specified financial and other tests and ratios, each as defined in the U.S. credit agreement, including a ratio of current assets to current liabilities, a fixed charge coverage ratio, a ratio of debt to stockholders' equity, and a ratio of debt to earnings before interest, taxes, depreciation, and amortization ("EBITDA"). A breach of these requirements would give rise to certain remedies under the agreement, the most severe of which is the termination of the agreement and acceleration of the amounts owed.

The U.S. credit agreement also contains typical events of default, including change of control, non-payment of obligations, and cross-defaults to our other material indebtedness. Substantially all of our U.S. assets are subject to security interests granted to the lenders under the U.S. credit agreement. As of March 31, 2025, we had no revolver borrowings under the U.S. credit agreement.

U.K. Credit Agreement

Our U.K. credit agreement with National Westminster Bank Plc and BMW Financial Services (GB) Limited provides up to a £200.0 million revolving line of credit to be used for working capital, acquisitions, capital expenditures, investments, and general corporate purposes. The revolving loans bear interest between defined Sterling Overnight Index Average (“SONIA”) plus 1.10% and defined SONIA plus 2.10%. In addition, the U.K. credit agreement includes a £100.0 million “accordion” feature which allows the U.K. subsidiaries to request up to an additional £100.0 million of facility capacity, subject to certain limitations. The lenders may agree to provide additional capacity, and, if not, the U.K. subsidiaries may add an additional lender, if available, to the facility to provide such additional capacity. Our U.K. credit agreement expires in January 2028. As of March 31, 2025, we had £64.0 million (\$82.7 million) revolver borrowings under the U.K. credit agreement.

The U.K. credit agreement is fully and unconditionally guaranteed on a joint and several basis by the holding company of a majority of our international subsidiaries, PAG International Ltd. and our U.K. subsidiaries, and contains a number of significant covenants that, among other things, limit the ability of our U.K. subsidiaries to pay dividends, dispose of assets, incur additional indebtedness, repay other indebtedness, create liens on assets, make investments or acquisitions and engage in mergers or consolidations. In addition, our U.K. subsidiaries are required to comply with defined ratios and tests, including: a ratio of earnings before interest, taxes, amortization, and rental payments (“EBITAR”) to interest plus rental payments, a measurement of maximum capital expenditures, and a debt to EBITDA ratio. A breach of these requirements would give rise to certain remedies under the U.K. credit agreement, the most severe of which is the termination of the agreement and acceleration of any amounts owed.

The U.K. credit agreement also contains typical events of default, including change of control and non-payment of obligations and cross-defaults to other material indebtedness of our U.K. subsidiaries. Substantially all of our U.K. subsidiaries’ assets are subject to security interests granted to the lenders under the U.K. credit agreement.

Senior Subordinated Notes

We have issued the following senior subordinated notes:

Description	Maturity Date	Interest Payment Dates	Principal Amount
3.50% Notes	September 1, 2025	February 15, August 15	\$550 million
3.75% Notes	June 15, 2029	June 15, December 15	\$500 million

Each of these notes are our unsecured, senior subordinated obligations and are guaranteed on an unsecured senior subordinated basis by our 100% owned U.S. subsidiaries. Each also contains customary negative covenants and events of default. If we experience certain "change of control" events specified in the indentures, holders of these notes will have the option to require us to purchase for cash all or a portion of their notes at a price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest. In addition, if we make certain asset sales and do not reinvest the proceeds thereof or use such proceeds to repay certain debt, we will be required to use the proceeds of such asset sales to make an offer to purchase the notes at a price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest. We may redeem the 3.50% Notes and the 3.75% Notes at the redemption prices noted in the respective indentures. Our 3.50% Notes that mature on September 1, 2025, were reclassified as current liabilities during the third quarter of 2024.

Mortgage Facilities

We are party to mortgages that bear interest at defined rates and require monthly principal and interest payments. We also have a revolving mortgage facility with Toyota Motor Credit Corporation in the U.S. Our maximum borrowing capacity under the mortgage facility is \$500.0 million, contingent on property values. Our actual borrowing capacity as of March 31, 2025, was \$360.9 million. The facility bears interest at the prime rate minus 1.68% and expires in December 2028. As of March 31, 2025, we had \$90.0 million outstanding borrowings under this mortgage facility. Our mortgage facilities also contain typical events of default, including non-payment of obligations, cross-defaults to our other material indebtedness, certain change of control events, and the loss or sale of certain dealerships operated at the properties. Substantially all of the buildings and improvements on the properties financed pursuant to the mortgage facilities are subject to security interests granted to the lender. As of March 31, 2025, we owed \$428.4 million of principal under all of our mortgage facilities.

Other Debt

Our other debt consists primarily of various credit agreements and working capital loans in connection with local operations outside of the U.S. and the U.K.

10. Commitments and Contingent Liabilities

We are involved in litigation which may relate to claims brought by governmental authorities, issues with customers, and employment related matters, including class action claims and purported class action claims. As of March 31, 2025, we were not party to any legal proceedings, including class action lawsuits that, individually or in the aggregate, are reasonably expected to have a material adverse effect on our results of operations, financial condition, or cash flows. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters could have a material adverse effect on our results of operations, financial condition, or cash flows.

We lease land and facilities, including certain dealerships and office space. Pursuant to the leases for some of our larger facilities, we are required to comply with specified financial ratios, including a "rent coverage" ratio and a debt to EBITDA ratio, each as defined. For these leases, non-compliance with the ratios may require us to post collateral in the form of a letter of credit. A breach of the other lease covenants gives rise to certain remedies by the landlord, the most severe of which include the termination of the applicable lease and acceleration of the total rent payments due under the lease. Refer to the disclosures provided in Note 3 for further description of our leases.

We have sold a number of dealerships to third parties and as a condition to certain of those sales, remain liable for the lease payments relating to the properties on which those businesses operate in the event of non-payment by the buyer. We are also party to lease agreements on properties that we no longer use in our retail operations that we have sublet to third parties. We rely on subtenants to pay the rent and maintain the property at these locations. In the event the subtenant does not perform as expected, we may not be able to recover amounts owed to us, and we could be required to fulfill these obligations. We believe we have made appropriate reserves relating to these locations.

Our floor plan credit agreements with Daimler Truck Financial Services Australia and Mercedes-Benz Financial Services New Zealand ("MBA") provide us revolving loans for the acquisition of commercial vehicles for distribution to our retail network. These facilities include a commitment to repurchase dealer vehicles in the event the dealer's floor plan agreement with MBA is terminated.

We have \$13.0 million of letters of credit outstanding and \$23.2 million of bank guarantees as of March 31, 2025, and have posted \$25.0 million of surety bonds in the ordinary course of business.

11. Equity

A summary of shares repurchased under our securities repurchase program, and shares acquired, is as follows:

	Three Months Ended March 31,	
	2025	2024
Shares repurchased ⁽¹⁾	254,406	221,329
Aggregate purchase price	\$ 39.9	\$ 32.9
Average purchase price per share	\$ 156.93	\$ 148.72
Shares acquired ⁽²⁾	822	—
Aggregate purchase price	\$ 0.1	\$ —
Average purchase price per share	\$ 160.88	\$ —

(1) Shares were repurchased under our securities repurchase program. We had \$117.0 million in repurchase authorization remaining under the repurchase program as of March 31, 2025.

(2) Shares were acquired from employees in connection with a net share settlement feature of employee equity awards.

12. Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss by component during the three months ended March 31, 2025 and 2024, respectively, attributable to Penske Automotive Group common stockholders follows:

Three Months Ended March 31, 2025

	Foreign Currency Translation	Other	Accumulated Other Comprehensive Loss
Balance at December 31, 2024	\$ (354.0)	\$ (10.5)	\$ (364.5)
Other comprehensive income (loss), net of tax	55.2	(0.3)	54.9
Balance at March 31, 2025	<u>\$ (298.8)</u>	<u>\$ (10.8)</u>	<u>\$ (309.6)</u>

Three Months Ended March 31, 2024

	Foreign Currency Translation	Other	Accumulated Other Comprehensive Loss
Balance at December 31, 2023	\$ (262.6)	\$ (1.5)	\$ (264.1)
Other comprehensive income (loss), net of tax	(36.8)	3.6	(33.2)
Balance at March 31, 2024	<u>\$ (299.4)</u>	<u>\$ 2.1</u>	<u>\$ (297.3)</u>

13. Segment Information

We have determined that we have four reportable segments as defined in generally accepted accounting principles for segment reporting: (i) Retail Automotive, consisting of our retail automotive dealership operations; (ii) Retail Commercial Truck, consisting of our retail commercial truck dealership operations in the U.S. and Canada; (iii) Other, consisting of our commercial vehicle and power systems distribution operations; and (iv) Non-Automotive Investments, consisting of our equity method investments in non-automotive operations which includes our investment in PTS and other various investments. The Retail Automotive reportable segment includes all automotive dealerships and all departments relevant to the operation of the dealerships and our retail automotive joint ventures. The individual dealership operations included in the Retail Automotive reportable segment represent two operating segments: United States Retail Automotive and International Retail Automotive. These operating segments have been aggregated into one reportable segment as their operations (A) have similar economic characteristics (all are automotive dealerships having similar margins), (B) offer similar products and services (all sell new and/or used vehicles, service, parts, and third-party finance and insurance products), (C) have similar target markets and customers (generally individuals), and (D) have similar distribution and marketing practices (all distribute products and services through dealership facilities that market to customers in similar fashions).

The following table summarizes revenues; cost of sales; selling, general, and administrative expenses; depreciation; floor plan interest expense; other interest expense; equity in earnings of affiliates; and income before income taxes ("EBT"). EBT is the measure of segment performance by which management allocates resources to its segments and which we refer to as segment income, for each of our reportable segments. Our company's Chief Operating Decision Maker ("CODM") is our Chief Executive Officer. Our CODM uses segment income to evaluate the profitability of our reportable segments, which helps guide decisions on resource allocation. Segment income is also used to analyze budget versus actual results and actual results versus the comparable prior period. This analysis is utilized in assessing the performance of our reportable segments.

Three Months Ended March 31,

	Retail Automotive	Retail Commercial Truck	Other	Non-Automotive Investments	Total
Revenues					
2025	\$ 6,569.3	\$ 823.7	\$ 211.5	\$ —	\$ 7,604.5
2024	6,478.0	791.8	178.0	—	7,447.8
Cost of sales					
2025	\$ 5,485.5	\$ 682.7	\$ 167.3	\$ —	\$ 6,335.5
2024	5,420.8	647.0	134.8	—	6,202.6

Selling, general, and administrative expenses:										
Personnel expenses										
2025	\$	446.8	\$	65.9	\$	18.8	\$	—	\$	531.5
2024		437.4		66.2		17.5		—		521.1
Advertising expenses										
2025	\$	28.8	\$	0.9	\$	0.3	\$	—	\$	30.0
2024		32.0		0.7		0.4		—		33.1
Rent & related expenses										
2025	\$	95.1	\$	6.6	\$	3.6	\$	—	\$	105.3
2024		93.4		6.5		3.6		—		103.5
Other expenses (1)										
2025	\$	225.4	\$	14.9	\$	6.5	\$	—	\$	246.8
2024		204.1		13.3		4.7		—		222.1
Depreciation										
2025	\$	34.6	\$	3.9	\$	1.4	\$	—	\$	39.9
2024		32.9		3.6		1.3		—		37.8
Floor plan interest expense										
2025	\$	35.5	\$	3.7	\$	2.3	\$	—	\$	41.5
2024		38.8		4.0		2.0		—		44.8
Other interest expense										
2025	\$	18.0	\$	—	\$	4.5	\$	—	\$	22.5
2024		21.2		—		0.1		—		21.3
Equity in earnings of affiliates										
2025	\$	0.3	\$	—	\$	—	\$	33.0	\$	33.3
2024		1.0		—		—		32.3		33.3
Segment income										
2025 (2)	\$	252.2	\$	45.1	\$	6.8	\$	33.0	\$	337.1
2024		198.4		50.5		13.6		32.3		294.8

(1) Other expenses within SG&A primarily consist of information technology expenses, customer service vehicle loaner expenses, vehicle delivery and preparation expenses, utility expenses, and various other miscellaneous expenses. These expenses are individually not significant to the performance of our segments and are not regularly used by the CODM on a disaggregated basis for purposes of evaluating segment profit or loss.

(2) Retail automotive segment income includes a gain of \$52.3 million from the sale of one retail automotive franchise in the U.S.

Total capital expenditures by reportable segment are set forth in the table below. As segment assets are not regularly provided to or used by the CODM to measure business performance or allocate resources, total segment assets are not presented.

Three Months Ended March 31,

		Retail Automotive		Retail Commercial Truck		Other		Non-Automotive Investments		Total
Capital expenditures										
2025	\$	57.9	\$	17.8	\$	0.9	\$	—	\$	76.6
2024		84.0		16.1		2.4		—		102.5

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024, and Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, and those in our other periodic reports filed with the Securities and Exchange Commission, and "Forward-Looking Statements." We have acquired and initiated a number of businesses during the periods presented and addressed in this Management's Discussion and Analysis of Financial Condition and Results of Operations. Our financial statements include the results of operations of those businesses from the date acquired or when they commenced operations. Our period-to-period results of operations may vary depending on the dates of acquisitions or disposals.

Overview

We are a diversified international transportation services company and one of the world's premier automotive and commercial truck retailers. We operate dealerships in the United States, the United Kingdom, Canada, Germany, Italy, Japan, and Australia, and we are one of the largest retailers of commercial trucks in North America for Freightliner. We also distribute and retail commercial vehicles, diesel and gas engines, power systems, and related parts and services principally in Australia and New Zealand. We employ over 28,700 people worldwide. Additionally, we own 28.9% of Penske Transportation Solutions, a business that employs over 44,500 people worldwide, manages one of the largest, most comprehensive and modern trucking fleets in North America with over 428,000 trucks, tractors, and trailers under lease, rental, and/or maintenance contracts, and provides innovative transportation, supply chain, and technology solutions to its customers.

Business Overview

During the three months ended March 31, 2025, our business generated \$7.6 billion in total revenue, which is comprised of approximately \$6.6 billion from retail automotive dealerships, \$0.8 billion from retail commercial truck dealerships, and \$211.5 million from commercial vehicle distribution and other operations. We generated \$1.3 billion in gross profit, which is comprised of \$1.1 billion from retail automotive dealerships, \$141.0 million from retail commercial truck dealerships, and \$44.2 million from commercial vehicle distribution and other operations.

Retail Automotive. We are one of the largest global automotive retailers as measured by the \$26.2 billion in total retail automotive dealership revenue we generated in 2024. We are diversified geographically with 56% of our total retail automotive dealership revenues in the three months ended March 31, 2025, generated in the U.S. and Puerto Rico and 44% generated outside of the U.S. We offer over 40 vehicle brands with 74% of our retail automotive franchised dealership revenue generated from premium brands, such as Audi, BMW, Land Rover, Mercedes-Benz, and Porsche, and 20% of revenue generated from volume non-U.S. brands such as Toyota and Honda in the three months ended March 31, 2025. As of March 31, 2025, we operated 352 retail automotive franchised dealerships, of which 147 are located in the U.S. and 205 are located outside of the U.S., principally in the U.K. As of March 31, 2025, we also operated 16 used vehicle dealerships, with six dealerships in the U.S. operating under the brand name CarShop, nine dealerships in the U.K. operating under the brand name Sytner Select, and one dealership in Australia operating under the brand name Penske Select. We retailed and wholesaled, including agency units, more than 144,000 vehicles in the three months ended March 31, 2025.

In addition to selling new and used vehicles, we generate higher-margin revenue at each of our dealerships through maintenance and repair services, the sale and placement of third-party finance and insurance products, third-party extended service and maintenance contracts, replacement and aftermarket automotive products, and at certain of our locations, collision repair services. We operate our franchised dealerships under franchise agreements with a number of automotive manufacturers and distributors that are subject to certain rights and restrictions typical of the industry. Some of our dealerships in the U.K. and Europe operate under an agency model where we receive a fee for facilitating the sale by the manufacturer of a new vehicle but do not hold the vehicle in inventory. Vehicles sold under this agency model are counted as new agency units sold instead of new retail units sold by us, and only the fee we receive from the manufacturer, not the price of the vehicle, is reported as new revenue with no corresponding cost of sale.

During the three months ended March 31, 2025, we sold one retail automotive franchise in the U.S. Retail automotive dealerships represented 86.4% of our total revenues and 85.4% of our total gross profit in the three months ended March 31, 2025.

Retail Commercial Truck Dealership. We operate Premier Truck Group ("PTG"), a heavy- and medium-duty truck dealership group offering primarily Freightliner and Western Star trucks (both Daimler brands), with locations across 10 U.S. states and the Canadian provinces of Ontario and Manitoba. As of March 31, 2025, PTG operated 45 locations selling new and/or used trucks, performing service and parts operations, or offering collision repair services. We retailed and wholesaled 4,801 new and used trucks in the three months ended March 31, 2025. This business represented 10.8% of our total revenues and 11.1% of our total gross profit in the three months ended March 31, 2025.

Penske Australia. Penske Australia is the exclusive importer and distributor of Western Star heavy-duty trucks (a Daimler brand), MAN heavy- and medium-duty trucks and buses (a VW Group brand), and Dennis Eagle refuse collection vehicles, together with associated parts, across Australia, New Zealand, and portions of the Pacific. In most of these same markets, we are also a leading distributor of diesel and gas engines and power systems, principally representing MTU (a Rolls-Royce solution), Detroit Diesel, Allison Transmission, and Bergen Engines. Penske Australia offers products across the on- and off-highway markets, including in the trucking, mining, power generation, energy solutions, defense, marine, rail, and construction sectors and supports full parts and aftersales service through a network of branches, field service locations, and dealers across the region. These businesses represented 2.8% of our total revenues and 3.5% of our total gross profit in the three months ended March 31, 2025.

Penske Transportation Solutions. We hold a 28.9% ownership interest in Penske Truck Leasing Co., L.P. ("PTL"). PTL is owned 41.1% by Penske Corporation, 28.9% by us, and 30.0% by Mitsui & Co., Ltd. ("Mitsui"). We account for our investment in PTL under the equity method, and we therefore record our share of PTL's earnings on our statements of income under the caption "Equity in earnings of affiliates," which also includes the results of our other equity method investments. Penske Transportation Solutions ("PTS") is the universal brand name for PTL's various business lines through which it is capable of meeting customers' needs across the supply chain with a broad product offering that includes full-service truck leasing, truck rental, and contract maintenance along with logistics services, such as dedicated contract carriage, distribution center management, freight management, and dry van truckload carrier services. We recorded \$33.2 million and \$32.5 million in equity earnings from this investment for the three months ended March 31, 2025 and 2024, respectively.

Outlook/Recent Developments

Tariffs. On March 26, 2025, U.S. President Trump announced the imposition of a 25% tariff on imports of automobiles and certain automobile parts (the "Automotive Tariffs"). The 25% tariff applies to imported fully-assembled passenger vehicles including sedans, SUVs, crossovers, minivans, and cargo vans as well as light trucks, and became effective on April 3, 2025. The 25% tariff also applies to many imported automotive parts, with tariffs on certain imported parts beginning no later than May 3, 2025. In addition to the Automotive Tariffs, on April 2, 2025, U.S. President Trump announced a minimum 10% tariff applied to imports from most countries, with limited country and product exceptions, and elevated tariff rates imposed on more than 60 specific countries (the "Reciprocal Tariffs"), although, on April 9, 2025, the elevated Reciprocal Tariffs on certain countries were temporarily paused, notably excluding significant Reciprocal Tariffs on China. The vehicles and parts subject to the Automotive Tariffs are not subject to the Reciprocal Tariffs, and on April 29, 2025, U.S. President Trump announced further actions to reduce the compounding effects of other tariffs on vehicles and parts subject to the Automotive Tariffs and provide a partial reimbursement for tariffs imposed on foreign parts included in certain domestically assembled vehicles. The Automotive Tariffs and Reciprocal Tariffs represent a significant change to recent U.S. trade policies and tariff regimes and were announced following a series of previously implemented tariffs, including a 25% tariff on imported steel and aluminum and additional tariffs on products imported from Mexico, Canada, and China. In response to these tariffs, certain trade partners of the U.S. have announced or implemented responsive or retaliatory tariffs on U.S. goods or otherwise implemented non-tariff trade barriers, while various countries and individual companies, including certain of our manufacturing partners, have engaged in bilateral discussions with the U.S. regarding new trade agreements. The nature and scope of any new trade agreements remains uncertain.

It is difficult to assess the impact of the Automotive Tariffs, Reciprocal Tariffs, other recently announced tariffs, and non-tariff trade barriers on our business and results of operations, although these tariffs and retaliatory actions, if sustained in their current or similar forms, are expected to broadly impact the automotive industry and supply chain and will affect a substantial portion of the retail automotive and commercial truck vehicles and parts we sell. In March 2025, our U.S. retail automotive dealerships experienced increased demand as consumers sought to acquire vehicles prior to the implementation of the Automotive Tariffs on April 3, 2025. However, the Automotive Tariffs and other tariffs are likely to increase our cost of acquiring vehicles and parts, as well as our inventory carrying costs going forward. While it is difficult to predict the effects of these tariffs on our business, we believe increased prices could lead to lower consumer demand for new vehicles and related finance and insurance products, while potentially increasing demand for used vehicles and our service and parts operations. These tariffs and related non-tariff trade barriers, including an announcement by China to limit the

exportation of certain rare earth elements, may also limit the availability of certain new vehicles and parts we sell and negatively impact our gross profit with respect to affected vehicles and parts. The new trucks sold by Premier Truck Group ("PTG"), while not subject to the Automotive Tariffs, are subject to the Reciprocal Tariffs and other tariffs which have been or may be announced. We believe that, like our retail automotive business discussed above, PTG may experience increased demand for its service and parts operations and used trucks as a result of the tariffs, depending on the general freight environment. See Part II, Item 1A. Risk Factors, "Tariffs and Trade Risk."

Electric Vehicle Regulation. Federal and state governments and regulators in our markets have placed restrictions on new vehicles in an effort to combat perceived negative environmental effects, in many cases requiring vehicle manufacturers to achieve progressively lower emissions for new vehicles. For example, the EPA has allowed the State of California Air Resource Board ("CARB") to adopt its Advanced Clean Cars II ("ACCII") program which requires that new vehicle sales by vehicle manufacturers to be 35% Zero Emissions Vehicles (ZEVs) for model year 2026 which increases to 100% ZEVs by model year 2035 (with certain allowances for hybrid gas/EVs). Certain states have also adopted California's mandate, in whole or in part.

Earlier this year, U.S. President Trump signed Executive Order "Unleashing American Energy", which may have direct implications on the policies and regulations that impact the automotive and transportation industries. The Executive Order seeks to rescind waivers granted by the EPA for California's ZEV regulations with a focus on eliminating any "electric vehicle mandates" and terminating "state emission waivers that function to limit sales of gasoline-powered vehicles" although the status of the emission regulations targeted by the Executive Order remain uncertain. This focus on reconsidering existing environmental regulations and electrification mandates has extended through the U.S. Congress and certain domestic and international regulatory agencies. A recent senate bill with more than 20 co-sponsors was introduced to revoke the EPA's waiver granted to California for its ACCII program, although congressional action is subject to certain procedural challenges and may require independent regulatory action. Representatives from the U.S. Congress have also proposed legislation to terminate existing electric vehicle tax credits and, in certain cases, impose taxes on electric vehicles to fund road repairs. Further, the EPA has recently stated it would reconsider the agency's 2024 rules that would require a reduction in passenger vehicle fleetwide tailpipe emissions by nearly 50% by 2032 compared with 2027 projected levels, as well as the agency's "Clean Trucks Plan" regulation adopted in 2022, which aims to significantly reduce certain smog- and soot-forming emissions from heavy-duty vehicles beginning in model year 2027. In addition, although representatives of the U.K. government have proposed a ban on the sale of internal combustion engines in new cars and new vans beginning in 2030, the phase out has been recently moderated to allow hybrid cars to be sold until 2035, with limited exceptions to the ZEV mandate for certain lower volume manufacturers. The status of, and any impact to our business from, these executive, legislative, and regulatory efforts remains uncertain.

For an additional discussion of certain risks associated with our business related to the environmental regulations, see Item 1A. Risk Factors, "Vehicle Emissions and Other Environmental Regulations" in our Annual Report on Form 10-K for the year ended December 31, 2024.

Retail Automotive. During the three months ended March 31, 2025, U.S. industry new light vehicle sales increased 4.3%, to 3.9 million units, including a 6.8% increase in retail sales, partially offset by a 3.9% decrease in fleet sales, as compared to the same period last year. U.K. new vehicle registrations increased 6.4% to 0.6 million registrations, including a 4.6% increase in fleet sales and a 9.5% increase in retail sales, as compared to the same period last year. New vehicle sales were positively impacted by continued strong consumer demand in the U.S., particularly in March 2025 in response to recently announced tariffs. Our new vehicle days' supply is 39 as of March 31, 2025, compared to 49 as of December 31, 2024. Our used vehicle days' supply is 36 as of March 31, 2025, compared to 47 as of December 31, 2024. As discussed above, the Automotive Tariffs and other tariffs are likely to increase our cost of acquiring vehicles and parts, as well as our inventory carrying costs. While it is difficult to predict the effects of these tariffs on our business, we believe increased prices could lead to lower consumer demand for new vehicles and related finance and insurance products, while potentially increasing demand for used vehicles and our service and parts operations. These tariffs may also limit the availability of certain new vehicles and parts we sell and negatively impact our gross profit with respect to affected vehicles and parts. See Part II, Item 1A. Risk Factors, "Tariffs and Trade Risk." New vehicle sales levels could also be impacted by changes to existing electrification mandates, emissions regulations and incentives regarding EVs, as discussed above, as well as vehicle affordability challenges, inflation, interest rates, or a reduction in consumer spending resulting in decreased demand. We continue to expect strong demand for our service and parts operations driven by increased vehicle sales in recent years, increased average age of vehicles, recall campaigns, increased miles driven (including in response to affordability concerns as a result of the Automotive Tariffs), and vehicle complexity.

Retail Commercial Truck Dealership. During the three months ended March 31, 2025, North American sales of Class 6-8 medium- and heavy-duty trucks, the vehicles sold by our PTG business, decreased 3.0% from the same period last year

to 473,159 units. The Class 6-7 medium-duty truck market increased 0.5% from the same period last year to 157,260 units, and Class 8 heavy-duty trucks, the largest North American market, decreased 4.7% from the same period last year to 315,899 units. As discussed above, the new trucks sold by PTG, while not subject to the Automotive Tariffs, are subject to the Reciprocal Tariffs and other tariffs which have been or may be announced. We believe that PTG may experience increased demand for its service and parts operations and used trucks as a result of the tariffs, depending on the general freight environment (which also could be impacted by increased cross border tariffs). As of March 31, 2025, the Class 6-8 medium- and heavy-duty truck backlog is 194,073 units according to data published by ACT Research compared to 262,572 as of March 31, 2024.

Commercial Vehicle Distribution and Other: During the three months ended March 31, 2025, the Australian heavy-duty truck market reported sales of 3,380 units, representing a decrease of 10.8% from the same period last year, while the New Zealand market reported sales of 606 units, representing a decrease of 41.1% from the same period last year. Our power system operations continue to grow through sales in the off-highway segments such as energy solutions, which provide power systems for large data centers, mining, and military applications.

Penske Transportation Solutions. A majority of PTS' revenue is generated by multi-year contracts for full-service leasing, contract maintenance, and logistics services. PTS also rents additional trucks to commercial customers in response to demand for freight as well as consumer customers. With a managed fleet of over 428,000 vehicles at March 31, 2025, PTS regularly sells trucks in order to maintain a low fleet age as well as in response to changes in demand for truck leasing and records a gain or loss on those sales. While PTS has experienced an increase in revenue from its leasing and maintenance business, it has also experienced a decline in truck rental revenue and lower gain on sale of used trucks associated with weakness in the freight market. PTS could also be negatively impacted by the tariffs discussed above, which could increase their costs of acquiring vehicles and parts as well as negatively impact the general freight environment. PTS has decreased, and expects to continue to decrease, the size of its consumer and commercial rental fleets in connection with this lower demand, aimed at improving the utilization rate of the fleet.

As described in "Forward-Looking Statements," there are a number of factors that could cause actual results to differ materially from our expectations, including those discussed in Part I, Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2024, Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, and our other periodic reports filed with the Securities and Exchange Commission.

Operating Overview

Automotive and commercial truck dealerships represent 97.2% of our revenue and 88.2% of our earnings before taxes during the three months ended March 31, 2025. Income from our PTS investment represents 9.8% of our earnings before taxes during the three months ended March 31, 2025. New and used vehicle revenues typically include sales to retail customers, agency customers, fleet customers, and leasing companies providing consumer leasing. We generate finance and insurance revenues from sales of third-party extended service contracts, sales of third-party insurance policies, commissions relating to the sale of finance and lease contracts to third parties, and the sales of certain other products. Service and parts revenues include fees paid by customers for repair, maintenance and collision services, and the sale of replacement parts and other aftermarket accessories as well as warranty repairs that are reimbursed directly by vehicle manufacturers.

Our gross profit tends to vary with the mix of revenues we derive from the sale of new vehicles, used vehicles, finance and insurance products, and service and parts transactions. Our gross profit varies across product lines with vehicle sales usually resulting in lower gross profit margins and our other revenues resulting in higher gross profit margins. Factors such as inventory and vehicle availability, customer demand, consumer confidence, unemployment, general economic conditions, seasonality, weather, credit availability, the impact of tariffs and non-tariff trade barriers, fuel prices, and manufacturers' advertising and incentives also impact the mix of our revenues and therefore, influence our gross profit margin. The results of our commercial vehicle distribution and other business in Australia and New Zealand are principally driven by the number and types of products and vehicles ordered by our customers. Aggregate revenue and gross profit increased \$156.7 million, or 2.1%, and increased \$23.8 million, or 1.9%, respectively, during the three months ended March 31, 2025, compared to the same period in 2024.

As exchange rates fluctuate, our revenue and results of operations as reported in U.S. Dollars fluctuate. For example, if the British Pound were to weaken against the U.S. Dollar, our U.K. results of operations would translate into less U.S. Dollar reported results. Foreign currency average rate fluctuations decreased revenue and gross profit by \$40.3 million and \$6.9 million, respectively, for the three months ended March 31, 2025, compared to the same period in 2024. Foreign currency average rate fluctuations decreased earnings per share by approximately \$0.01 per share for the three months

ended March 31, 2025, compared to the same period in 2024. Excluding the impact of foreign currency average rate fluctuations, aggregate revenue and gross profit increased 2.6% and increased 2.5%, respectively, for the three months ended March 31, 2025, compared to the same period in 2024.

Our selling expenses consist of advertising and compensation for sales personnel, including commissions and related bonuses. General and administrative expenses include compensation, finance, legal and management personnel costs, rent, insurance, information technology expenses, service vehicle loaner expenses, vehicle delivery and preparation expenses, utilities, and other expenses. As the majority of our selling expenses are variable and a significant portion of our general and administrative expenses are subject to our control, we believe our expenses can be adjusted over time to reflect economic trends.

Equity in earnings of affiliates principally represents our share of the earnings from PTS, along with our investments in other joint ventures and other non-consolidated investments.

Floor plan interest expense relates to financing incurred in connection with the acquisition of new and used vehicle inventories that are secured by those vehicles. Other interest expense consists of interest charges on all of our interest-bearing debt, other than interest relating to floor plan financing. The cost of our variable rate indebtedness is based on the prevailing benchmark interest rates in our various markets.

The future success of our business is dependent upon, among other things, macro-economic, geo-political, and industry conditions and events, including their impact on sales of new and used vehicles, service and parts, and repair and maintenance services, the availability of consumer credit, changes in consumer demand, consumer confidence levels, fuel prices, demand for trucks to move freight with respect to PTS and PTG and other freight metrics such as spot rates or miles driven, personal discretionary spending levels, interest rates, foreign currency exchange rates, and unemployment rates; our ability to obtain vehicles and parts from our manufacturers, especially in light of supply chain disruptions due to natural disasters, any shortages of vehicle components, international conflicts, challenges in sourcing labor or labor strikes or work stoppages, or other disruptions; the control our manufacturer partners can exert over our operations and our reliance on them for various aspects of our business; risks to our reputation and those of our manufacturer partners; changes in the retail model either from direct sales by manufacturers, a transition to an agency model of sales, sales by online competitors, or from the expansion of EVs; disruptions to the security and availability of our information technology systems and those of our third party providers, which systems are increasingly threatened by ransomware and other cyber attacks; the effects of a pandemic on the global economy, including our ability to react effectively to changing business conditions in light of any pandemic; the impact of tariffs targeting imported vehicles and parts, as well as changes or increases in tariffs, trade restrictions, trade disputes, or non-tariff trade barriers; the rate of inflation, including its impact on vehicle affordability; changes in interest rates and foreign currency exchange rates; our ability to consummate, integrate, and realize returns on our acquisitions; with respect to PTS, changes in the financial health of its customers, labor strikes, or work stoppages by its employees, a reduction in PTS' asset utilization rates, continued availability from truck manufacturers and suppliers of vehicles and parts for its fleet, including with respect to the effect of various government mandates concerning the electrification of its vehicle fleet, changes in values of used trucks which affects PTS' profitability on truck sales and regulatory risks and related compliance costs; our ability to realize returns on our significant capital investments in new and upgraded dealership facilities; our ability to navigate a rapidly changing automotive and truck landscape; our ability to respond to new or enhanced regulations in both our domestic and international markets relating to dealerships and vehicles sales, including those related to the sales process, emissions standards or electrification, as well as changes in consumer sentiment relating to commercial truck sales that may hinder our or PTS' ability to maintain, acquire, sell, or operate trucks; the success of our distribution of commercial vehicles, engines, and power systems; natural disasters; recall initiatives or other disruptions that interrupt the supply of vehicles or parts to us; the outcome of legal and administrative matters, and other factors over which management has limited control. See Part I, Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2024, Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, and our other periodic reports filed with the Securities and Exchange Commission.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the application of accounting policies that often involve making estimates and employing judgments. Such judgments influence the assets, liabilities, revenues, and expenses recognized in our financial statements. Management, on an ongoing basis, reviews these estimates and assumptions. Management may determine that modifications in assumptions and estimates are required, which may result in a material change in our results of operations or financial position.

The accounting policies and estimates that we believe to be most dependent upon the use of estimates and assumptions are revenue recognition, goodwill and other indefinite-lived intangible assets, investments, income taxes, and lease recognition. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2024 Annual Report on Form 10-K for additional detail and discussion of these critical accounting policies and estimates. There have been no material changes in critical accounting policies and estimates as described in our most recent Annual Report.

Refer to Part I, Item 1, Note 1 and Note 3 of the Notes to our Consolidated Condensed Financial Statements for disclosures regarding estimates and judgments related to lease recognition. Refer to Part I, Item 1, Note 2 of the Notes to our Consolidated Condensed Financial Statements for disclosures regarding estimates and judgments related to revenue recognition. Refer to "Income Taxes" within Part I, Item 1, Note 1 of the Notes to our Consolidated Condensed Financial Statements for disclosures regarding estimates and judgments related to income taxes.

Results of Operations

The following tables present comparative financial data relating to our operating performance in the aggregate and on a "same-store" basis. Dealership results are included in same-store comparisons when we have consolidated the acquired entity during the entirety of both periods being compared. As an example, if a dealership were acquired on January 15, 2023, the results of the acquired entity would be included in annual same-store comparisons beginning with the year ended December 31, 2025, and in quarterly same-store comparisons beginning with the quarter ended June 30, 2024.

Some of our dealerships in the U.K. and Europe operate under an agency model where we receive a fee for facilitating the sale by the manufacturer of a new vehicle but do not hold the vehicle in inventory. Vehicles sold under this agency model are counted as new agency units sold instead of new retail units sold by us, and only the fee we receive from the manufacturer, not the price of the vehicle, is reported as new revenue with no corresponding cost of sale. We have presented below units sold under this agency model as "Agency units". Moreover, our retail automotive revenue per unit retailed and related gross profit per unit retailed for new vehicles excludes agency unit sales and associated revenue.

Our results for the three months ended March 31, 2025, include a gain of \$52.3 million from the sale of one retail automotive franchise in the U.S., resulting in an after-tax gain of \$38.9 million, or \$0.58 per share. This gain was partially offset by impairments and other charges of \$25.2 million (none of which was individually material), resulting in an after-tax expense of \$20.9 million, or \$0.31 per share. This resulted in a net after-tax gain of \$18.0 million, or \$0.27 per share.

Three Months Ended March 31, 2025, Compared to Three Months Ended March 31, 2024

Retail Automotive Dealership New Vehicle Data (In millions, except unit and per unit amounts)

New Vehicle Data	2025	2024	2025 vs. 2024	
			Change	% Change
New retail unit sales (excluding agency)	50,602	48,667	1,935	4.0 %
Same-store new retail unit sales (excluding agency)	49,076	47,296	1,780	3.8 %
New agency unit sales	10,686	8,932	1,754	19.6 %
Same-store new agency unit sales	10,686	8,069	2,617	32.4 %
New sales revenue	\$ 3,022.1	\$ 2,802.6	\$ 219.5	7.8 %
Same-store new sales revenue	\$ 2,923.3	\$ 2,727.3	\$ 196.0	7.2 %
New retail sales revenue per unit (excluding agency)	\$ 59,202	\$ 57,176	\$ 2,026	3.5 %
Same-store new retail sales revenue per unit (excluding agency)	\$ 59,029	\$ 57,266	\$ 1,763	3.1 %
Gross profit — new	\$ 280.0	\$ 272.4	\$ 7.6	2.8 %
Same-store gross profit — new	\$ 269.1	\$ 265.4	\$ 3.7	1.4 %
Average gross profit per new vehicle (excluding agency)	\$ 5,059	\$ 5,229	\$ (170)	(3.3)%
Same-store average gross profit per new vehicle (excluding agency)	\$ 4,991	\$ 5,260	\$ (269)	(5.1)%
Gross margin % — new	9.3 %	9.7 %	(0.4)%	(4.1)%
Same-store gross margin % — new	9.2 %	9.7 %	(0.5)%	(5.2)%

Units

Retail unit deliveries of new vehicles increased from 2024 to 2025 due to a 4,397 unit, or 7.9%, increase in same-store new retail unit deliveries, partially offset by a 708 unit decrease from net dealership acquisitions/dispositions throughout 2024. Same-store retail units delivered increased 7.6% in the U.S. and increased 8.4% internationally. Overall, new retail unit deliveries increased 8.0% in the U.S. and increased 4.6% internationally. We believe the increase in same-store retail unit sales in the U.S. is primarily due to increased inventory availability and continued strong consumer demand, coupled with demand from consumers in the U.S. who sought to acquire vehicles prior to the implementation of the automotive tariffs discussed above.

Revenues

New vehicle sales revenue increased from 2024 to 2025 due to a \$196.0 million, or 7.2%, increase in same-store revenues, coupled with a \$23.5 million increase from net dealership acquisitions/dispositions. Excluding \$5.0 million of unfavorable foreign currency fluctuations, same-store new revenue increased 7.4%. Same-store revenue (excluding agency) increased due to the increase in same-store new retail unit sales, which increased revenue by \$105.1 million, coupled with a \$1,763 per unit increase in same-store comparative average retail selling price (despite a \$98 per retail unit decrease attributable to unfavorable foreign currency fluctuations), which increased revenue by \$83.4 million. We believe the increase in same-store comparative average retail selling price (excluding agency) is primarily due to changes in the mix of higher-priced units sold.

Gross Profit

Retail gross profit from new vehicle sales increased from 2024 to 2025 due to a \$3.9 million increase from net dealership acquisitions/dispositions, coupled with a \$3.7 million, or 1.4%, increase in same-store gross profit. Excluding \$0.6 million of unfavorable foreign currency fluctuations, same-store gross profit increased 1.6%. Same-store gross profit (excluding agency) decreased due to a \$269 per unit decrease in same-store comparative average gross profit (including a \$9 per retail unit decrease attributable to unfavorable foreign currency fluctuations), which decreased gross profit by \$12.7 million, partially offset by the increase in same-store new retail sales, which increased retail gross profit by \$8.9 million. We believe the decrease in same-store comparative average retail gross profit per unit (excluding agency) is primarily due to an increasing supply of new vehicles leading to a more competitive selling environment, coupled with vehicle affordability considerations.

Retail Automotive Dealership Used Vehicle Data (In millions, except unit and per unit amounts)

Used Vehicle Data			2025 vs. 2024	
	2025	2024	Change	% Change
Used retail unit sales	58,486	69,265	(10,779)	(15.6)%
Same-store used retail unit sales	57,175	63,955	(6,780)	(10.6)%
Used retail sales revenue	\$ 2,200.5	\$ 2,336.2	\$ (135.7)	(5.8)%
Same-store used retail sales revenue	\$ 2,136.8	\$ 2,205.2	\$ (68.4)	(3.1)%
Used retail sales revenue per unit	\$ 37,624	\$ 33,729	\$ 3,895	11.5 %
Same-store used retail sales revenue per unit	\$ 37,372	\$ 34,480	\$ 2,892	8.4 %
Gross profit — used	\$ 125.7	\$ 129.9	\$ (4.2)	(3.2)%
Same-store gross profit — used	\$ 122.0	\$ 124.1	\$ (2.1)	(1.7)%
Average gross profit per used vehicle retailed	\$ 2,149	\$ 1,876	\$ 273	14.6 %
Same-store average gross profit per used vehicle retailed	\$ 2,133	\$ 1,941	\$ 192	9.9 %
Gross margin % — used	5.7 %	5.6 %	0.1 %	1.8 %
Same-store gross margin % — used	5.7 %	5.6 %	0.1 %	1.8 %

Units

Retail unit sales of used vehicles decreased from 2024 to 2025 due to a 6,780 unit, or 10.6%, decrease in same-store used retail unit sales, coupled with a 3,999 unit decrease from net dealership dispositions. Our same-store units increased 2.1% in the U.S. and decreased 20.1% internationally. Overall, our used units increased 1.9% in the U.S. and decreased

27.5% internationally. Excluding the decrease of 6,789 units across the U.K. Sytner Select dealerships, same-store used retail unit sales of used vehicles increased by 9 units. Same-store unit sales were impacted by the transition of our U.K. CarShop locations to Sytner Select dealerships which sell fewer units. Excluding the U.K. Sytner Select dealerships from both periods, used vehicles retailed decreased 3.7% internationally and decreased 0.8% overall and same-store used units decreased 2.3% internationally and were flat overall.

Revenues

Used vehicle retail sales revenue decreased from 2024 to 2025 due to a \$68.4 million, or 3.1%, decrease in same-store revenues, coupled with a \$67.3 million decrease from net dealership dispositions. Excluding \$9.1 million of unfavorable foreign currency fluctuations, same-store used retail revenue decreased 2.7%. The decrease in same-store revenue is due to the decrease in same-store used retail unit sales discussed above, which decreased revenue by \$233.8 million, partially offset by a \$2,892 per unit increase in same-store comparative average selling price (despite a \$159 per unit decrease attributable to unfavorable foreign currency fluctuations), which increased revenue by \$165.4 million. We believe the increase in same-store comparative average selling price is primarily due to the transition of our former U.K. CarShop locations to Sytner Select dealerships which focus on lower volume, higher margin inventory, resulting in sales of more premium branded vehicles.

Gross Profit

Retail gross profit from used vehicle sales decreased from 2024 to 2025 due to a \$2.1 million decrease from net dealership dispositions, coupled with a \$2.1 million, or 1.7%, decrease in same-store gross profit. Excluding \$0.4 million of unfavorable foreign currency fluctuations, same-store gross profit decreased 1.4%. The decrease in same-store gross profit is due to the decrease in same-store used retail unit sales, which decreased gross profit by \$13.1 million, partially offset by a \$192 per unit increase in same-store comparative average gross profit (despite a \$7 per unit decrease attributable to unfavorable foreign currency fluctuations), which increased gross profit by \$11.0 million. We believe the increase in same-store comparative average gross profit per unit is primarily due to improved inventory management and the transition of our U.K. CarShop locations to Sytner Select dealerships which has resulted in sales of more premium branded vehicles, coupled with the relative stabilization of gross profit per unit for used vehicles across the broader market compared to the same period last year.

Retail Automotive Dealership Finance and Insurance Data (In millions, except unit and per unit amounts)

Finance and Insurance Data	2025	2024	2025 vs. 2024	
			Change	% Change
Total retail unit sales	109,088	117,932	(8,844)	(7.5)%
Total same-store retail unit sales	106,251	111,251	(5,000)	(4.5)%
Total agency unit sales	10,686	8,932	1,754	19.6 %
Total same-store agency unit sales	10,686	8,069	2,617	32.4 %
Finance and insurance revenue	\$ 198.2	\$ 206.0	\$ (7.8)	(3.8)%
Same-store finance and insurance revenue	\$ 195.0	\$ 196.8	\$ (1.8)	(0.9)%
Finance and insurance revenue per unit (excluding agency)	\$ 1,782	\$ 1,719	\$ 63	3.7 %
Same-store finance and insurance revenue per unit (excluding agency)	\$ 1,808	\$ 1,749	\$ 59	3.4 %

Finance and insurance revenue decreased from 2024 to 2025 due to a \$6.0 million decrease from net dealership dispositions, coupled with a \$1.8 million, or 0.9%, decrease in same-store revenue. Excluding \$0.4 million of unfavorable foreign currency fluctuations, same-store finance and insurance revenue decreased 0.7%. Same-store revenue (excluding agency) decreased due to the decrease in combined same-store new and used retail unit sales, which decreased revenue by \$8.7 million, partially offset by a \$59 per unit increase in same-store comparative average finance and insurance retail revenue (despite a \$4 per retail unit decrease attributable to unfavorable foreign currency fluctuations), which increased revenue by \$6.3 million. Same-store finance and insurance revenue per unit (excluding agency) increased 0.7% in the U.S. and increased 2.3% in the U.K. We believe the increase in same-store finance and insurance revenue per unit (excluding agency) is primarily due to the increase in average selling price of both new and used vehicles, as well as changes in the availability of certain products in the U.K. compared to the prior year.

**Retail Automotive Dealership Service and Parts Data
(In millions)**

Service and Parts Data			2025 vs. 2024	
	2025	2024	Change	% Change
Service and parts revenue	\$ 789.4	\$ 746.1	\$ 43.3	5.8 %
Same-store service and parts revenue	\$ 764.6	\$ 734.1	\$ 30.5	4.2 %
Gross profit — service and parts	\$ 462.7	\$ 432.4	\$ 30.3	7.0 %
Same-store service and parts gross profit	\$ 450.2	\$ 423.6	\$ 26.6	6.3 %
Gross margin % — service and parts	58.6 %	58.0 %	0.6 %	1.0 %
Same-store service and parts gross margin %	58.9 %	57.7 %	1.2 %	2.1 %

Revenues

Service and parts revenue increased from 2024 to 2025, with an increase of 6.6% in the U.S. and an increase of 4.6% internationally. The increase in service and parts revenue is due to a \$30.5 million, or 4.2%, increase in same-store revenues, coupled with a \$12.8 million increase from net dealership acquisitions. Excluding \$3.2 million of unfavorable foreign currency fluctuations, same-store revenue increased 4.6%. The increase in same-store revenue is due to a \$26.3 million, or 17.0%, increase in warranty revenue and a \$4.7 million, or 0.9%, increase in customer pay revenue, partially offset by a \$0.5 million, or 1.1%, decrease in vehicle preparation and body shop revenue. We believe the increase in same-store revenue is primarily due to additional warranty opportunities due to manufacturer recalls, vehicles remaining on the road longer due to affordability considerations, and increasing vehicle complexity, as well as increases in labor rates, repair orders, the price of parts.

Gross Profit

Service and parts gross profit increased from 2024 to 2025 due to a \$26.6 million, or 6.3%, increase in same-store gross profit, coupled with a \$3.7 million increase from net dealership acquisitions. Excluding \$1.4 million of unfavorable foreign currency fluctuations, same-store gross profit increased 6.6%. The increase in same-store gross profit is due to the increase in same-store revenues, which increased gross profit by \$18.0 million, coupled with a 1.2% increase in same-store gross margin, which increased gross profit by \$8.6 million. The increase in same-store gross profit is due to a \$15.8 million, or 19.3%, increase in warranty gross profit, a \$6.4 million, or 2.6%, increase in customer pay gross profit, and a \$4.4 million, or 4.9%, increase in vehicle preparation and body shop gross profit. We believe the increase in gross margin is primarily due to a change in the mix of warranty and customer pay, particularly in the U.S.

Retail Commercial Truck Dealership Data
(In millions, except unit and per unit amounts)

New Commercial Truck Data	2025 vs. 2024			
	2025	2024	Change	% Change
New retail unit sales	3,739	3,491	248	7.1 %
Same-store new retail unit sales	3,419	3,491	(72)	(2.1)%
New retail sales revenue	\$ 527.2	\$ 494.2	\$ 33.0	6.7 %
Same-store new retail sales revenue	\$ 478.2	\$ 494.2	\$ (16.0)	(3.2)%
New retail sales revenue per unit	\$ 140,988	\$ 141,564	\$ (576)	(0.4)%
Same-store new retail sales revenue per unit	\$ 139,867	\$ 141,564	\$ (1,697)	(1.2)%
Gross profit — new	\$ 33.5	\$ 34.6	\$ (1.1)	(3.2)%
Same-store gross profit — new	\$ 30.2	\$ 34.6	\$ (4.4)	(12.7)%
Average gross profit per new truck retailed	\$ 8,960	\$ 9,909	\$ (949)	(9.6)%
Same-store average gross profit per new truck retailed	\$ 8,822	\$ 9,909	\$ (1,087)	(11.0)%
Gross margin % — new	6.4 %	7.0 %	(0.6)%	(8.6)%
Same-store gross margin % — new	6.3 %	7.0 %	(0.7)%	(10.0)%

Units

Retail unit sales of new trucks increased from 2024 to 2025 due to a 320 unit increase from net dealership acquisitions, partially offset by a 72 unit, or 2.1%, decrease in same-store new retail unit sales. We believe the decrease in same-store unit sales is primarily due to replacement demand cycles, coupled with a prolonged recessionary freight rate environment.

Revenues

New commercial truck retail sales revenue increased from 2024 to 2025 due to a \$49.0 million increase from net dealership acquisitions, partially offset by a \$16.0 million, or 3.2%, decrease in same-store revenues. The decrease in same-store revenue is due to the decrease in same-store new retail unit sales, which decreased revenue by \$10.2 million, coupled with a \$1,697 per unit decrease in same-store comparative average selling price, which decreased revenue by \$5.8 million. We believe the decrease in same-store comparative average selling price is primarily due to a shift in the sales mix toward lower-priced units sold, coupled with a prolonged recessionary freight rate environment.

Gross Profit

New commercial truck retail gross profit decreased from 2024 to 2025 due to a \$4.4 million, or 12.7%, decrease in same-store gross profit, partially offset by a \$3.3 million increase from net dealership acquisitions. The decrease in same-store gross profit is due to a \$1,087 per unit decrease in same-store comparative average gross profit, which decreased gross profit by \$3.7 million, coupled with the decrease in same-store new retail unit sales, which decreased gross profit by \$0.7 million. We believe the decrease in same-store comparative average gross profit per unit is primarily due to a shift in the sales mix, coupled with a prolonged recessionary freight rate environment.

Used Commercial Truck Data	2025 vs. 2024			
	2025	2024	Change	% Change
Used retail unit sales	975	1,049	(74)	(7.1)%
Same-store used retail unit sales	954	1,049	(95)	(9.1)%
Used retail sales revenue	\$ 63.8	\$ 62.4	\$ 1.4	2.2 %
Same-store used retail sales revenue	\$ 62.5	\$ 62.4	\$ 0.1	0.2 %
Used retail sales revenue per unit	\$ 65,468	\$ 59,517	\$ 5,951	10.0 %
Same-store used retail sales revenue per unit	\$ 65,548	\$ 59,517	\$ 6,031	10.1 %
Gross profit — used	\$ 7.3	\$ 3.3	\$ 4.0	121.2 %
Same-store gross profit — used	\$ 7.2	\$ 3.3	\$ 3.9	118.2 %
Average gross profit per used truck retailed	\$ 7,451	\$ 3,187	\$ 4,264	133.8 %
Same-store average gross profit per used truck retailed	\$ 7,541	\$ 3,187	\$ 4,354	136.6 %
Gross margin % — used	11.4 %	5.3 %	6.1 %	115.1 %
Same-store gross margin % — used	11.5 %	5.3 %	6.2 %	117.0 %

Units

Retail unit sales of used trucks decreased from 2024 to 2025 due to a 95 unit, or 9.1%, decrease in same-store retail unit sales, partially offset by a 21 unit increase from net dealership acquisitions. We believe the decrease in same-store unit sales is primarily due to challenges in sourcing lower mileage, higher quality used trucks for sale.

Revenues

Used commercial truck retail sales revenue increased from 2024 to 2025 due to a \$1.3 million increase from net dealership acquisitions, coupled with a \$0.1 million, or 0.2%, increase in same-store revenues. The increase in same-store revenue is due to a \$6,031 per unit increase in same-store comparative average selling price, which increased revenue by \$5.8 million, partially offset by the decrease in same-store used retail unit sales, which decreased revenue by \$5.7 million. We believe the increase in same-store comparative average selling price is primarily due to the limited availability of lower mileage, higher quality used trucks available for sale.

Gross Profit

Used commercial truck retail gross profit increased from 2024 to 2025 primarily due to a \$3.9 million, or 118.2%, increase in same-store gross profit, coupled with a \$0.1 million increase from net dealership acquisitions. Same-store gross profit remained flat due to a \$4,354 per unit increase in same-store comparative average gross profit, which increased gross profit by \$4.2 million, partially offset by the decrease in same-store used retail unit sales, which decreased gross profit by \$0.3 million. We believe the increase in same-store comparative average gross profit per unit is primarily due to the limited availability of lower mileage, higher quality used trucks available for sale and resulting sales mix of higher priced used units sold.

Service and Parts Data	2025 vs. 2024			
	2025	2024	Change	% Change
Service and parts revenue	\$ 222.0	\$ 223.6	\$ (1.6)	(0.7)%
Same-store service and parts revenue	\$ 214.2	\$ 222.7	\$ (8.5)	(3.8)%
Gross profit — service and parts	\$ 92.6	\$ 98.1	\$ (5.5)	(5.6)%
Same-store service and parts gross profit	\$ 88.9	\$ 97.6	\$ (8.7)	(8.9)%
Gross margin % — service and parts	41.7 %	43.9 %	(2.2)%	(5.0)%
Same-store service and parts gross margin %	41.5 %	43.8 %	(2.3)%	(5.3)%

Revenues

Service and parts revenue decreased from 2024 to 2025 due to an \$8.5 million, or 3.8%, decrease in same-store revenues, partially offset by a \$6.9 million increase from net dealership acquisitions. Customer pay work represented approximately 78.3% of PTG's service and parts revenue, largely due to the significant amount of retail sales of parts and accessories. The decrease in same-store revenue is due to a \$5.8 million, or 3.3%, decrease in customer pay revenue, a

\$2.6 million, or 6.1%, decrease in warranty revenue, and a \$0.1 million, or 0.5%, decrease in body shop revenue. We believe the decrease in same-store service and parts revenue is due to customers delaying maintenance costs due to the continued weak freight market, coupled with lower freight spot rates.

Gross Profit

Service and parts gross profit decreased from 2024 to 2025 due to an \$8.7 million, or 8.9%, decrease in same-store gross profit, partially offset by a \$3.2 million increase from net dealership acquisitions. The decrease in same-store gross profit is due to a 2.3% decrease in same-store gross margin, which decreased gross profit by \$5.2 million, coupled with the decrease in same-store revenues, which decreased gross profit by \$3.5 million. The decrease in same-store gross profit is primarily due to a \$7.2 million, or 10.8%, decrease in customer pay gross profit, a \$1.1 million, or 4.7%, decrease in warranty gross profit, and a \$0.4 million, or 5.5%, decrease in body shop gross profit.

Commercial Vehicle Distribution and Other Data (In millions, except unit amounts)

Penske Australia Data	2025	2024	2025 vs. 2024	
			Change	% Change
Commercial vehicle units (wholesale and retail)	302	298	4	1.3 %
Power system units	331	313	18	5.8 %
Sales revenue	\$ 211.5	\$ 178.0	\$ 33.5	18.8 %
Gross profit	\$ 44.2	\$ 43.2	\$ 1.0	2.3 %

Penske Australia primarily distributes and services commercial vehicles, engines, and power systems. This business generated \$211.5 million of revenue during the three months ended March 31, 2025, compared to \$178.0 million of revenue in the prior year, an increase of 18.8%. This business also generated \$44.2 million of gross profit during the three months ended March 31, 2025, compared to \$43.2 million of gross profit in the prior year, an increase of 2.3%.

Excluding \$9.5 million of unfavorable foreign currency fluctuations, revenue increased 24.1% primarily due to an increase in higher value power generation units sold, coupled with an increase in units sold. Excluding \$2.1 million of unfavorable foreign currency fluctuations, gross profit increased 6.7% primarily due to an increase in units sold, coupled with higher value power generation units sold.

Selling, General, and Administrative Data (In millions)

Selling, General, and Administrative Data	2025	2024	2025 vs. 2024	
			Change	% Change
Personnel expense	\$ 531.5	\$ 521.1	\$ 10.4	2.0 %
Advertising expense	\$ 30.0	\$ 33.1	\$ (3.1)	(9.4)%
Rent & related expense	\$ 105.3	\$ 103.5	\$ 1.8	1.7 %
Other expense	\$ 246.8	\$ 222.1	\$ 24.7	11.1 %
Total SG&A expenses	\$ 913.6	\$ 879.8	\$ 33.8	3.8 %
Same-store SG&A expenses	\$ 886.1	\$ 856.0	\$ 30.1	3.5 %
Personnel expense as % of gross profit	41.9 %	41.8 %	0.1 %	0.2 %
Advertising expense as % of gross profit	2.4 %	2.7 %	(0.3)%	(11.1)%
Rent & related expense as % of gross profit	8.3 %	8.3 %	— %	— %
Other expense as % of gross profit	19.4 %	17.9 %	1.5 %	8.4 %
Total SG&A expenses as % of gross profit	72.0 %	70.7 %	1.3 %	1.8 %
Same-store SG&A expenses as % of same-store gross profit	72.0 %	70.5 %	1.5 %	2.1 %

Selling, general, and administrative expenses ("SG&A") increased from 2024 to 2025 due to a \$30.1 million, or 3.5%, increase in same-store SG&A, coupled with a \$3.7 million increase from net acquisitions. Excluding \$4.9 million of favorable foreign currency fluctuations, same-store SG&A increased 4.1%. SG&A as a percentage of gross profit was

72.0%, an increase of 130 basis points compared to 70.7% in the prior year. SG&A expenses as a percentage of total revenue were 12.0% and 11.8% in the three months ended March 31, 2025 and 2024, respectively. We believe the increase in SG&A expenses is primarily due to impairments and other charges (none of which was individually material).

Depreciation (In millions)

			2025 vs. 2024	
	2025	2024	Change	% Change
Depreciation	\$ 39.9	\$ 37.8	2.1	5.6 %

Depreciation increased from 2024 to 2025 due to a \$1.7 million, or 4.6%, increase in same-store depreciation due to capital expenditures, coupled with a \$0.4 million increase from net dealership acquisitions.

Floor Plan Interest Expense (In millions)

			2025 vs. 2024	
	2025	2024	Change	% Change
Floor plan interest expense	\$ 41.5	\$ 44.8	(3.3)	(7.4)%

Floor plan interest expense decreased from 2024 to 2025 due to a \$5.1 million, or 11.7%, decrease in same-store floor plan interest expense, partially offset by a \$1.8 million increase from net acquisitions. The overall decrease is due to decreases in applicable rates throughout the year, partially offset by increases in average amounts outstanding under floor plan arrangements due to increasing levels of inventory.

Other Interest Expense (In millions)

			2025 vs. 2024	
	2025	2024	Change	% Change
Other interest expense	\$ 22.5	\$ 21.3	1.2	5.6 %

Other interest expense increased from 2024 to 2025 due to increases in average revolver borrowing amounts outstanding under our credit agreements, partially offset by decreases in applicable rates throughout the year.

Equity in Earnings of Affiliates (In millions)

			2025 vs. 2024	
	2025	2024	Change	% Change
Equity in earnings of affiliates	\$ 33.3	\$ 33.3	—	— %

Equity in earnings of affiliates was flat from 2024 to 2025 due to a \$0.7 million, or 2.2%, increase in earnings from our investment in PTS, offset by the decrease in earnings from our other joint ventures primarily due to the sale of our 50% interest in certain German dealerships in the fourth quarter of 2024. We believe the increase in our PTS equity earnings is primarily due to an increase in revenue from PTS' leasing and maintenance business, partially offset by the continued decline in truck rental revenue and lower gain on sale of used trucks associated with weakness in the freight market.

**Income Taxes
(In millions)**

			2025 vs. 2024	
	2025	2024	Change	% Change
Income taxes	\$ 92.1	\$ 78.6	13.5	17.2 %

Income taxes increased from 2024 to 2025 primarily due to a \$42.3 million increase in our pre-tax income compared to the prior year. Our effective tax rate was 27.3% during the three months ended March 31, 2025, compared to 26.7% during the three months ended March 31, 2024, primarily due to fluctuations in our geographic pre-tax income mix and non-recurring tax adjustments.

Liquidity and Capital Resources

Our cash requirements are primarily for working capital, inventory financing, the acquisition of new businesses, the improvement and expansion of existing facilities, the purchase or construction of new facilities, debt service and repayments, dividends, and potential repurchases of our outstanding securities under the program discussed below. Historically, these cash requirements have been met through cash flow from operations, borrowings under our credit agreements and floor plan arrangements, the issuance of debt securities, sale-leaseback transactions, real estate financings, and dividends and distributions from joint venture investments.

We have historically expanded our operations through organic growth and the acquisition of dealerships and other businesses. We believe that cash flow from operations, dividends and distributions from PTS and our joint venture investments, and our existing capital resources, including the liquidity provided by our credit agreements and floor plan financing arrangements, will be sufficient to fund our existing operations and current commitments for at least the next twelve months. In the event that economic conditions are more severely impacted than we expect due to proposed tariffs, geo-political conditions, the impact of tariffs and non-tariff trade barriers, any pandemic or vehicle shortages resulting from supply chain difficulties, we pursue significant acquisitions or other expansion opportunities, pursue significant repurchases of our outstanding securities, or refinance or repay existing debt, we may need to raise additional capital either through the public or private issuance of equity or debt securities or through additional borrowings, which sources of funds may not necessarily be available on terms acceptable to us, if at all. In addition, our liquidity could be negatively impacted in the event we fail to comply with the covenants under our various financing and operating agreements or in the event our floor plan financing is withdrawn. Future events, including acquisitions, divestitures, new or revised operating lease agreements, borrowings or repayments under our credit agreements and our floor plan arrangements, raising capital, and purchases or refinancing of our securities, may also impact our liquidity.

We expect that scheduled payments of our debt instruments will be funded through cash flows from operations or borrowings under our credit agreements. Upon the maturity of our \$550 million of 3.50% senior subordinated notes due September 1, 2025, we currently expect to either repay those notes from cash flows from operations or borrowings under our U.S. credit agreement or refinance those notes in whole or in part with other similar notes, depending on the prevailing interest rates. In the case of payments upon the maturity or termination dates of our other debt instruments, we currently expect to be able to repay or refinance such instruments from cash flows from operations or borrowings under our credit agreements. Refer to the disclosures provided in Part I, Item 1, Note 9 of the Notes to our Consolidated Financial Statements set forth below for a detailed description of our long-term debt obligations and scheduled interest payments.

Floor plan notes payable are revolving inventory-secured financing arrangements. Refer to the disclosures provided in Part I, Item 1, Note 7 of the Notes to our Consolidated Financial Statements for a detailed description of financing for the vehicles we purchase, including discussion of our floor plan and other revolving arrangements.

Refer to the disclosures provided in Part I, Item 1, Note 10 of the Notes to our Consolidated Financial Statements for a description of our off-balance sheet arrangements which includes a repurchase commitment related to our floor plan credit agreement with Daimler Truck Financial Services Australia and Mercedes-Benz Financial Services New Zealand.

As of March 31, 2025, we had \$118.4 million of cash available to fund our operations and capital commitments. In addition, we had an aggregate of approximately \$2.0 billion available for borrowing under our U.S. credit agreement, U.K. credit agreement, the revolving mortgage facility through Toyota Motor Credit Corporation in the U.S., and other various credit facilities.

Securities Repurchases

From time to time, our Board of Directors has authorized securities repurchase programs pursuant to which we may, as market conditions warrant, purchase our outstanding common stock or debt on the open market, in privately negotiated transactions, via a tender offer, through a pre-arranged trading plan, pursuant to the terms of an accelerated share repurchase program, or by other means. We have historically implemented pre-arranged trading plans as part of our securities repurchase programs. These plans authorize share repurchases based on parameters outlined in the specific plan during periods when we otherwise would not trade in our securities, such as the period approaching the end of a quarter through our public announcement of earnings. We have historically funded any such repurchases using cash flow from operations, borrowings under our U.S. credit agreement, and borrowings under our U.S. floor plan arrangements. The decision to make repurchases will be based on factors such as general economic and industry conditions, the market price of the relevant security versus our view of its intrinsic value, the potential impact of such repurchases on our capital structure, and our consideration of any alternative uses of our capital, such as for acquisitions, dividends, the repayment of our existing indebtedness, and strategic investments in our current businesses, in addition to any then-existing limits imposed by our finance agreements and securities trading policy. As of March 31, 2025, \$117.0 million remained outstanding and available for repurchases under our securities repurchase program approved by our Board of Directors. As of April 25, 2025, \$45.8 million remained outstanding and available for repurchases. This authority has no expiration. Refer to the disclosures provided in Part I, Item 1, Note 11 of the Notes to our Consolidated Condensed Financial Statements for a summary of shares repurchased during the three months ended March 31, 2025.

Dividends

We paid the following cash dividends on our common stock in 2024 and 2025:

Per Share Dividends

2024

First Quarter	\$	0.87
Second Quarter	\$	0.96
Third Quarter	\$	1.07
Fourth Quarter	\$	1.19

2025

First Quarter	\$	1.22
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While future quarterly or other cash dividends will depend upon a variety of factors considered relevant by our Board of Directors, which may include our expectations regarding vehicle availability, the impact of recently announced tariffs discussed above under "Outlook/Recent Developments - Tariffs" and in Part II, Item 1A. Risk Factors, "Tariffs and Trade Risk", the rate of inflation, earnings, cash flow, capital requirements, restrictions relating to any then-existing indebtedness, financial condition, alternative uses of capital, and other factors, we currently expect to continue to pay comparable dividends in the future.

Vehicle Financing

Refer to the disclosures provided in Part I, Item I, Note 7 of the Notes to our Consolidated Condensed Financial Statements for a detailed description of financing for the vehicles we purchase, including discussion of our floor plan and other revolving arrangements.

Long-Term Debt Obligations

As of March 31, 2025, we had the following long-term debt obligations outstanding:

(In millions)	March 31, 2025
U.S. credit agreement — revolving credit line	\$ —
U.K. credit agreement — revolving credit line	82.7
3.50% senior subordinated notes due 2025	549.5
3.75% senior subordinated notes due 2029	496.8
Mortgage facilities	428.4
Other debt	214.1
Total long-term debt	\$ 1,771.5
Less: current portion	(778.5)
Net long-term debt	\$ 993.0

As of March 31, 2025, we were in compliance with all financial covenants under our credit agreements, and we believe we will remain in compliance with such covenants for the next twelve months. Refer to the disclosures provided in Part I, Item 1, Note 9 of the Notes to our Consolidated Condensed Financial Statements for a detailed description of our long-term debt obligations.

Short-Term Borrowings

As of March 31, 2025, we had five principal sources of short-term borrowings: our U.S. credit agreement, U.K. credit agreement, other local country credit agreements, the revolving mortgage facility through Toyota Motor Credit Corporation, and the floor plan agreements that we utilize to finance our vehicle inventories. We are also able to access availability under the floor plan agreements to fund our cash needs. Our borrowings vary over time based on our cash flows, capital requirements and investment activities. The amounts outstanding under our floor plan agreements varied based on the timing of the receipt and expenditure of cash in our operations, driven principally by the levels of our vehicle inventories. Of our approximately \$2.0 billion available for borrowing under our various credit facilities, our U.S. credit facility provides for up to \$1.5 billion in borrowing capacity. During the three months ended March 31, 2025, our outstanding revolving commitments under the U.S. credit agreement varied between \$0.0 million and \$166.0 million.

PTS Dividends

We hold a 28.9% ownership interest in PTS as noted above. Their partnership agreement requires PTS, subject to applicable law and the terms of its credit agreements, to make quarterly distributions to the partners with respect to each fiscal year by no later than 45 days after the end of each of the first three quarters of the year and by April 15 of the following year. PTS' partnership agreement and certain of its debt agreements allow partner distributions only as long as it is not in default under those agreements and the amount it pays does not exceed 50% of its consolidated net income, unless its debt-to-equity ratio is less than 3.0 to 1.0, in which case its distributions may not exceed 80% of its consolidated net income. We receive pro rata cash distributions relating to this investment, typically in April, May, August, and November of each year. In April 2025, we received \$26.2 million of pro rata cash distributions relating to this investment. During 2024, we received \$98.4 million of pro rata cash distributions relating to this investment. We currently expect to continue to receive future distributions from PTS, subject to its financial performance.

Operating Leases

We estimate the total rent obligations under our operating leases, including any extension periods that we are reasonably certain to exercise at our discretion and assuming constant consumer price indices, to be \$5.3 billion. As of March 31, 2025, we were in compliance with all financial covenants under these leases consisting principally of leases for dealerships and other properties, and we believe we will remain in compliance with such covenants for the next twelve months. Refer to the disclosures provided in Part I, Item 1, Note 3 and Note 10 of the Notes to our Consolidated Condensed Financial Statements for a description of our operating leases.

Supplemental Guarantor Financial Information

The following is a description of the terms and conditions of the guarantees with respect to senior subordinated notes of Penske Automotive Group, Inc. ("PAG") as the issuer of the 3.50% Notes and the 3.75% Notes (collectively the "Senior Subordinated Notes").

Each of the Senior Subordinated Notes are unsecured, senior subordinated obligations and are guaranteed on an unsecured senior subordinated basis by our 100% owned U.S. subsidiaries ("Guarantor subsidiaries"). Each of the Senior Subordinated Notes also contains customary negative covenants and events of default. If we experience certain "change of control" events specified in their respective indentures, holders of these Senior Subordinated Notes will have the option to require us to purchase for cash all or a portion of their Senior Subordinated Notes at a price equal to 101% of the principal amount of the Senior Subordinated Notes, plus accrued and unpaid interest. In addition, if we make certain asset sales and do not reinvest the proceeds thereof or use such proceeds to repay certain debt, we will be required to use the proceeds of such asset sales to make an offer to purchase the Senior Subordinated Notes at a price equal to 100% of the principal amount of the Senior Subordinated Notes, plus accrued and unpaid interest.

Guarantor subsidiaries are directly or indirectly 100% owned by PAG, and the guarantees are full and unconditional and joint and several. The guarantees may be released under certain circumstances upon resale or transfer by us of the stock of the related guarantor or all or substantially all of the assets of the guarantor to a non-affiliate. Non-wholly owned and foreign subsidiaries of PAG do not guarantee the Senior Subordinated Notes ("Non-Guarantor subsidiaries"). The following tables present summarized financial information for PAG and the Guarantor subsidiaries on a combined basis. The financial information of PAG and Guarantor subsidiaries is presented on a combined basis; intercompany balances and transactions between PAG and Guarantor subsidiaries have been eliminated; PAG's or Guarantor subsidiaries' amounts due from, amounts due to, and transactions with non-issuer and Non-Guarantor subsidiaries and related parties are disclosed separately.

Condensed income statement information:

	PAG and Guarantor Subsidiaries	
	Three Months Ended March 31, 2025	Twelve Months Ended December 31, 2024
Revenues	\$ 4,207.7	\$ 17,008.9
Gross profit	738.9	2,960.3
Equity in earnings of affiliates	33.2	198.0
Net income	177.4	716.7
Net income attributable to Penske Automotive Group	177.4	716.7

Condensed balance sheet information:

	PAG and Guarantor Subsidiaries	
	March 31, 2025	December 31, 2024
Current assets (1)	\$ 3,324.6	\$ 3,334.8
Property and equipment, net	1,623.0	1,611.6
Equity method investments	1,840.2	1,806.4
Other noncurrent assets	3,809.5	3,870.3
Current liabilities	3,381.0	3,343.6
Noncurrent liabilities	3,314.2	3,443.7

(1) Includes \$535.0 million and \$535.4 million as of March 31, 2025, and December 31, 2024, respectively, due from Non-Guarantor subsidiaries.

During the three months ended March 31, 2025, PAG received \$5.1 million from Non-Guarantor subsidiaries. During the twelve months ended December 31, 2024, PAG received \$110.3 million from Non-Guarantor subsidiaries.

Cash Flows

The following table summarizes the changes in our cash provided by (used in) operating, investing, and financing activities. The major components of these changes are discussed below.

(In millions)	Three Months Ended March 31,	
	2025	2024
Net cash provided by operating activities	\$ 282.7	\$ 456.0
Net cash provided by (used in) investing activities	3.5	(352.4)
Net cash used in financing activities	(241.7)	(82.1)
Effect of exchange rate changes on cash and cash equivalents	1.5	(1.0)
Net change in cash and cash equivalents	\$ 46.0	\$ 20.5

Cash Flows from Operating Activities

Cash flows from operating activities include net income, as adjusted for non-cash items and the effects of changes in working capital.

We finance substantially all of the commercial vehicles we purchase for distribution, new vehicles for retail sale (however, see Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*, "Overview" for a discussion of the agency model of distribution), and a portion of our used vehicle inventories for retail sale under floor plan and other revolving arrangements with various lenders, including the captive finance companies associated with automotive manufacturers. We retain the right to select which, if any, financing source to utilize in connection with the procurement of vehicle inventories. Many vehicle manufacturers provide vehicle financing for the dealers representing their brands; however, it is not a requirement that we utilize this financing. Historically, our floor plan finance source has been based on aggregate pricing considerations.

In accordance with generally accepted accounting principles relating to the statement of cash flows, we report all cash flows arising in connection with floor plan notes payable with the manufacturer of a particular new vehicle as an operating activity in our statement of cash flows, and we report all cash flows arising in connection with floor plan notes payable to a party other than the manufacturer of a particular new vehicle and all floor plan notes payable relating to pre-owned vehicles as a financing activity in our statement of cash flows. Currently, the majority of our non-trade vehicle financing is with other manufacturer captive lenders. To date, we have not experienced any material limitation with respect to the amount or availability of financing from any institution providing us with vehicle financing.

We believe that changes in aggregate floor plan liabilities are typically linked to changes in vehicle inventory and therefore, are an integral part of understanding changes in our working capital and operating cash flow. As a result, we have prepared the following reconciliation to highlight our operating cash flows with all changes in vehicle floor plan being classified as an operating activity for informational purposes:

(In millions)	Three Months Ended March 31,	
	2025	2024
Net cash provided by operating activities as reported	\$ 282.7	\$ 456.0
Floor plan notes payable — non-trade as reported	(27.6)	(30.7)
Net cash provided by operating activities including all floor plan notes payable	\$ 255.1	\$ 425.3

Cash Flows from Investing Activities

Cash flows from investing activities consist primarily of cash used for capital expenditures, proceeds from the sale of dealerships, and proceeds from the sale of property and equipment. Capital expenditures were \$76.6 million and \$102.5 million during the three months ended March 31, 2025 and 2024, respectively. Capital expenditures relate primarily to improvements to our existing dealership facilities, the construction of new facilities, the acquisition of the property or buildings associated with existing leased facilities, and the acquisition of land for future development. We currently expect to finance our capital expenditures with operating cash flows or borrowings under our credit agreements. Proceeds from the sale of dealerships were \$77.8 million during the three months ended March 31, 2025, compared to no proceeds during the three months ended March 31, 2024. Proceeds from the sale of property and equipment were \$4.0 million during the three months ended March 31, 2025, compared to no proceeds during the three months ended 2024. We had no cash used in

acquisitions and other investments, net of cash acquired, during the three months ended March 31, 2025, compared to \$243.6 million during the three months ended March 31, 2024, and included cash used to repay sellers' floor plan liabilities in such business acquisitions of \$83.1 million.

Cash Flows from Financing Activities

Cash flows from financing activities include net repayments and borrowings of debt, net repayments of floor plan notes payable non-trade, repurchases of common stock, dividends, and payments for debt issuance costs.

We had net repayments of debt of \$92.0 million and net borrowings of \$48.7 million during the three months ended March 31, 2025 and 2024, respectively. We had net repayments of floor plan notes payable non-trade of \$27.6 million and \$30.7 million during the three months ended March 31, 2025 and 2024, respectively. We repurchased 0.3 million and 0.2 million shares of common stock under our securities repurchase program for \$39.9 million and \$32.9 million during the three months ended March 31, 2025 and 2024, respectively. We also paid cash dividends to our stockholders of \$81.8 million and \$58.6 million during the three months ended March 31, 2025 and 2024, respectively. We made payments for debt issuance costs of \$0.3 million and \$0.5 million during the three months ended March 31, 2025, and 2024, respectively.

Tax Developments

Global Minimum Tax

The Organization for Economic Co-operation and Development ("OECD"), an international association of thirty-eight countries including the United States, has proposed reform of international taxation known as Pillar Two, which imposes a global minimum corporate income tax rate of 15% on multinational companies. In December 2022, the European Union ("EU") Member States formally adopted a directive that implements the OECD Pillar Two framework, which is expected to be enacted into the national laws of the EU member states. Certain countries in which we operate have enacted legislation to adopt the Pillar Two framework effective for the Company for the calendar year 2024. Several other countries are also considering changes to their local tax laws to implement this framework in the future. We expect the enacted Pillar Two legislation to increase tax compliance obligations; however, we do not anticipate any monetary impact from any Pillar Two legislation as all of the jurisdictions in which we operate are expected to have an effective tax rate greater than the minimum threshold of 15%. We will continue to monitor new guidance in this area including proposed and enacted legislative changes as further information becomes available.

Related Party Transactions

Stockholders Agreement

Several of our directors and officers are affiliated with Penske Corporation or related entities. Roger Penske, our Chair of the Board and Chief Executive Officer, is also Chair of the Board and Chief Executive Officer of Penske Corporation and through entities affiliated with Penske Corporation is our largest stockholder owning approximately 52.1% of our outstanding common stock. Mitsui & Co., Ltd. and Mitsui & Co. (USA), Inc. (collectively, "Mitsui") own approximately 20.1% of our outstanding common stock. Mitsui, Penske Corporation and Penske Automotive Holdings Corp. (together with Penske Corporation, the "Penske companies") are parties to a stockholders agreement which expires March 26, 2030 (the "Stockholders Agreement"). Pursuant to the Stockholders Agreement, in connection with any shareholder election of directors, the Penske companies agreed to vote their shares for two directors who are representatives of Mitsui as long as Mitsui owns in excess of 20% of our outstanding common stock, and for one director as long as Mitsui owns in excess of 10% of our outstanding common stock. Mitsui agreed to vote its shares for up to fourteen directors voted for by the Penske companies.

Voting Agreement

Penske Corporation ("PC") and the Company entered into a voting agreement (the "Voting Agreement") pursuant to which PC agreed, on each matter brought to a vote at any annual or special meeting of our stockholders and in connection with any action proposed to be taken by consent of our stockholders in lieu of a meeting, to vote all shares of Voting Common Stock, or other voting or equity securities of ours which could be issued (together with the Voting Common Stock, the "Voting Securities") beneficially owned by PC, that, together with the Voting Securities held by Roger S. Penske, our Chair and Chief Executive Officer, and any entity that Roger S. Penske controls, exceed 43.57% of the outstanding Voting Securities (the "Excess Voting Securities"), in the same proportion as all votes cast by stockholders other than PC, Roger S. Penske or any entity that Roger S. Penske controls (except as otherwise required by the existing

Stockholders Agreement). Any Voting Securities that are not Excess Voting Securities may be voted at the discretion of PC. The Voting Agreement will terminate per its terms at the time that PC ceases to beneficially own 30% or more of the Voting Securities then outstanding. Notwithstanding the foregoing, the Voting Agreement does not impact the provisions of the Stockholders Agreement noted above as currently in effect.

Other Related Party Interests and Transactions

Robert Kurnick, Jr., our President and a director, is also the Vice Chair and a director of Penske Corporation and an Advisory Board member of PTS. Bud Denker, our Executive Vice President, Human Resources, is also the President of Penske Corporation. Greg Penske, the Vice Chair of our Board of Directors, is the son of our Chair and is also a director of Penske Corporation. Michael Eisenson, one of our directors, is also a director of Penske Corporation. Kota Odagiri, one of our directors, is also an employee of Mitsui & Co.

We sometimes pay to and/or receive fees from Penske Corporation, its subsidiaries, and its affiliates for services rendered in the ordinary course of business or to reimburse payments made to third parties on each other's behalf. These transactions are reviewed periodically by our Audit Committee and reflect the provider's cost or an amount mutually agreed upon by both parties.

We own a 28.9% interest in PTS. PTS, discussed previously, is owned 41.1% by Penske Corporation, 28.9% by us, and 30.0% by Mitsui. The PTS partnership agreement, among other things, provides us with specified partner distribution and governance rights and restricts our ability to transfer our interest. The partnership has an eleven-member Advisory Board. We have the right to appoint one Advisory Board member and appointed Robert H. Kurnick, Jr., our President. Lisa Davis and Michael Eisenson, our directors, are also members of the Advisory Board. We have the right to pro rata quarterly distributions equal to at least 50% of PTS' consolidated net income, as well as specified minority rights which require our and/or Mitsui's consent for certain actions taken by PTS as specified in the PTS partnership agreement.

Joint Venture Relationships

From time to time, we enter into joint venture relationships in the ordinary course of business, pursuant to which we own and operate automotive dealerships together with other investors. We may also provide these dealerships with working capital and other debt financing at costs that are based on our incremental borrowing rate. As of March 31, 2025, our automotive joint venture relationships were as follows:

Location	Dealerships	Ownership Interest
Fairfield, Connecticut	Audi, Mercedes-Benz, Sprinter, Porsche	80.00% (A)
Greenwich, Connecticut	Mercedes-Benz	80.00% (A)
Northern Italy	BMW, MINI, Maserati, Porsche, Audi, Jaguar, Land Rover, Volvo, Mercedes-Benz, smart, Lamborghini	95.00% (A)
Barcelona, Spain	BMW, MINI, Dongfeng, Xpeng	50.00% (B)

(A) Entity is consolidated in our financial statements.

(B) Entity is accounted for using the equity method of accounting.

Additionally, we are party to non-automotive joint ventures representing our investments in PTS (28.9%) and Penske Commercial Leasing Australia (28%) that are accounted for under the equity method.

Cyclicality

Unit sales of motor vehicles, particularly new vehicles, have been cyclical historically, fluctuating with general economic cycles. During economic downturns, the automotive and truck retailing industries tend to experience periods of decline and recession similar to those experienced by the general economy. We believe that these industries are influenced by general economic conditions and particularly, by consumer confidence, the level of personal discretionary spending, the rate of inflation, including its impact on vehicle affordability, fuel prices, utility prices, interest rates, and credit availability.

U.S. light vehicle sales have ranged from a low of 10.4 million units in 2009 to a high of 17.5 million units in 2016. Unit sales of new commercial vehicles have historically been subject to substantial cyclical variation based on these general economic conditions. According to data published by ACT Research, in recent years, total U.S. retail sales of new

Class 8 commercial vehicles have ranged from a low of approximately 97,000 in 2009 to a high of approximately 334,000 in 2019. Through geographic diversification, concentration on higher margin regular service and parts revenues, and diversification of our customer base, we have attempted to reduce the negative impact of adverse general economic conditions or cyclical trends affecting any one industry or geographic area on our earnings.

Seasonality

Retail Automotive Dealership. Our business is modestly seasonal overall. Our U.S. operations generally experience higher volumes of vehicle sales in the second and third quarters of each year due in part to consumer buying trends and the introduction of new vehicle models. Also, vehicle demand, and to a lesser extent demand for service and parts, is generally lower during the winter months than in other seasons, particularly in regions of the U.S. where dealerships may be subject to severe winters. Our U.K. operations generally experience higher volumes of new vehicle sales in the first and third quarters of each year, due primarily to new vehicle registration practices in the U.K.

Inflation

Many of the markets in which we operate have recently experienced higher rates of inflation when compared to historical norms. Inflation, which may include inflationary effects caused by tariffs and non-tariff trade barriers, affects the price of vehicles, the price of parts, the rate of pay of our employees, consumer credit availability, and consumer demand. Higher rates of inflation may adversely affect consumer demand and increase our costs, which may materially and adversely affect us.

Forward-Looking Statements

Certain statements and information set forth herein, as well as other written or oral statements made from time to time by us or by our authorized officers on our behalf, constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "goal," "plan," "seek," "project," "continue," "will," "would," and variations of such words and similar expressions are intended to identify such forward-looking statements. We intend for our forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we set forth this statement in order to comply with such safe harbor provisions. You should note that our forward-looking statements speak only as of the date of this report or when made, and we undertake no duty or obligation to update or revise our forward-looking statements, whether as a result of new information, future events, or otherwise. Forward-looking statements include, without limitation, statements with respect to:

- the impact of macro-economic and geo-political conditions and events, including their impact on new and used vehicle sales, availability of consumer credit, changes in consumer demand, consumer confidence levels, fuel prices, the rate of inflation, personal discretionary spending levels, consumer credit availability, interest rates, and unemployment rates;
- the impact of recently announced tariffs, including tariffs targeting imported vehicles and parts, as well as trade restrictions, trade disputes, non-tariff trade barriers and other foreign trade risks, on our acquisition costs, consumer demand, vehicle affordability, the supply of vehicles and parts, and our gross profit with respect to affected vehicles and parts;
- our future financial and operating performance;
- future dealership openings, acquisitions, and dispositions;
- future potential capital expenditures and securities repurchases;
- our ability to realize cost savings and synergies;
- our ability to respond to economic cycles;
- our expectations regarding new vehicle availability and the renewal of our existing franchise agreements and arrangements;
- trends and sales levels in the automotive retail industry, commercial vehicles industries, and in the general economy in the various countries in which we operate;

- the rate of adoption of EVs and their effect on our business;
- our liquidity and ability to access the remaining availability under our credit agreements;
- the performance of our joint ventures, including PTS;
- future foreign currency exchange rates;
- the outcome of various regulatory matters and legal proceedings;
- results of self-insurance plans or other insured matters;
- trends affecting the automotive or trucking industries generally, such as changes to an agency model of distribution, and our future financial condition or results of operations; and
- our business strategy.

Forward-looking statements involve known and unknown risks and uncertainties and are not assurances of future performance. Actual results may differ materially from anticipated results due to a variety of factors, including the factors identified in Part I, Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2024, Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, and our other periodic reports filed with the Securities and Exchange Commission. Important factors that could also cause actual results to differ materially from our expectations include the following:

- our business and the automotive retail and commercial vehicles industries in general are susceptible to adverse macro-economic and geo-political conditions, including their impact on new and used vehicle sales, the availability of consumer credit, changes in consumer demand, consumer confidence levels, fuel prices, demand for trucks to move freight with respect to PTS and PTG, personal discretionary spending levels, interest rates, foreign currency exchange rates, customer confidence, the rate of inflation, including its impact on vehicle affordability, fuel and utility prices and unemployment rates;
- many of the vehicles and parts we sell are subject to recently announced tariffs, including tariffs targeting imported vehicles and parts, which tariffs and related trade restrictions, trade disputes, non-tariff trade barriers and other foreign trade risks may increase the cost of vehicles and parts to us and consumers, limit the supply of certain vehicles and parts we sell, reduce consumer demand due to affordability challenges, and negatively impact our gross profit with respect to affected vehicles and parts;
- we depend on the success, popularity and availability of the brands we sell, and adverse conditions affecting one or more of these vehicle manufacturers, including the adverse impact on the vehicle and parts supply chain due to natural disasters, the shortage of vehicle components, international conflicts, challenges in sourcing labor, labor strikes, or work stoppages, or other disruptions that interrupt the supply of vehicles and parts to us may negatively impact our revenues and profitability;
- the number of new and used vehicles sold in our markets, which impacts our ability to generate new and used vehicle gross profit and future service and parts operations;
- the effect on our businesses of the changing retail environment due to certain manufacturers selling direct to consumers outside the franchise system, changes to an agency model of distribution, and the growing number of EVs;
- the effect on our businesses of mobility technologies, such as Uber and Lyft, and the eventual availability of driverless vehicles;
- vehicle manufacturers exercise significant control over our operations, and we depend on them and the continuation of our franchise and distribution agreements in order to operate our business;
- we are subject to the risk that a substantial number of our new or used inventory may be unavailable due to inventory shortages, recalls, or other reasons;
- the success of our commercial vehicle distribution operations and engine and power systems distribution operations depends upon continued availability of the vehicles, engines, power systems, and other parts we

distribute, demand for those vehicles, engines, power systems, and parts and general economic conditions in those markets;

- a restructuring of any significant vehicle manufacturer or supplier;
- our operations may be affected by severe weather or other periodic business interruptions;
- with respect to PTS, changes in the financial health of its customers, compliance costs, labor strikes or work stoppages with respect to its employees, a reduction in PTS' asset utilization rates, continued availability from truck manufacturers and suppliers of vehicles and parts for its fleet, including with respect to the effect of various government mandates concerning the electrification of its vehicle fleet, potential decreases in the resale value of used vehicles which may affect PTS' ability to sell its used vehicles after the expiration of its customers' leases or at the end of its holding period for rental vehicles, which may affect PTS' profitability, compliance costs in regard to its trucking fleet and truck drivers, its ability to retain qualified drivers and technicians, risks associated with its participation in multi-employer pension plans, conditions in the capital markets to assure PTS' continued availability of capital to purchase trucks, the effect of changes in lease accounting rules on PTS customers' purchase/lease decisions, industry competition, new or enhanced regulatory requirements, emissions standards, vehicle mandates, changes in consumer sentiment regarding the transportation industry, and vulnerabilities with respect to its centralized information systems, each of which could impact equity earnings and distributions to us;
- we have substantial risk of loss not covered by insurance;
- we may not be able to satisfy our capital requirements for acquisitions, facility renovation projects, financing the purchase of our inventory, or refinancing of our debt when it becomes due;
- our level of indebtedness and cash required for lease obligations may limit our ability to obtain financing generally and may require that a significant portion of our cash flow be used for debt service;
- non-compliance with the financial ratios and other covenants under our credit agreements and operating leases;
- higher interest rates may significantly increase our variable rate interest costs and because many customers finance their vehicle purchases, adversely impact vehicle affordability, and decrease vehicle sales;
- our operations outside of the U.S. subject our profitability to fluctuations relating to changes in foreign currency values;
- we are dependent on the continued security and availability of our information technology systems and those of certain third-party providers to avoid significant business interruptions, which systems are increasingly threatened by ransomware and other cyber-attacks;
- we may be subject to significant litigation, fines, penalties, and other costs under applicable privacy laws and regulations if we do not maintain our confidential customer and employee information properly;
- if we lose key personnel, especially our Chief Executive Officer, or are unable to attract additional qualified personnel;
- new or enhanced regulations in both our domestic and international markets relating to automobile dealerships and vehicle sales, including those enacted in certain European countries and various U.S. states banning or taking actions to ban the sale of new vehicles with gasoline engines;
- new or enhanced regulations, including those related to emissions standards, or changes in consumer sentiment relating to commercial truck sales that may hinder our or PTS' ability to maintain, acquire, sell, or operate trucks;
- changes in tax, financial or regulatory rules, or requirements, including new regulations proposed by the governments and agencies that regulate retail automotive transactions may lead to additional transaction times for the sale of vehicles, complicate the transaction process, decrease customer satisfaction, and increase compliance costs and risk, among other effects;
- we could be subject to legal and administrative proceedings which, if the outcomes are adverse to us, could have a material adverse effect on our business, including the result of the U.K. Financial Conduct Authority's investigation of discretionary commission arrangements and potential remediation measures amid concerns these

arrangements were unfair to customers as well as the resulting impact of a recent U.K. court judgment requiring the lenders in that case to repay the customers in that case the commissions paid to the dealers for their vehicle finance agreements;

- if state dealer laws in the U.S. are repealed or weakened or new manufacturers such as those selling EVs are able to conduct significant vehicle sales outside of the franchised automotive system, our automotive dealerships may be subject to increased competition and may be more susceptible to termination, non-renewal, or renegotiation of their franchise agreements;
- we are subject to a wide range of environmental laws and regulations governing the use, generation, and disposal of materials used in our ordinary course of operations, and we face potentially significant costs relating to claims, penalties, and remediation efforts in the event of non-compliance with existing and future laws and regulations which may become more stringent in the face of climate change;
- some of our directors and officers may have conflicts of interest with respect to certain related party transactions and other business interests; and
- shares of our common stock eligible for future sale may cause the market price of our common stock to drop significantly, even if our business is doing well.

We urge you to carefully consider these risk factors and further information identified in our Annual Report on Form 10-K for the year ended December 31, 2024, Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, and our other periodic reports filed with the Securities and Exchange Commission in evaluating all forward-looking statements regarding our business. Readers of this report are cautioned not to place undue reliance on the forward-looking statements contained in this report. All forward-looking statements attributable to us are qualified in their entirety by this cautionary statement. Except to the extent required by the federal securities laws and the Securities and Exchange Commission's rules and regulations, we have no intention or obligation to update publicly any forward-looking statements whether as a result of new information, future events, or otherwise.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Interest Rates. We are exposed to market risk from changes in the interest rates on a significant portion of our outstanding debt. Outstanding revolving balances under our credit agreements bear interest at the prevailing benchmark interest rates in our various markets. Based on an average of the aggregate amounts outstanding under these facilities during the three months ended March 31, 2025, a 100-basis-point change in interest rates would result in an approximate \$5.1 million change to our annual other interest expense.

Similarly, amounts outstanding under floor plan financing arrangements also bear interest at the prevailing benchmark interest rates in our various markets. Based on an average of the aggregate amounts outstanding under our floor plan financing arrangements subject to variable interest payments during the three months ended March 31, 2025, a 100-basis-point change in interest rates would result in an approximate \$37.9 million change to our annual floor plan interest expense.

We evaluate our exposure to interest rate fluctuations and follow established policies and procedures to implement strategies designed to manage the amount of variable rate indebtedness outstanding at any point in time in an effort to mitigate the effect of interest rate fluctuations on our earnings and cash flows. These policies include:

- the maintenance of our overall debt portfolio with fixed and variable rate components;
- the use of authorized derivative instruments;
- the prohibition of using derivatives for trading or other speculative purposes; and
- the prohibition of highly leveraged derivatives, derivatives which we are unable to reliably value, or derivatives which we are unable to obtain a market quotation.

Interest rate fluctuations affect the fair market value of our fixed rate debt, including our mortgages and certain seller financed promissory notes, but with respect to such fixed rate debt instruments, do not impact our earnings or cash flows.

Foreign Currency Exchange Rates. As of March 31, 2025, we had consolidated operations in the U.K., Germany, Italy, Japan, Canada, Australia, and New Zealand. In each of these markets, the local currency is the functional currency. In the event we change our intent with respect to the investment in any of our international operations, we would expect to

implement strategies designed to manage those risks in an effort to mitigate the effect of foreign currency fluctuations on our earnings and cash flows. A ten percent change in average exchange rates versus the U.S. Dollar would have resulted in an approximate \$320.9 million change to our revenues for the three months ended March 31, 2025.

We purchase certain of our new vehicles, parts, and other products from non-U.S. manufacturers. Although we purchase the majority of our inventories in the local functional currency, our business is subject to certain risks, including, but not limited to, differing economic conditions, changes in political climate, differing tax structures, changes in tax and tariff rates, other regulations and restrictions, and foreign currency exchange rate volatility, which may influence such manufacturers' ability to provide their products at competitive prices in the local jurisdictions. Our future results could be materially and adversely impacted by changes in these or other factors.

Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports we file under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including our principal executive officer and principal financial officer, to allow timely discussions regarding required disclosure.

Based upon this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report. In addition, we maintain internal controls designed to provide us with the information required for accounting and financial reporting purposes. There were no changes in our internal control over financial reporting that occurred during the most recent quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. *Legal Proceedings*

From time to time, we are a party to litigation and other legal proceedings, including class action claims and purported class action claims, in the ordinary course of business. Such claims may be brought by governmental authorities, customers, vendors, stockholders, or employees. We are not a party to any legal proceedings, including class action lawsuits, that individually or in the aggregate are reasonably expected to have a material effect on us. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters could have a material adverse effect.

Item 1A. *Risk Factors*

In addition to the information set forth in this Form 10-Q, you should carefully consider the risk factors discussed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024, along with our other periodic reports filed with the Securities and Exchange Commission, which could materially affect our business, financial condition, or future results. The following disclosure further updates the risk factors included in our 2024 Annual Report on Form 10-K:

Legal and Compliance Risks

Other Regulatory Issues. We are subject to a wide variety of regulatory activities and oversight, including:

Governmental regulations, claims, and legal proceedings. Governmental regulations affect almost every aspect of our business, including the fair treatment of our employees, wage and hour issues, and our financing activities with customers. In California, previous judicial decisions have called into question whether long-standing methods for compensating dealership employees comply with the local wage and hour rules and may do so again. We could be susceptible to claims or related actions if we fail to operate our business in accordance with applicable laws or it is determined that long-standing compensation methods did not comply with local laws. Many laws and regulations applicable to our business were adopted prior to the introduction of online vehicle sales, the Internet and certain digital technology, generally. As a result, we are tasked with maintaining compliance in an uncertain regulatory environment. Claims arising out of actual or alleged violations of law which may be asserted against us or any of our dealers by individuals, through class actions, or by governmental entities in civil or criminal investigations and proceedings, may expose us to substantial monetary damages which may adversely affect us.

Our financing activities with customers are subject to truth-in-lending, consumer leasing, equal credit opportunity, and similar regulations as well as motor vehicle finance laws, installment finance laws, insurance laws, usury laws, and other installment sales laws. In the U.K., the Financial Conduct Authority (the "FCA") regulates financial services firms and financial markets, including our activities in acting as broker for the financing of vehicle sales. The FCA is investigating the historic use of discretionary commission arrangements ("DCAs") amid concerns that this practice may have been unfair to customers. The purpose of the investigation is to consider whether the historic use of DCAs caused customers to pay too much for their car loans and, if so, to consider potential remediation measures, including the possible implementation of an industry-wide redress scheme. The investigation is being undertaken after the Financial Ombudsman Service (a public body, which resolves financial complaints) determined that DCAs, in two separate cases which do not involve us, had caused financial losses to customers. The FCA previously announced that it would disclose the results of its investigation in May 2025, but recently stated it will delay any announcement until after a ruling by the U.K. Supreme Court in the matter discussed below.

On October 25, 2024, the U.K. Court of Appeal (the second highest court in the U.K.) issued a judgment in the case *Johnson v Firstrand Bank Ltd, Wrench v Firstrand Bank Ltd and Hopcraft v Close Brothers Ltd*, which required those lenders to repay those customers the commissions paid to the dealers for their vehicle finance agreements, determining that, in those cases, there was a fiduciary duty to the customers to disclose the amount of the commissions paid to those dealers. In response to this judgment, U.K. consumer lenders now require dealerships (including us) to disclose to customers the commissions dealers receive from financing the purchase of their vehicle. We believe this judgment is contrary to existing guidance issued by the FCA, and in early April, the U.K. Supreme Court (the highest court in the U.K.) heard an appeal of this litigation as part of an expedited review. The outcome of the litigation, the FCA's response to any judgment, and the ultimate outcome of the FCA's investigation, remains uncertain.

The FCA has indicated that, subject to the U.K. Supreme Court decision, the FCA may consider an industry-wide redress scheme involving the payment of compensation to customers that are deemed to have suffered harm as a result of

the sale of DCAs. While the focus of the FCA's potential redress to customers, and the Judgment above, has been on the lenders and not automotive dealers, that outcome is uncertain and we may experience changes to our processes that may affect our business. Further, any regulatory or judicial outcome that ultimately results in the refund of historical commissions paid to us, reduces the commissions paid to us, or that directly or indirectly results in our participation in any FCA-mandated redress scheme or other compensation owed to customers, could materially and adversely affect our business and results of operations.

Tariffs and Trade Risk. On March 26, 2025, U.S. President Trump announced the imposition of a 25% tariff on imports of automobiles and certain automobile parts (the "Automotive Tariffs"). The 25% tariff applies to imported fully-assembled passenger vehicles including sedans, SUVs, crossovers, minivans, and cargo vans as well as light trucks, and became effective on April 3, 2025. The 25% tariff also applies to many imported automotive parts, with tariffs on certain imported parts beginning no later than May 3, 2025. In addition to the Automotive Tariffs, on April 2, 2025, U.S. President Trump announced a minimum 10% tariff applied to imports from most countries, with limited country and product exceptions, and elevated tariff rates imposed on more than 60 specific countries (the "Reciprocal Tariffs"), although, on April 9, 2025, the elevated Reciprocal Tariffs on certain countries were temporarily paused, notably excluding significant Reciprocal Tariffs on China. The vehicles and parts subject to the Automotive Tariffs are not subject to the Reciprocal Tariffs, and on April 29, 2025, U.S. President Trump announced further actions to reduce the compounding effects of other tariffs on vehicles and parts subject to the Automotive Tariffs and provide a partial reimbursement for tariffs imposed on foreign parts included in certain domestically assembled vehicles. The Automotive Tariffs and Reciprocal Tariffs represent a significant change to recent U.S. trade policies and tariff regimes and were announced following a series of previously implemented tariffs, including a 25% tariff on imported steel and aluminum and additional tariffs on products imported from Mexico, Canada, and China. In response to these tariffs, certain trade partners of the U.S. have announced or implemented responsive or retaliatory tariffs on U.S. goods or otherwise implemented non-tariff trade barriers, while various countries and individual companies, including certain of our manufacturing partners, have engaged in bilateral discussions with the U.S. regarding new trade agreements. The nature and scope of any new trade agreements remains uncertain.

It is difficult to assess the impact of the Automotive Tariffs, Reciprocal Tariffs, other recently announced tariffs, and non-tariff trade barriers on our business and results of operations, although these tariffs and retaliatory actions, if sustained in their current or similar forms, are expected to broadly impact the automotive industry and supply chain and will affect a substantial portion of the retail automotive and commercial truck vehicles and parts we sell, particularly as many of our key manufacturing partners produce and assemble certain vehicles and parts outside of the U.S. Additionally, certain manufacturers and suppliers are evaluating the impact of tariffs on their production capabilities and commitments, which may result in temporary or prolonged vehicle and parts supply shortages, and in certain cases our manufacturer partners have publicly announced plans to limit or temporarily suspend selling certain automobiles into the U.S. while they evaluate the impact of tariffs. Although tariffs will affect each manufacturer and vehicle model differently, widely reported estimates suggest that these tariffs are expected to increase the production costs of certain vehicles and parts. Certain of our manufacturing partners have suggested that, in the short term, they will refrain from passing on to consumers the additional costs resulting from these tariffs, but there is no guarantee these commitments will be sustained over time, which may lead to affordability challenges. As a result, the Automotive Tariffs and other tariffs are likely to increase our cost of acquiring vehicles and parts, as well as our inventory carrying costs. While it is difficult to predict the effects of these tariffs on our business, we believe increased prices could lead to lower consumer demand for new vehicles and related finance and insurance products, while potentially increasing demand for used vehicles and our service and parts operations. These tariffs and related non-tariff trade barriers, including an announcement by China to limit the exportation of certain rare earth elements, may also limit the availability of certain new vehicles and parts we sell and negatively impact our gross profit with respect to affected vehicles and parts.

The new trucks sold by Premier Truck Group ("PTG"), while not subject to the Automotive Tariffs, are subject to the Reciprocal Tariffs and other tariffs which have been or may be announced. We believe that, like our retail automotive business discussed above, PTG may experience increased demand for its service and parts operations and used trucks as a result of the tariffs, depending on the general freight environment (which also could be impacted by increased cross border tariffs).

Changes or increases in tariffs, trade restrictions, the negotiation of new trade agreements, non-tariff trade barriers, local content requirements, uncertainty surrounding global trade policies, and the imposition of retaliatory tariffs or trade barriers against certain countries or covering certain products, including vehicles and parts, may affect our competitive position and negatively impact our gross profit with respect to affected vehicles and parts. The extent of the tariffs and the resulting impact on general economic conditions and on our business are uncertain and depend on various factors, such as negotiations between the U.S. and affected countries, the duration of such tariffs, the responses of other countries or

regions to such tariffs, the impact to the global supply chain regarding the availability of critical parts and components, the actual increases in the costs of imported vehicles, parts and raw materials, and exemptions or exclusions that may be granted, including in connection with multilateral and bilateral trade agreements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below sets forth information with respect to shares of common stock repurchased by the Company during the three months ended March 31, 2025.

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Program (in millions)
January 1 to January 31, 2025	25,271	\$ 149.95	24,449	\$153.1
February 1 to February 28, 2025	91,887	\$ 166.01	91,887	\$137.9
March 1 to March 31, 2025	138,070	\$ 152.18	138,070	\$117.0
	<u>255,228</u>		<u>254,406</u>	

(1) Includes 822 shares acquired from employees in connection with a net share settlement feature of employee equity awards

(2) From time to time, our Board of Directors authorizes the repurchase of Company securities up to a certain monetary limit. As of March 31, 2025, \$117.0 million remained outstanding and available for repurchases under our securities repurchase program approved by our Board of Directors. This authority has no expiration. For further information with respect to repurchases of our shares by us, see Part I, Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations* — Liquidity and Capital Resources — "Securities Repurchases" and Part I, Item 1, Note 11 of the Notes to our Consolidated Condensed Financial Statements.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the three months ended March 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Amendment to the U.S. Credit Agreement

On April 29, 2025, we entered into the Twelfth Amendment (the "Amendment") to our U.S. credit agreement with Mercedes-Benz Financial Services USA LLC, Toyota Motor Credit Corporation, and Daimler Truck Financial Services USA LLC (as amended, the "U.S. credit agreement") principally to lower the applicable interest rate on revolving loans exceeding a defined borrowing base, as more fully described below. As amended, the U.S. credit agreement provides for up to \$1.5 billion in revolving loans for working capital, acquisitions, capital expenditures, investments, and other general corporate purposes and provides up to an additional \$75 million of letters of credit. The U.S. credit agreement provides for a maximum of \$400 million of borrowings for foreign acquisitions and expires on September 30, 2027.

The interest rate on outstanding borrowings is based on an adjusted Secured Overnight Financing Rate ("SOFR") plus 1.50%, with uncollateralized borrowings in excess of a defined borrowing base bearing interest at adjusted SOFR plus a margin ranging from 1.50% to 2.00%, based on a ratio of consolidated non-vehicle debt to adjusted earnings before interest, taxes, depreciation, and amortization. The previous interest rate for uncollateralized borrowings in excess of the defined borrowing base was adjusted SOFR plus 2.00%.

The U.S. credit agreement is fully and unconditionally guaranteed on a joint and several basis by substantially all of our U.S. subsidiaries and contains a number of significant operating covenants that, among other things, restrict our ability to dispose of assets, incur additional indebtedness, repay certain other indebtedness, pay dividends, create liens on assets, make investments or acquisitions, and engage in mergers or consolidations. We are also required to comply with specified financial and other tests and ratios, each as defined in the U.S. credit agreement, including a ratio of current assets to current liabilities, a fixed charge coverage ratio, a ratio of debt to stockholders' equity, and a ratio of debt to earnings before interest, taxes, depreciation, and amortization ("EBITDA"). A breach of these requirements would give rise to certain remedies under the agreement, the most severe of which is the termination of the agreement and acceleration of the amounts owed.

The U.S. credit agreement also contains typical events of default, including change of control, non-payment of obligations, and cross-defaults to our other material indebtedness. Substantially all of our U.S. assets are subject to security interests granted to the lenders under the U.S. credit agreement. We purchase motor vehicles and parts from affiliates of Mercedes-Benz Financial Services USA LLC, Daimler Truck Financial Services USA LLC and Toyota Motor Credit Corporation for sale at certain of our dealerships. The lenders also provide us and certain of our dealerships with mortgage, “floor-plan”, and consumer financing.

The foregoing description of the Amendment is qualified in its entirety by references to the Amendment, a copy of which is filed as Exhibit 4.1 and incorporated by reference herein.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit No.	Description
4.1	Twelfth Amendment dated April 29, 2025, to the Fifth Amended and Restated Credit Agreement dated December 2, 2024, among us, Mercedes-Benz Financial Services USA LLC, Toyota Motor Credit Corporation and Daimler Truck Financial Services USA, LLC, which includes a Conformed Copy of the Fifth Amended and Restated Credit Agreement and all amendments thereto attached as Exhibit A.
22.1	List of Guarantor Subsidiaries under the Company's Senior Subordinated Notes
31.1	Rule 13(a)-14(a)/15(d)-14(a) Certification
31.2	Rule 13(a)-14(a)/15(d)-14(a) Certification
32	Section 1350 Certification
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File – The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PENSKE AUTOMOTIVE GROUP, INC.

By: /s/ Roger Penske

Roger Penske

Chief Executive Officer

Date: May 1, 2025

By: /s/ Michelle Hulgrave

Michelle Hulgrave

Chief Financial Officer

Date: May 1, 2025

**TWELFTH AMENDMENT TO
FIFTH AMENDED AND RESTATED CREDIT AGREEMENT**

This TWELFTH AMENDMENT TO FIFTH AMENDED AND RESTATED CREDIT AGREEMENT, dated as of April 29, 2025 (this "Amendment"), is to the Fifth Amended and Restated Credit Agreement (as heretofore amended, the "Credit Agreement"), dated as of May 1, 2015 among PENSKE AUTOMOTIVE GROUP, INC., a Delaware corporation (the "Company"), various financial institutions party thereto (the "Lenders") and MERCEDES-BENZ FINANCIAL SERVICES USA LLC, as agent for the Lenders (the "Agent"). Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as defined in the Credit Agreement (including as amended hereby).

WHEREAS, the Company has requested that the Agent and the Lenders amend the Credit Agreement to modify pricing as set forth herein; and

WHEREAS, on the terms and conditions set forth herein, the Agent and the Lenders have agreed to amend the Credit Agreement as set forth herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

SECTION 1 AMENDMENT. Subject to and in accordance with the terms and conditions set forth herein, and upon the Twelfth Amendment Effective Date (as defined below), (a) the Credit Agreement and Schedule 9.7 thereof (excluding any other annexes, exhibits and schedules thereto), as in effect immediately prior to the effectiveness of this Amendment, is hereby amended and replaced in its entirety in the form set forth on Exhibit A hereto and (b) Exhibit B (Form of Compliance Certificate) to the Credit Agreement, as in effect immediately prior to the effectiveness of this Amendment, is hereby amended and replaced in its entirety in the form set forth on Exhibit B hereto.

SECTION 2 REPRESENTATIONS AND WARRANTIES. The Company represents and warrants to the Agent and the Lenders that: (a) the representations and warranties made in Section 8 of the Credit Agreement are true and correct on and as of the date hereof with the same effect as if made on and as of the date hereof (except to the extent relating solely to an earlier date, in which case they were true and correct as of such earlier date); (b) no Event of Default or Unmatured Event of Default exists or will result from the execution of this Amendment; (c) no event or circumstance has occurred since the Effective Date that has resulted, or would reasonably be expected to result, in a Material Adverse Effect; (d) the execution and delivery by the Company of this Amendment and the performance by the Company of its obligations under the Credit Agreement as amended hereby (as so amended, the "Amended Credit Agreement") (i) are within the corporate powers of the Company, (ii) have been duly authorized by all necessary corporate action, (iii) have received all necessary approval from any governmental authority and (iv) do not and will not contravene or conflict with any provision of any law, rule or regulation or any order, decree, judgment or award which is binding on the Company or any of its Subsidiaries or of any provision of the certificate of incorporation or bylaws or other organizational documents of the Company or of any agreement, indenture, instrument or other document which is binding on the Company or any of its Subsidiaries; and (e) the Amended Credit Agreement is the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms,

except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

SECTION 3 EFFECTIVENESS. This Amendment shall be effective when each of the following conditions precedent have been fulfilled to the satisfaction of and in form and substance reasonably satisfactory to the Agent (such date, the "Twelfth Amendment Effective Date"):

3.1 The Agent shall have received (i) a copy of this Amendment by Agent duly executed by the Company and the Lenders and (ii) a copy of the related Reaffirmation Agreement, dated as of the date hereof, duly executed by each Subsidiary of the Company (other than Foreign Subsidiaries and MB Greenwich).

3.2 The Company shall have paid the reasonable costs and expenses of the Agent and the Lenders in connection with the preparation, execution and delivery of this Amendment.

SECTION 4 MISCELLANEOUS.

4.1 Continuing Effectiveness, etc. As hereby amended, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed in all respects. All references in the Credit Agreement, the Notes, each other Loan Document and any similar document to the "Credit Agreement" or similar terms shall refer to the Credit Agreement as amended hereby.

4.2 Counterparts. This Amendment may be executed in any number of counterparts and by the different parties on separate counterparts, and each such counterpart shall be deemed to be an original but all such counterparts shall together constitute one and the same Amendment.

4.3 Expenses. The Company agrees to pay the reasonable costs and expenses of the Agent and the Lenders in connection with the preparation, execution and delivery of this Amendment.

4.4 Severability of Provisions. In the event that any provision in or obligation under this Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

4.5 Section Headings. The various headings of this Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Amendment or the Credit Agreement or any provision hereof or thereof.

4.6 Governing Law. This Amendment shall be a contract made under and governed by the laws of the State of New York applicable to contracts made and to be wholly performed within the State of New York.

4.7 Successors and Assigns. This Amendment shall be binding upon the Company, the Lenders and the Agent and their respective successors and assigns, and shall inure to the benefit of the Company, the Lenders and the Agent and the successors and assigns of the Lenders and the Agent.

4.8 Loan Document. This Amendment is a Loan Document.

[Signatures Immediately Follow]

Delivered as of the day and year first above written.

PENSKE AUTOMOTIVE GROUP, INC., as Company

By: /s/ Aaron Michael
Name: Aaron Michael
Title: Executive Vice President, Financial Services
and Global Risk Management, and Treasurer

MERCEDES-BENZ FINANCIAL SERVICES USA LLC, as Agent and as a Lender

By: /s/ Farrah Vaughn-Dixon
Name: Farrah Vaughn-Dixon
Title: Regional Dealer Credit Manager - National
Accounts

**TOYOTA MOTOR CREDIT CORPORATION,
as a Lender**

By: /s/ Gerald Jules
Name: Gerald Jules
Title: Senior Manager, National Accounts

DAIMLER TRUCK FINANCIAL SERVICES USA LLC, as a Lender

By: /s/ Robert Rappold
Name: Robert Rappold
Title: Regional Dealer Credit Manager

Signature Page to Twelfth Amendment

EXHIBIT A

Amended Credit Agreement

[See attached]

FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

dated as of May 1, 2015

as amended as of April 29, 2025

among

PENSKE AUTOMOTIVE GROUP, INC.,

VARIOUS FINANCIAL INSTITUTIONS

and

**MERCEDES-BENZ FINANCIAL SERVICES USA LLC,
as Agent**

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FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

THIS FIFTH AMENDED AND RESTATED CREDIT AGREEMENT dated as of May 1, 2015 and as amended as of April 29, 2025 (this “Agreement”) is entered into among PENSKE AUTOMOTIVE GROUP, INC. (the “Company”), the financial institutions that are or may from time to time become parties hereto (together with their respective successors and assigns, the “Lenders”) and MERCEDES-BENZ FINANCIAL SERVICES USA LLC (in its individual capacity, “MBFS”), as agent for the Lenders.

WHEREAS, the Company, the Lenders and the Agent are parties to a Fourth Amended and Restated Credit Agreement, dated as of April 1, 2014 (as amended or otherwise modified from time to time prior to the date hereof, the “Existing Agreement”);

WHEREAS, the Company and the Lenders desire to amend and restate the Existing Agreement; it being the intention of the Company, the Agent and the Lenders that this Agreement and the execution and delivery of any substituted promissory notes not effect a novation of the obligations of the Company and the Lenders under the Existing Agreement but merely a restatement and, where applicable, substitution of the terms governing and evidencing such obligations hereafter; and

WHEREAS, the Company and the Lenders have agreed that on the Effective Date (as defined below) the Existing Agreement shall be amended and restated and the outstanding loans under the Existing Agreement shall be deemed to be Loans hereunder.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

SECTION 1 DEFINITIONS.

1.1 Definitions. When used herein the following terms shall have the following meanings:

Account Receivable means, with respect to any Person, any right of such Person to payment for goods sold or leased or for services rendered, whether or not evidenced by an instrument or chattel paper and whether or not yet earned by performance.

Acquisition means an acquisition by the Company or any Subsidiary of all or substantially all the assets of a business unit or a controlling interest in the Capital Stock or other ownership interests of an Automotive Investment, whether through a purchase, merger, consolidation or otherwise.

Acquisition Capital Expenditure means any Capital Expenditure that is comprised of the purchase price paid to the seller in connection with any Acquisition permitted under this Agreement.

Acquisition Cost means, as of any date, (x) with respect to any New Motor Vehicle, the wholesale purchase price charged by the Manufacturer thereof as reflected in the invoice in respect of such New Motor Vehicle issued by such Manufacturer to the Company, the applicable Subsidiary or any other licensed dealer from which such New Motor Vehicle was purchased by the Company or the applicable Subsidiary less any related deductions set forth on such invoice, and (y) with respect to any Used Motor Vehicle or Auction Motor Vehicle, the price paid by the Company or its applicable Subsidiary to purchase such Used Motor Vehicle or Auction Motor Vehicle, provided that, in the case of this clause (y), in the event the Agent reasonably concludes that the Acquisition Cost of a Used Motor Vehicle or Auction Motor Vehicle exceeds its fair market value, the Agent may make market value adjustments to the Acquisition Cost of a Used Motor Vehicle or Auction Motor Vehicle based upon the latest publication of the N.A.D.A. Official Used Car Guide, as long as such publication has been released within the past three months and, if not, such other objective criteria as the Company and the Required Lenders may agree from time to time.

Adjusted Daily Simple SOFR means, for purposes of any calculation, the rate per annum equal to (a) Daily Simple SOFR for such calculation plus (b) the SOFR Adjustment; provided that if Adjusted Daily Simple SOFR as so determined shall ever be less than the Floor, then Adjusted Daily Simple SOFR shall be deemed to be the Floor.

Adjusted Term SOFR means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

Adjusted Term SOFR Rate - see definition of “Interest Rate.”

Affiliate of any Person means (i) any other Person that, directly or indirectly, controls or is controlled by or is under common control with such Person and (ii) any officer or director of such Person. A Person shall be deemed to be “controlled by” any other Person if such Person possesses, directly or indirectly, power to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managers or power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

Agent means MBFS in its capacity as agent for the Lenders hereunder and any successor thereto in such capacity.

Agreement - see the Preamble.

Anti-Terrorism Law – see Section 8.23.

Applicable Margin means, as of any date of determination, the applicable rate per annum set forth in the following table that corresponds to the Leverage Ratio calculation as set forth in the most recent compliance certificate delivered to the Agent in accordance with Section 9.1.3. For the period from the Twelfth Amendment Effective Date through the date that the Agent

receives such compliance certificate for the Computation Period ending June 30, 2025, the Applicable Margin will be the rate per annum in the row styled “Level I”:

Level	Leverage Ratio	Applicable Margin
I	< 2.50 to 1.00	1.500%
II	< 3.50 to 1.00 and \geq 2.50 to 1.00	1.625%
III	< 4.00 to 1.00 and \geq 3.50 to 1.00	1.750%
IV	< 4.50 to 1.00 and \geq 4.00 to 1.00	1.875%
V	\geq 4.50 to 1.00	2.000%

Except as otherwise set forth in this definition, the Applicable Margin will be based upon the most recent compliance certificate delivered to the Agent in accordance with Section 9.1.3. Except as otherwise set forth in this definition, the Applicable Margin will be re-determined quarterly on the first day of the month immediately following the date of delivery to the Agent of the applicable compliance certificate pursuant to Section 9.1.3. If the Company fails to furnish any compliance certificate within 3 days of when that compliance certificate is due under Section 9.1.3, then the Applicable Margin will be the rate per annum in the row styled “Level V” from and after the day immediately following the date on which such compliance certificate was required to be delivered until the date on which such compliance certificate is delivered in accordance with Section 9.1.3, on which date (but not retroactively), without constituting a waiver of any Unmatured Event of Default or Event of Default occasioned by the failure to timely deliver such compliance certificate, the Applicable Margin will be set at the rate per annum based upon the calculations disclosed by such compliance certificate.

If any information contained in any compliance certificate delivered pursuant to Section 9.1.3 is shown to be inaccurate, and that inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period than the Applicable Margin actually applied for that period, then (i) the Company shall promptly deliver or cause to be delivered to the Agent and each Lender a corrected compliance certificate (in the form otherwise required under Section 9.1.3) for that period; (ii) the Applicable Margin will be determined as if the correct Applicable Margin (as set forth in the table above) were applicable for that period (irrespective of whether a corrected compliance certificate is delivered); and (iii) the Company shall promptly (but in any event within five (5) Business Days after delivery of such corrected compliance certificate or after demand by the Agent) deliver to the Agent full payment in respect of the accrued additional interest as a result of the increased Applicable Margin for that period, which payment the Agent shall promptly apply to the affected obligations of the Company hereunder.

Approved Swap Document – see Section 9.8(i).

Approved Swap Lien – see Section 9.8(i).

Assignee – see Section 13.9.1.

Assignment Agreement – see Section 13.9.1.

Attorney Costs means, with respect to any Person, all reasonable fees and charges of any counsel to such Person, the reasonable allocable cost of internal legal services of such Person, all reasonable disbursements of such internal counsel and all court costs and similar legal expenses.

Auction Motor Vehicles means Motor Vehicles purchased at Manufacturer- or Floor Plan Financing Provider-sponsored dealer-only closed auctions.

Automotive Investment means a business that operates a dealership or dealerships for the retail sales of new and/or used vehicles, a vehicle distributorship and/or other transportation related businesses or other businesses ancillary to the operation of such businesses.

Available Tenor means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date.

Benchmark means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 4.5(a).

Benchmark Replacement means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Agent for the applicable Benchmark Replacement Date:

(a) Adjusted Daily Simple SOFR; or

(b) the sum of: (i) the alternate benchmark rate that has been selected by the Agent and the Company giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

Benchmark Replacement Adjustment means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or

negative value or zero) that has been selected by the Agent and the Company giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

Benchmark Replacement Date means a date and time determined by the Agent, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New

York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

Benchmark Unavailability Period means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 4.5 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 4.5.

Borrowing Base means, at any time, the sum of the following: (a) an amount equal to 100% of the sum of (i) all cash on deposit at such time in deposit accounts of the Company and its Domestic Subsidiaries in which the Agent has a perfected first priority security interest pursuant to a Control Agreement, (ii) the amount at such time requested to be funded to the Company and its Domestic Subsidiaries in respect of retail installment contracts with respect to, and retail leases of, Motor Vehicles where the underlying contracts and leases have been submitted in the ordinary course of business to a third party purchaser that is a financial institution and that is not a Restricted Affiliate for which purchase the Company and its Domestic Subsidiaries have not yet been paid plus all other amounts owing at such time to the Company and its Domestic Subsidiaries from purchasers or lessees of such Motor Vehicles in respect of such purchases or leases and (iii) the difference between (x) the Acquisition Cost of that portion of the Inventory of the Company and its Domestic Subsidiaries that consists of New Motor Vehicles and (y) the aggregate amount of Floor Plan Financing of the Company and its Domestic Subsidiaries incurred in connection with such New Motor Vehicles; (b) an amount equal to 65% of the sum of (i) the amount of all Accounts Receivable of the Company and its Domestic Subsidiaries that consist of Factory Receivables or Accounts Receivable owing from customers for service and parts plus (ii) the amount of all Accounts Receivable of the Company and its Domestic Subsidiaries (to the extent not otherwise covered by the other clauses of this definition) owing from third parties that are not Restricted Affiliates in the ordinary course of

business; (c) an amount equal to 65% of the Accounts Receivable of the Company and its Domestic Subsidiaries consisting of finance reserve owing to the Company and its Domestic Subsidiaries from financial institutions, not Restricted Affiliates, that provide loans or other financing to customers of the Company and its Domestic Subsidiaries in connection with the purchase and/or lease of Motor Vehicles by such customers, which finance reserve is in the nature of amounts payable to the Company and its Domestic Subsidiaries; (d) an amount equal to 65% of the book value of the Inventory of the Company and its Domestic Subsidiaries that consists of parts and accessories; (e) an amount equal to 80% of the difference between (i) the Acquisition Cost of that portion of the Inventory of the Company and its Domestic Subsidiaries that constitutes Used Motor Vehicles and/or Auction Motor Vehicles (without duplication) and (ii) the aggregate amount of any Floor Plan Financing of the Company and its Domestic Subsidiaries incurred in connection with such Used Motor Vehicles and Auction Motor Vehicles; (f) an amount equal to 45% of the difference between (i) the book value of the Equipment of the Company and its Domestic Subsidiaries and (ii) the aggregate amount of purchase money Debt of the Company and its Domestic Subsidiaries incurred to finance the purchase price of such Equipment; (g) an amount equal to the lesser of (i) 75% of the Eligible Real Estate Collateral Value and (ii) 25% of the sum of clauses (a) through (f) above; and (h) an amount equal to 50% of the Eligible Tangible Net Worth of PTL. For purposes of greater clarity, service loaners and daily rental vehicles shall not constitute Inventory for the purpose of calculating the Borrowing Base, but shall constitute Equipment for such purpose. Notwithstanding the foregoing, (i) all assets (including daily rental vehicles, goodwill, franchise value and cash on deposit in deposit accounts) of MB Greenwich shall be excluded from the Borrowing Base for all purposes, (ii) all Motor Vehicles that are being leased by the Company or any Subsidiary as lessor shall be excluded from the Borrowing Base for all purposes and (iii) all retail installment contracts and retail leases of Motor Vehicles that have been pledged to secure any Pledge Line Financing shall be excluded from the Borrowing Base for all purposes.

Borrowing Base Certificate means a certificate in substantially the form set forth in Exhibit K.

Business Day means any day of the year (other than any Saturday or Sunday) which is not a day on which commercial banks are authorized or required by law to close in Detroit, Michigan; provided that, in relation to any borrowing that bears interest at a rate based on the Adjusted Term SOFR Rate, any such day that is a U.S. Government Securities Business Day.

Capital Expenditures means all expenditures for property, plant and equipment that, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet of the Company, but excluding expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (x) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (y) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced.

Capital Lease means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with

GAAP, but subject to Section 1.5, is accounted for as a capital lease on the balance sheet of such Person.

Capital Stock of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity securities of such Person.

Cash Collateralize means to deliver cash collateral to the Agent, to be held as cash collateral for outstanding Letters of Credit, pursuant to documentation reasonably satisfactory to the Agent and the Company. Derivatives of such term have corresponding meanings.

Cash Equivalent Investment means, at any time, (a) any evidence of Debt, maturing not more than one year after such time, issued or guaranteed by the United States Government or any agency thereof, (b) commercial paper, maturing not more than one year from the date of issue, or corporate demand notes, in each case rated at least A-1 by Standard & Poor's Ratings Services or P-1 by Moody's Investors Service, Inc., (c) any certificate of deposit (or time deposits represented by such certificates of deposit) or banker's acceptance, maturing not more than one year after such time, or overnight Federal Funds transactions that are issued or sold by any Lender or its holding company or by a commercial banking institution that is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than \$500,000,000, (d) any repurchase agreement entered into with MBFS (or with a commercial banking institution of the stature referred to in clause (c)) which (i) is secured by a fully perfected security interest in any obligation of the type described in any of clauses (a) through (c) and (ii) has a market value at the time such repurchase agreement is entered into of not less than 100% of the repurchase obligation of MBFS (or such commercial banking institution) thereunder, (e) shares of money market mutual funds within the definition of Rule 2a-7 promulgated by the SEC under the Investment Company Act of 1940 and (f) other cash equivalent investments approved by the Agent.

CERCLA – see Section 8.14.

Code means the Internal Revenue Code of 1986.

Collateral Documents means the Security Agreement, the Pledge Agreement, each Control Agreement, each Mortgage and any other agreement or instrument pursuant to which the Company, any Subsidiary or any other Person grants collateral to the Agent for the benefit of the Lenders to secure the obligations hereunder and under the other Loan Documents.

Commitment means, as to any Lender, such Lender's Revolving Commitment.

Company - see the Preamble.

Computation Period means each period of four consecutive Fiscal Quarters ending on the last day of a Fiscal Quarter.

Conforming Changes means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Business Day,” the definition of “U.S. Government Securities Business Day” or any similar or analogous definition, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, the applicability and length of lookback periods and other technical, administrative or operational matters) that the Agent decides in its reasonable discretion (in consultation with the Company) may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents, in each case, in consultation with the Company).

Consolidated Current Assets means, at any time, the aggregate amount of all assets of the Company and its Subsidiaries, as shown on the most recent consolidated balance sheet of the Company and its Subsidiaries, that would be classified as current assets (including cash, marketable securities, accounts receivable, inventory and prepaid expenses) in accordance with GAAP; provided that, at the election of the Company delivered by completing the appropriate section of a compliance certificate delivered to the Agent in accordance with Section 9.1.3 (a “Current Assets Election”), Consolidated Current Assets at any time while such Current Assets Election remains in effect shall be deemed to include the Current Assets Commitment Amount at such time.

Consolidated Current Liabilities means, at any time, the aggregate amount of all liabilities of the Company and its Subsidiaries, as shown on the most recent consolidated balance sheet of the Company and its Subsidiaries, that would be classified as current liabilities in accordance with GAAP, but excluding Capital Leases to the extent set forth in Section 1.5; provided that if at any time within one year prior to the Termination Date a Current Assets Election shall be in effect, Consolidated Current Liabilities shall be deemed to include the Current Assets Commitment Amount at such time.

Consolidated Net Income means, with respect to the Company and its Subsidiaries for any period, the net income (or loss) of the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP for such period, excluding any gains (or losses) from asset sales, any extraordinary or unusual non-recurring gains (or losses) and any gains (or losses) from discontinued operations.

Control Agreement means an agreement in form and substance reasonably satisfactory to the Agent giving the Agent control (within the meaning of Section 8-106 or 9-104 of the Uniform Commercial Code) over a deposit account or securities account of the Company or a Domestic Subsidiary.

Controlled Group means all members of a controlled group of corporations and all members of a controlled group of trades or businesses (whether or not incorporated) under common control which, together with the Company, are treated as a single employer under Section 414 of the Code or Section 4001 of ERISA.

Current Assets Commitment Amount means, with respect to any Current Assets Election, the lesser of (A) an amount equal to the Maximum Availability at the time of such election and (B) the Specified Current Assets Commitment Amount.

Current Assets Election – see the definition of “Consolidated Current Assets”. A Current Assets Election shall become effective on the date on which the compliance certificate electing the same is delivered to the Agent in accordance with Section 9.1.3 and shall remain in effect until the next compliance certificate is due under Section 9.1.3.

Daily Simple SOFR means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided that if the Agent decides that any such convention is not administratively feasible for the Agent, then Agent may establish another convention in its reasonable discretion.

Dealer Agreements means the dealer, framework and distribution agreements, including the standard provisions, entered into by the Company and its Subsidiaries with various Manufacturers.

Dealer Financing means Floor Plan Financing and Pledge Line Financing.

Dealer Financing Provider means each provider of Dealer Financing to the Company and its Subsidiaries.

Debt of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, whether or not evidenced by bonds, debentures, notes or similar instruments, (b) all obligations of such Person as lessee under Capital Leases which have been recorded as liabilities on a balance sheet of such Person in accordance with GAAP, subject to Section 1.5, (c) all obligations of such Person to pay the deferred purchase price of property or services (excluding trade accounts payable and accrued expenses in the ordinary course of business), (d) all indebtedness secured by a Lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person, (e) all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn) and banker’s acceptances issued for the account of such Person, (f) all Hedging Obligations of such Person, (g) all Suretyship Liabilities of such Person in respect of Debt described in the foregoing clauses (a) through (f) and (h) except to the extent the terms of such Debt provide that such Person is not liable thereunder, all Debt of any partnership of which such Person is a general partner. Notwithstanding the foregoing, leases of real property by the Company and its Subsidiaries and guarantees of such leases shall not be considered Debt for any purpose hereunder.

Debtor Relief Laws means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States or other applicable jurisdictions.

Defaulting Lender means, subject to Section 2.6(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder, unless such Lender notifies the Agent and the Company in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Company or the Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Agent or the Company, to confirm in writing to the Agent and the Company that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Company) or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.6(b)) upon delivery of written notice of such determination to the Company and each Lender.

Disposal - see the definition of "Release".

Disposition, with respect to any property, means any sale, lease, assignment, conveyance, transfer or other disposition thereof.

Disqualified Stock means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise or is redeemable at the option of the holder of such Capital Stock, (ii) is convertible or exchangeable for Debt or Disqualified Stock at the option of the holder of such Capital Stock or (iii) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part; in each case on or prior to the 91st day following the Termination Date as in effect from time to time; provided that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof (or of any security into which it is convertible or for which it is exchangeable) the right to require such Person to purchase or redeem such Capital Stock (or such security into which it is convertible or for which it is exchangeable) upon the occurrence of a “change of control” occurring prior to the 91st day following the Termination Date shall not constitute Disqualified Stock if (i) the “change of control” provisions applicable to such Capital Stock (and all such securities into which it is convertible or for which it is exchangeable) are not more favorable to the holders of such Capital Stock (and all such securities into which it is convertible or for which it is exchangeable) than the terms applicable to the obligations hereunder and under the other Loan Documents and (ii) any such requirement only becomes operative after compliance with such terms applicable to, and is subordinated (on terms satisfactory to the Required Lenders) to, the obligations of the Company hereunder, including the acceleration (and payment in full in cash) of the obligations hereunder and under the other Loan Documents upon the occurrence of an Event of Default under Section 11.1.12.

Dollar and the sign “\$” mean lawful money of the United States of America.

Dollar Equivalent means, at any time, with respect to any amount denominated in any currency other than Dollars, the equivalent amount thereof in Dollars at the spot rate for the purchase of Dollars with such other currency as published in the “Exchange Rates” table in The Wall Street Journal (Midwest edition) at the time such equivalent amount is determined (or, if such currency is not listed in such table, as determined by the Agent).

Domestic Blue Sky Value means, at any time, the aggregate value of the items classified as “Goodwill” and “Franchise Value” of the Company attributable to the Domestic Subsidiaries, as shown on a consolidated balance sheet of the Company and its Domestic Subsidiaries at such time.

Domestic Subsidiary means any Subsidiary of the Company or another Subsidiary that is incorporated or organized in the United States or in any State thereof (excluding U.S. territories).

EBITDA means, for any period, Consolidated Net Income for such period plus, to the extent deducted in determining such Consolidated Net Income, Interest Expense, income tax expense, depreciation and amortization, minority interest and franchise taxes for such period, all calculated for the Company and its Subsidiaries on a consolidated basis.

EBITDAR means, for any period, EBITDA for such period plus, to the extent deducted in determining Consolidated Net Income for such period, Rental Expense for such period.

Effective Date means the date on which all conditions precedent set forth in Section 10.1 shall be satisfied or waived.

Eligible Real Estate means real property of the Company or any Domestic Subsidiary which meets each of the following requirements:

- (a) such real property is located in the United States;
- (b) the Company or Domestic Subsidiary, as applicable, is the lawful owner of 100% of the fee simple interest in such real property, free and clear of Liens (other than Liens in favor of the Agent for the benefit of the Lenders and Liens permitted by Section 9.8 or otherwise listed as a permitted exception on a policy of lender's title insurance with respect to such real property accepted by the Agent);
- (c) such real property houses completed facilities at which the Company or a Domestic Subsidiary operates an Automotive Investment;
- (d) no material portion of such real property has suffered any casualty loss (whether or not insured) or condemnation;
- (e) such real property is in compliance with all Environmental Laws;
- (f) such real property and the improvements constructed thereon are in good condition, repair and working order and are insured in accordance with Section 9.3;
- (g) the Agent is the holder of a perfected first priority Lien for the benefit of the Agent and the Lenders in the ownership interest of the Company or Domestic Subsidiary, as applicable, therein; and
- (h) such real property is otherwise satisfactory to the Agent in its sole discretion.

Any parcel of real property which is Eligible Real Estate, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be Eligible Real Estate; provided, however, that in the event that any parcel of real property fails to meet any of the requirements set forth in the foregoing clauses (d), (e), (f) and (h) then such parcel shall not cease to be Eligible Real Estate for a period of thirty days from the earlier of (x) the Company becoming aware of such requirement failing to be met and (y) the Agent providing notice to the Company of such requirement failing to be met.

Eligible Real Estate Collateral means each parcel of Eligible Real Estate with respect to which the Company or Domestic Subsidiary owning such parcel of Eligible Real Estate has satisfied the conditions set forth on Exhibit M.

Eligible Real Estate Collateral Value means the appraised value of each parcel of the Eligible Real Estate Collateral, as evidenced by the MAI appraisal most recently delivered to the

Agent, either in connection with such parcel of real estate becoming Eligible Real Estate Collateral or as required pursuant to Section 9.22.

Eligible Tangible Net Worth means, with respect to PTL, as of any date of determination, an amount equal to the product of (x) the Stockholders' Equity of PTL on that date less Intangible Assets of PTL on that date times (y) the then outstanding ownership percentage of the Company in PTL.

Environmental Claims means all claims, however asserted, by any Governmental Authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment.

Environmental Laws means all present or future federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case relating to Environmental Matters.

Environmental Matters means any matter arising out of or relating to health and safety, or pollution or protection of the environment or workplace, including any of the foregoing relating to the presence, use, production, generation, handling, transport, treatment, storage, disposal, distribution, discharge, release, control or cleanup of any Hazardous Substance.

Equipment has the meaning assigned thereto in the Uniform Commercial Code.

Equity Interests means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

ERISA means the Employee Retirement Income Security Act of 1974.

Event of Default means any of the events described in Section 11.1.

Executive Order – see Section 8.25.

Existing Agreement - see the recitals.

Existing Letter of Credit means the Letter of Credit issued on the date hereof.

Extension Notice – see Section 2.5.

Factory Receivables of any Person means all of such Person's rights to receive payment, credit and other compensation (including incentive payments, stock rebates, allowances and additional "factory credits") from any Manufacturer.

Federal Funds Rate means, for any day, the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Bank of

New York on the preceding Business Day opposite the caption “Federal Funds (Effective)”; or, if for any relevant day such rate is not so published on any such preceding Business Day, the rate for such day will be the arithmetic mean as determined by the Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 A.M. (New York City time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Agent.

Financed Capital Expenditures means any Capital Expenditure that is financed (other than with the proceeds of a Loan hereunder) by a Person other than the Company and its Subsidiaries (x) in the case of a Capital Expenditure to purchase, construct or improve real property or leasehold improvements thereon, within 270 days of the making thereof (or, if a committed credit facility is put in place to so finance such Capital Expenditure within 270 days of the making thereof, within 450 days of the making thereof) or (y) in the case of any other Capital Expenditure, within 60 days of the making thereof.

First Amendment Effective Date means July 27, 2016.

Fiscal Quarter means a fiscal quarter of a Fiscal Year.

Fiscal Year means the fiscal year of the Company and its Subsidiaries, which period shall be the 12-month period ending on December 31 of each year. References to a Fiscal Year with a number corresponding to any calendar year (e.g., “Fiscal Year 2015”) refer to the Fiscal Year ending on December 31 of such calendar year.

Fixed Charge Coverage Ratio means, for any Computation Period, the ratio of (a) the total for such period of EBITDAR minus Capital Expenditures (other than, without duplication, Acquisition Capital Expenditures and Financed Capital Expenditures) to (b) the sum of (i) Interest Expense for such period to the extent paid in cash plus (ii) Rental Expense for such period plus (iii) income tax expense for such period of the Company and its Subsidiaries to the extent paid in cash plus (iv) scheduled payments of principal of Debt for such period for the Company and its Subsidiaries.

Floor means a rate of interest equal to 0.00%.

Floor Plan Financing means a financing undertaken by the Company or any Subsidiary (a) all of the proceeds of which are (i) used to purchase Motor Vehicles to be sold or leased in the ordinary course of business by the Company and its Subsidiaries, (ii) relating to funds expended by the Company or such Subsidiary initially to acquire such Motor Vehicles or (iii) used to refinance any financing within the scope of clause (a)(i) or (ii) above or (b) pursuant to a borrowing base line of credit secured by Used Motor Vehicles owned by the Company and its Subsidiaries.

Foreign Acquisition means an acquisition of all or any substantial portion of the assets of a business unit of a Foreign Person or all or any substantial portion of the Capital Stock or other ownership interests of a Foreign Person, whether through a purchase, merger, consolidation or otherwise. For purposes of covenant compliance, the amount of any payment of consideration

for a Foreign Acquisition made in a currency other than Dollars shall be calculated at the Dollar Equivalent thereof as of the date such payment is made, and shall not be recalculated thereafter to reflect fluctuations in currency values.

Foreign Employee Benefit Plan means any employee benefit plan as defined in Section 3(3) of ERISA which is maintained or contributed to for the benefit of the employees of the Company, any of its Subsidiaries or any other member of its Controlled Group and is not covered by ERISA pursuant to ERISA Section 4(b)(4).

Foreign Investment means any Investment in a Foreign Person.

Foreign Person means any Person that is incorporated or organized outside the United States or any State thereof (it being understood and agreed that any Person that is incorporated or organized in any U.S. territory shall be deemed to be a Foreign Person), including any Foreign Subsidiary.

Foreign Subsidiary, of any Person, means any Subsidiary of such Person that is a Foreign Person. Unless the context otherwise requires, each reference to Foreign Subsidiaries shall be a reference to Foreign Subsidiaries of the Company or its Subsidiaries.

FRB means the Board of Governors of the Federal Reserve System or any successor thereto.

Funded Debt means all Debt of the Company and its Subsidiaries, determined on a consolidated basis in accordance with GAAP, excluding (i) contingent obligations in respect of Suretyship Liabilities (except to the extent constituting Suretyship Liabilities in respect of Debt of a Person other than the Company or any Subsidiary), (ii) Hedging Obligations and (iii) Debt of the Company to Subsidiaries and Debt of Subsidiaries to the Company or to other Subsidiaries; provided that, for purposes of this definition, if the Company has made a Current Assets Election, Funded Debt at any time while such Current Assets Election remains in effect shall be deemed to include the Current Assets Commitment Amount at such time.

Funded Debt to EBITDA Ratio means, as of the last day of any Fiscal Quarter, the ratio of (i) Funded Debt as of such day (minus Debt under Dealer Financings, Subordinated Debt and Real Estate Debt) to (ii) EBITDA for the Computation Period ending on such day. If during any Computation Period (a) the Company or any Subsidiary shall have made any Material Disposition, the EBITDA for such Computation Period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Computation Period or increased by an amount equal to the EBITDA (if negative) attributable thereto for such Computation Period and (b) if during such Computation Period the Company or any Subsidiary shall have made a Material Acquisition, the EBITDA for such Computation Period will be determined on a pro forma basis as if such Material Acquisition were made, and all Debt incurred or assumed in connection therewith, was incurred or assumed on the first day thereof, provided that any pro forma adjustment related to cost savings or other synergies is reasonably acceptable to the Required Lenders. As used in this definition, "Material Acquisition" means any Acquisition that involves the payment of consideration by the Company

and its Subsidiaries in excess of \$5,000,000; and “Material Disposition” means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Company and its Subsidiaries in excess of \$5,000,000.

GAAP means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or organizations with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

Governmental Authority means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state, regional or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

Guaranty means the Guaranty dated as of October 8, 1999, executed by certain Subsidiaries of the Company, a copy of which is attached as Exhibit C.

Hazardous Substances - see Section 8.14.

Hedging Agreement means any interest rate, currency or commodity swap agreement, cap agreement or collar agreement, and any other agreement or arrangement designed to protect a Person against fluctuations in interest rates, currency exchange rates or commodity prices.

Hedging Obligation means, with respect to any Person, any liability of such Person under any Hedging Agreement.

Indemnified Liabilities - see Section 13.13.

Intangible Assets means, as to any Person, all assets of such Person that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, domain names, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

Intercreditor Agreement means the Eighth Amended and Restated Intercreditor Agreement, dated as of September 26, 2011, among MBFS and the other Dealer Financing Providers that are parties thereto from time to time, a copy of which (as in effect on the Effective Date) is attached hereto as Exhibit L.

Interest Expense means for any period the consolidated interest expense of the Company and its Subsidiaries for such period (including all imputed interest on Capital Leases but excluding interest expense on Dealer Financings).

Interest Rate means, for each day, a rate per annum equal to the sum of (a) (i) in the case of any day from and including the first day of each calendar month through and including the 15th day of such calendar month, Adjusted Term SOFR for the first day of such calendar month and (ii) in the case of any day from and including the 16th day of each calendar month through and including the last day of such calendar month, Adjusted Term SOFR for the 16th day of such calendar month (the rate set forth in this clause (a) being the “Adjusted Term SOFR Rate”) plus (b) (x) if the Total Outstandings are less than or equal to the Borrowing Base, a margin of one and one-half percent (1.50%) per annum, and (y) if the Total Outstandings exceed the Borrowing Base, then (A) the Applicable Margin for such day shall apply to the portion of the Loans equal to the amount by which the Total Outstandings exceed the Borrowing Base and (B) a margin of one and one-half percent (1.50%) per annum shall apply to the portion of Loans not described in the foregoing clause (A) (with each determination of the Borrowing Base in this clause (b) to be effective as of the first day of the calendar month during which the applicable Borrowing Base Certificate is delivered). Notwithstanding the foregoing, at any time an Event of Default exists, the applicable margin shall be increased by two percent (2.00%) per annum.

Inventory has the meaning assigned thereto in the Uniform Commercial Code.

Investment means, relative to any Person, any investment in another Person, whether by acquisition of any debt or equity security, by making any loan or advance or by becoming obligated with respect to a Suretyship Liability in respect of obligations of such other Person (other than travel and similar advances to employees in the ordinary course of business). For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested (with respect to Investments made in currencies other than Dollars, calculated at the Dollar Equivalent thereof as of the date such Investment is made, without any recalculation thereafter to reflect fluctuations in currency values), without adjustment for subsequent increases or decreases in the value of such Investment.

Issuing Lender means MBFS in its capacity as the issuer of Letters of Credit and its successors and assigns in such capacity.

L/C Application means, with respect to any request for the issuance of a Letter of Credit, a letter of credit application in the form of Exhibit J.

L/C Commitment Amount – see Section 2.1.3.

Lender - see the Preamble. References to the “Lenders” shall include the Issuing Lender; for purposes of clarification only, to the extent that MBFS (or any successor Issuing Lender) may have any rights or obligations in addition to those of the other Lenders due to its status as Issuing Lender, its status as such will be specifically referenced.

Lender Party - see Section 13.13.

Letter of Credit - see Section 2.1.3.

Letter of Credit Fee - see Section 5.3.

Leverage Ratio means, as of the last day of any Fiscal Quarter, the ratio of (i) Non-Vehicle Long Term Debt as of such day to (ii) Leverage EBITDA for the Computation Period ending on such day.

Leverage EBITDA means, for any period, Consolidated Net Income for such period (a) plus, to the extent deducted in determining such Consolidated Net Income, Interest Expense, income tax expense, depreciation and amortization, minority interest and franchise taxes for such period, all calculated for the Company and its Subsidiaries on a consolidated basis and (b) plus or minus any one-time items (e.g., impairments, write-downs, extraordinary losses, extraordinary gains) identified by the Company in its quarterly or annual earnings press releases filed with or furnished to the SEC.

Liabilities has the meaning assigned thereto in the Security Agreement.

Lien means, with respect to any Person, any interest granted by such Person in any real or personal property, asset or other right owned or being purchased or acquired by such Person which secures payment or performance of any obligation and shall include any mortgage, lien, encumbrance, charge or other security interest of any kind, whether arising by contract, as a matter of law, by judicial process or otherwise.

Loan Documents means this Agreement, the Notes, the Guaranty, the Letters of Credit and the Collateral Documents.

Loan Party means the Company and each Subsidiary that is a party to any Loan Document.

Loans means the Revolving Loans.

Manufacturer means the manufacturer or distributor of a New Motor Vehicle.

Margin Stock means any “margin stock” as defined in Regulation U.

Material Adverse Effect means (a) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of the Company and its Subsidiaries taken as a whole, (b) a material impairment of the ability of the Company or any Subsidiary to perform any of its obligations under any Loan Document or (c) a material adverse effect upon any substantial portion of the collateral under the Collateral Documents or upon the legality, validity, binding effect or enforceability against the Company or any Subsidiary of any Loan Document.

Maximum Availability means, at any time, (a) the Borrowing Base plus 35% of the Domestic Blue Sky Value at such time minus (b) the Total Outstandings, at such time.

MBFS – see the Preamble.

MB Greenwich means PAG Greenwich M1, LLC, a Delaware limited liability company.

Mortgage means a mortgage, deed of trust, or similar instrument granting the Agent a Lien on Eligible Real Estate of the Company or any Subsidiary, in form and substance reasonably satisfactory to the Agent.

Motor Vehicle means an automobile, truck, van or other motor vehicle, including New Motor Vehicles, Used Motor Vehicles and Auction Motor Vehicles, that constitutes Inventory of the Company and its Subsidiaries, excluding any motor vehicle not held for sale or lease.

Multiemployer Pension Plan means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Company or any member of the Controlled Group may have any liability.

New Motor Vehicle means any Motor Vehicle purchased by the Company or any of its Subsidiaries directly from the Manufacturer of such Motor Vehicle or from another licensed dealer that has not been previously owned by any other Person.

Non-Defaulting Lender means, at any time, each Lender that is not a Defaulting Lender at such time.

Non-Use Fee – see Section 5.1.

Non-Vehicle Long Term Debt means all debt of the Company determined on a consolidated basis in accordance with GAAP, other than Floor Plan Financing.

Note – see Section 3.1.

OFAC – see Section 8.25.

Operating Lease means any lease of (or other agreement conveying the right to use) any property by the Company or any Subsidiary, as lessee, other than any Capital Lease.

PBGC means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

Pension Plan means a “pension plan”, as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a Multiemployer Pension Plan), and to which the Company or any member of the Controlled Group may have any liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years, or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

Periodic Term SOFR Determination Day has the meaning specified in the definition of “Term SOFR”.

Permitted Restrictions means restrictions on the ability of any Subsidiary to declare or pay any dividend or make other distributions, or to advance or loan funds, to the Company or any other Subsidiary or to grant Liens on the Capital Stock of a Subsidiary: (i) as set forth on

Schedule 9.17, including restrictions imposed by existing Dealer Financing arrangements; (ii) pursuant to modifications to any Dealer Financing arrangement, provided that such modifications are not materially more restrictive; (iii) applicable to a Person at the time such Person becomes a Subsidiary and not created in contemplation of such an event; (iv) resulting from Manufacturer-imposed modifications to any Dealer Agreement; or (v) imposed by applicable law.

Person means any natural person, corporation, partnership, joint venture, trust, limited liability company, association, Governmental Authority or any other entity, whether acting in an individual, fiduciary or other capacity.

Pledge Agreement means the Pledge Agreement dated as of October 8, 1999, executed by the Company and each Subsidiary which itself owns any Subsidiary (to the extent not prohibited by a Permitted Restriction in favor of a Manufacturer), a copy of which is attached as Exhibit E.

Pledge Line Financing means a financing undertaken by the Company or any Subsidiary with a Dealer Financing Provider in connection with which a Motor Vehicle is sold or leased by the Company or such Subsidiary to a customer in the ordinary course of business under a retail installment contract or retail lease, and pursuant to which financing (i) such Dealer Financing Provider provides funds to the Company or such Subsidiary, all of which funds are used to (A) pay off the Floor Plan Financing obligation secured by such Motor Vehicle or (B) acquire such Motor Vehicle in the ordinary course of business from another source, and (ii) pursuant to which the Company or such Subsidiary grants such Dealer Financing Provider a security interest in such retail installment contract or retail lease (and in any retail installment contract or retail lease entered into in replacement or substitution thereof, whether with the same or a different customer) and in any security interest securing the payment and performance rights represented thereby.

Pro Rata Share means, with respect to any Lender, the percentage which (a) the aggregate amount of such Lender's Commitments is of (b) the Commitments of all Lenders; provided that, after any of the Commitments have been terminated, "Pro Rata Share" shall mean, as to any Lender, the percentage which the sum of the aggregate principal amount of such Lender's Revolving Loans plus the participations of such Lender in all Letters of Credit plus the Stated Amount of all Letters of Credit. The Pro Rata Share of each Lender as of the Tenth Amendment Effective Date is set forth on Schedule 2.1.

PTL means Penske Truck Leasing Co., L.P., a Delaware limited partnership.

RCRA - see Section 8.14.

Reaffirmation means a reaffirmation of loan documents in substantially the form of Exhibit H.

Real Estate Debt means any Debt incurred to acquire or improve real estate used or to be used by the Company or its Subsidiaries in their businesses and secured by Liens on such real estate, improvements and fixtures, which Liens attach solely to such real estate and

improvements (and any fixtures thereon) and other assets of the owner of such real estate, but to no other property of the Company or its other Subsidiaries.

Refinancing Debt means Debt that refunds or refinances any Debt, including Debt that refinances other Refinancing Debt; provided that (i) the Refinancing Debt has a maturity no earlier than the maturity of the Debt being refinanced, (ii) the Refinancing Debt has a weighted average life to maturity no earlier than the weighted average life to maturity of the Debt being refinanced, (iii) the Refinancing Debt is incurred in an aggregate principal amount (or, if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or, if issued with original issue discount, the aggregate accreted value) then outstanding of the Debt being refinanced and (iv) if the Debt being refinanced is Subordinated Debt, the subordination terms of the Refinancing Debt are at least as favorable to the Lenders as the subordination terms of the Debt being refinanced.

Regulation U means Regulation U of the FRB.

Release has the meaning specified in CERCLA and the term “Disposal” (or “Disposed”) has the meaning specified in RCRA; provided that in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply as of the effective date of such amendment; and provided, further, that to the extent that the laws of a state wherein any affected property lies establish a meaning for “Release” or “Disposal” which is broader than is specified in either CERCLA or RCRA, such broader meaning shall apply.

Relevant Governmental Body means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

Rental Expense means, with respect to any period, all payments made or required to be made by the Company and its Subsidiaries, as lessee or sublessee under any Operating Lease or any Capital Lease, as rental payments or contingent rentals, as calculated in accordance with GAAP.

Required Lenders means Lenders having Pro Rata Shares aggregating more than 70%. The Pro Rata Share of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

Restricted Affiliate means (x) the Company and its Subsidiaries, (y) any Person that, directly or indirectly, controls or is controlled by or is under common control with the Company or any Subsidiary and (z) any “insider” of the Company or any Subsidiary, within the meaning of Section 101(31) of the United States Bankruptcy Code; for purposes of clause (y) of this definition, “control” means the power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

Restricted Person – see Section 8.25.

Revolving Commitment means, as to any Lender, such Lender's commitment to make Revolving Loans and/or issue or participate in Letters of Credit under this Agreement. Each Lender's Pro Rata Share of the Revolving Commitment Amount and the L/C Commitment Amount as in effect on the Tenth Amendment Effective Date is set forth on Schedule 2.1.

Revolving Commitment Amount means \$1,500,000,000, as reduced from time to time pursuant to Section 6.1.

Revolving Loan – see Section 2.1.1.

Revolving Outstandings means, at any time, the aggregate principal amount of all outstanding Revolving Loans.

Same Day Loan means a Revolving Loan, in an aggregate amount (for all such Same Day Loans to be made on a particular Business Day) not to exceed Thirty Million and 00/100 Dollars (\$30,000,000.00) for such particular Business Day, that is funded by the Agent and the Lenders on the same Business Day as the Company's request therefor, all as more completely set forth in Section 2.2(b).

Same Day Prepayment means a voluntary prepayment of the Revolving Outstandings, in an amount not to exceed Thirty Million and 00/100 Dollars (\$30,000,000.00) for any particular Business Day, that is made by the Company on the same Business Day as Agent receives notice of such prepayment, all as more completely set forth in Section 6.2(b).

SEC means the Securities and Exchange Commission or any other Governmental Authority succeeding to any of the principal functions thereof.

Security Agreement means the Second Amended and Restated Security Agreement dated as of September 8, 2004, by the Company and certain Subsidiaries in the form attached hereto as Exhibit D.

Seller Subordinated Debt means unsecured indebtedness of the Company that:

(a) is subordinated, substantially upon the terms set forth in Exhibit I or other terms that are more favorable to the Agent and the Lenders, in right of payment to the payment in full in cash of the Loans and all other amounts owed under the Loan Documents (whether or not matured or due and payable); and

(b) represents all or part of the purchase price payable by the Company in connection with an Acquisition permitted under this Agreement.

SOFR means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

SOFR Adjustment means a percentage equal to 0.05% per annum.

SOFRA Administrator means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

Specified Current Assets Commitment Amount means, with respect to any Current Assets Election, the amount specified by the Company as the “Specified Current Assets Commitment Amount” in such Current Assets Election.

Stated Amount means, with respect to any Letter of Credit at any date of determination, (a) the maximum aggregate amount available for drawing thereunder under any and all circumstances plus (b) the aggregate amount of all unreimbursed payments and disbursements under such Letter of Credit.

Stockholders' Equity, of any Person, means the excess of total assets over total liabilities of such Person and its Subsidiaries, as reported on such Person's consolidated financial statements.

Subordinated Debt means (i) the Subordinated Notes, (ii) Seller Subordinated Debt and (iii) any other unsecured Debt of the Company which has subordination terms, covenants, pricing and other terms which have been approved in writing by the Required Lenders.

Subordinated Notes means (i) the 3.50% Senior Subordinated Notes due 2025 of the Company (and related guarantees) in the aggregate principal amount of \$550,000,000 and (ii) the 3.75% Senior Subordinated Notes due 2029 of the Company (and related guarantees) in the aggregate principal amount of \$500,000,000.

Subsidiary means, with respect to any Person, a corporation, partnership, limited liability company or other entity of which such Person and/or its other Subsidiaries own, directly or indirectly, such number of outstanding shares or other ownership interests as have more than 50% of the ordinary voting power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity. Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to Subsidiaries of the Company.

Suretyship Liability means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to or otherwise to invest in a debtor, or otherwise to assure a creditor against loss) any indebtedness, obligation or other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of any Person's obligation in respect of any Suretyship Liability shall (subject to any limitation set forth therein) be deemed to be the principal amount of the debt, obligation or other liability supported thereby and shall in all cases exclude any guarantees by the Company or any Subsidiary of an operating lease of the Company or any Subsidiary.

Taxes - see Section 7.6.

Tenth Amendment Effective Date means April 17, 2023.

Term SOFR means, for any calculation with respect to a borrowing, the Term SOFR Reference Rate for a one (1) month tenor (such day, the “Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the date of such borrowing, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day.

Term SOFR Administrator means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Agent in its reasonable discretion).

Term SOFR Reference Rate means the forward-looking term rate based on SOFR.

Termination Date means the earlier to occur of (a) September 30, 2027 (or any later date that may be established as the Termination Date pursuant to Section 2.5) or (b) such other date on which the Commitments terminate pursuant to Section 6 or 11.

TMCC means Toyota Motor Credit Corporation.

Total Outstandings means, at any time, the sum of (a) the Revolving Outstandings plus (b) the Stated Amount of all Letters of Credit.

Twelfth Amendment Effective Date means April 29, 2025.

Unadjusted Benchmark Replacement means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

Uniform Commercial Code means the Uniform Commercial Code as in effect from time to time in the State of New York.

Unmatured Event of Default means any event that, if it continues uncured, will, with lapse of time or notice or both, constitute an Event of Default.

U.S. Government Securities Business Day means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Used Motor Vehicle means, at any time, a Motor Vehicle that is not a New Motor Vehicle or an Auction Motor Vehicle.

Wholly Owned Subsidiary means, as to any Person, any other Person all of the Equity Interests of which (other than directors' qualifying shares required by law) are owned by such Person directly and/or through other Wholly Owned Subsidiaries.

1.2 Other Interpretive Provisions. (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The term "including" is not limiting and means "including without limitation."

(d) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

(e) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document and (ii) references to any statute or regulation shall be construed as including all statutory and regulatory provisions amending, replacing, supplementing or interpreting such statute or regulation.

(f) This Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and each shall be performed in accordance with its terms.

(g) This Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by counsel to the Agent, the Company, the Lenders and the other parties thereto and are the products of all parties. Accordingly, they shall not be construed against the Agent or the Lenders merely because of the Agent's or Lenders' involvement in their preparation.

(h) References herein to the "knowledge" of the Company or any Subsidiary shall mean the actual knowledge of the officers of the Company or such Subsidiary.

1.3 Effective Date. On the Effective Date, (i) the Company agrees that it will pay to the Agent for the account of each Lender that is a party to the Existing Agreement all interest and fees owed to such Lender under the Existing Agreement, (ii) each Lender's Pro Rata Share shall be as set forth on Schedule 2.1 to this Agreement, (iii) all revolving loans under the Existing Agreement outstanding on the Effective Date shall become Revolving Loans hereunder, (iv) [reserved], (v) each Lender that will have a greater principal amount of Revolving Loans

outstanding hereunder on the Effective Date than such Lender had revolving loans outstanding under the Existing Agreement immediately prior to the Effective Date will fund to the Agent the amount of the difference, (vi) [reserved] and (vii) the Agent will, if necessary, apply the proceeds of such fundings to disburse funds to the Lenders such that, after giving effect to such disbursements, each Lender has the correct amount of Loans outstanding on the Effective Date.

1.4 Domestic Subsidiaries. Wherever herein the allocation, ownership, character or amount of any asset or liability or item of income or expense is said to be “of”, “to” or “attributable to” the Domestic Subsidiaries, such phrase means of, to or attributable to the Domestic Subsidiaries disregarding any interest of the Domestic Subsidiaries in, any amount received or receivable by the Domestic Subsidiaries from, and any assets or liabilities of, the Foreign Subsidiaries of the Domestic Subsidiaries.

1.5 Capital Lease Accounting. Notwithstanding anything to the contrary set forth herein, any change in accounting for leases pursuant to GAAP resulting from the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842) (“FAS 842”), to the extent such adoption would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on December 31, 2015, such lease shall not be considered a capital lease, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith. Further, vehicle lease transactions that qualify as sales-type leases under ASC 840 whereby the Company is party to a guaranteed residual value or buyback obligation, shall not be considered a capital lease.

SECTION 2 COMMITMENTS OF THE LENDERS; BORROWING PROCEDURES.

2.1 Commitments. On and subject to the terms and conditions of this Agreement, each of the Lenders, severally and for itself alone, agrees to make Loans to, and to issue or participate in Letters of Credit for the account of, the Company as follows:

2.1.1 Revolving Loan Commitment. Each Lender will make loans on a revolving basis (“Revolving Loans”) to the Company from time to time until the Termination Date in such Lender’s Pro Rata Share of such aggregate amounts as the Company may request; provided that (x) the Revolving Outstandings will not at any time exceed the Revolving Commitment Amount and (y) the Total Outstandings will not, at any time, exceed the Borrowing Base by more than 35% of the Domestic Blue Sky Value at such time.

2.1.2 [Reserved].

2.1.3 L/C Commitment. (a) The Issuing Lender will issue letters of credit, in each case containing such terms and conditions as are permitted by this Agreement and are reasonably satisfactory to the Issuing Lender (each, a “Letter of Credit”), at the request of and for the account of the Company from time to time before the date which is 30 days prior to the Termination Date and (b) as more fully set forth in Section 2.7.2, each Lender agrees to purchase a participation in each such Letter of Credit; provided that (i) the aggregate Stated Amount of all

Letters of Credit shall not at any time exceed \$75,000,000 (the “L/C Commitment Amount”) and (ii) the Total Outstandings will not, at any time, exceed the Borrowing Base by more than 35% of the Domestic Blue Sky Value at such time.

2.2 Loan Procedures. (a) Except for Same Day Loans funded under Section 2.2(b), the Company shall give written notice or telephonic notice (followed immediately by written confirmation thereof) to the Agent of each proposed borrowing not later than 10:00 A.M., Detroit time, at least one Business Days prior to the proposed date of such borrowing. Each such notice shall be effective upon receipt by the Agent, shall be irrevocable and shall specify the date and amount of the proposed borrowing. Within one Business Day after receipt of such notice, the Agent shall advise each Lender thereof. Not later than 1:00 P.M., Detroit time, on the date of a proposed borrowing, each Lender shall provide the Agent at the office specified by the Agent with immediately available funds covering such Lender’s Pro Rata Share of such borrowing and, so long as the Agent has not received written notice that the conditions precedent set forth in Section 10 with respect to such borrowing have not been satisfied, the Agent shall pay over the funds received by the Agent to the Company on the requested borrowing date. Each borrowing shall be on a Business Day.

(b) In addition to borrowings under Section 2.2(a), the Company may give written or electronic notice or telephonic notice (followed immediately by written or electronic confirmation thereof) to the Agent of a proposed Same Day Loan not later than 11:00 A.M., Detroit time, on any Business Day that the Company has not made (and will not make) a Same Day Prepayment. Each such notice shall be effective upon receipt by the Agent, shall be irrevocable, shall specify the amount of the proposed Same Day Loan, which amount may not exceed Thirty Million and 00/100 Dollars (\$30,000,000.00) for any particular Business Day and shall specify whether such proposed Same Day Loan is to be a Revolving Loan. By 11:30 A.M., Detroit time, on the Business Day that the Agent receives a notice of a proposed Same Day Loan, the Agent shall advise each Lender thereof. Not later than 3:00 P.M., Detroit time, on the Business Day that the Agent receives a notice of a proposed Same Day Loan, each Lender shall provide the Agent at the office specified by the Agent with immediately available funds covering such Lender’s Pro Rata Share of such Same Day Loan and, so long as the Agent has not received written notice from a Lender (before 3:00 P.M., Detroit time, on the Business Day that the Agent receives a notice of a proposed Same Day Loan) that the conditions precedent set forth in Section 10 with respect to such borrowing have not been satisfied, the Agent shall pay over the funds received by the Agent by a federal wire transfer to the Company’s bank account, which federal wire transfer must be initiated by the Agent on or before 4:00 P.M., Detroit time, on the Business Day that the Agent receives a notice of the proposed Same Day Loan. Each Same Day Loan for which the above requirements are satisfied shall be treated as being made by the Lenders (and shall be part of the Revolving Outstandings) on the Business Day that the Agent initiates the federal wire transfer, even if the Company cannot confirm the receipt of such funds until the next Business Day. Each Same Day Loan must be requested (and shall be made) on a Business Day. The Company may not request a Same Day Loan on any Business Day if the Company has notified the Agent that the Company is making a Same Day Prepayment on such Business Day. The Company may request a Same Day Loan on the same Business Day that it has previously requested a borrowing under Section 2.2(a) and/or on the same Business Day for which the

Company has notified the Agent of a voluntary prepayment under Section 6.2(a) and such Same Day Loan shall be funded in addition to, separately from and without any netting for such other borrowing and/or voluntary prepayment.

(c) All borrowings and repayments of Loans shall be effected in accordance with each Lender's Pro Rata Share.

2.3 Commitments Several. The failure of any Lender to make a requested Loan on any date shall not relieve any other Lender of its obligation (if any) to make a Loan on such date, but no Lender shall be responsible for the failure of any other Lender to make any Loan to be made by such other Lender.

2.4 Certain Conditions. Notwithstanding any other provision of this Agreement, no Lender shall have an obligation to make any Loan, if an Event of Default or Unmatured Event of Default has occurred and is continuing.

2.5 Extension of Termination Date. On or prior to September 30th of the year which is two (2) years prior to the then current Termination Date, the Termination Date shall be extended for an additional year if the Agent (acting at the request of all of the Lenders) shall notify the Company in writing on or prior to such date that the Termination Date is so extended for an additional year (such notice, an "Extension Notice"). If the Agent shall have issued an Extension Notice by the time required above, the Agent shall promptly notify the Company and each Lender of the new Termination Date. If no Extension Notice is received by the Company on or prior to such date or any such anniversary, as the case may be, the Termination Date shall not be extended on such date.

2.6 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement or any other Loan Document shall be restricted as set forth in the definition of Required Lenders.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 11 or otherwise), or received by the Agent from a Defaulting Lender pursuant to Section 7.4, shall be applied at such time or times as may be determined by the Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; second, as the Company may request (so long as no Event of Default or Unmatured Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent;

third, if so determined by the Agent in its discretion, to be held in a deposit account as cash collateral for release in such order as the Agent shall determine in order to satisfy (x) such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) such Defaulting Lender's future indemnity obligations to the Agent under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Event of Default or Unmatured Event of Default exists, to the payment of any amounts owing to the Company as a result of any judgment of a court of competent jurisdiction obtained by the Company against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that, if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share and (y) such Loans were made at a time when the conditions set forth in Section 10.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 2.6(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any Non-Use Fee pursuant to Section 5.1 for any period during which that Lender is a Defaulting Lender (and the Company shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If the Company and the Agent agree in writing that a Lender is no longer a Defaulting Lender, the Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any cash collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the Commitments hereunder, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustment will be made retroactively with respect to fees accrued or payments made by or on behalf of the Company while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.7 Letter of Credit Procedures.

2.7.1 L/C Applications. The Company shall give notice to the Agent and the Issuing Lender of the proposed issuance of each Letter of Credit (other than the Existing Letter of Credit) on a Business Day which is at least three Business Days (or such lesser number of days as the Agent and the Issuing Lender shall agree in any particular instance in their sole discretion) prior to the proposed date of issuance of such Letter of Credit. Each such notice shall be accompanied by an L/C Application, duly executed by the Company and in all respects reasonably satisfactory to the Agent and the Issuing Lender, together with such other documentation as the Agent or the Issuing Lender may reasonably request in support thereof, it being understood that each L/C Application shall specify, among other things, the date on which the proposed Letter of Credit is to be issued, the expiration date of such Letter of Credit (which shall not be later than the earlier to occur of (x) one year after the date of issuance thereof and (y) thirty days prior to the scheduled Termination Date) and whether such Letter of Credit is to be transferable in whole or in part. So long as the Issuing Lender has not received written notice that the conditions precedent set forth in Section 10 with respect to the issuance of such Letter of Credit have not been satisfied, the Issuing Lender shall issue such Letter of Credit on the requested issuance date. The Issuing Lender shall promptly advise the Agent and each Lender of the issuance of each Letter of Credit and of any amendment thereto, extension thereof or event or circumstance changing the amount available for drawing thereunder. In the event of any inconsistency between the terms of any L/C Application and the terms of this Agreement, the terms of this Agreement shall control.

2.7.2 Participations in Letters of Credit. Concurrently with the issuance of each Letter of Credit (or, in the case of the Existing Letter of Credit, on the Effective Date), the Issuing Lender shall be deemed to have sold and transferred to each other Lender, and each other Lender shall be deemed irrevocably and unconditionally to have purchased and received from the Issuing Lender, without recourse or warranty, an undivided interest and participation, to the extent of such other Lender's Pro Rata Share, in such Letter of Credit and the Company's reimbursement obligations with respect thereto. For the purposes of this Agreement, the unparticipated portion of each Letter of Credit shall be deemed to be the Issuing Lender's "participation" therein. The Issuing Lender hereby agrees, upon request of the Agent or any Lender, to deliver to the Agent or such Lender a list of all outstanding Letters of Credit issued by the Issuing Lender, together with such information related thereto as the Agent or such Lender may reasonably request.

2.7.3 Reimbursement Obligations. The Company hereby unconditionally and irrevocably agrees to reimburse the Issuing Lender for each payment or disbursement made by the Issuing Lender under any Letter of Credit honoring any demand for payment made by the beneficiary thereunder, in each case on the date that such payment or disbursement is made. If any amount of such payment or disbursement is not reimbursed on the date thereof, a Revolving Loan shall be deemed to have been made in such amount and shall bear interest from the date thereof at the interest rate applicable to Revolving Loans. The Issuing Lender shall notify the Company and the Agent whenever any demand for payment is made under any Letter of Credit by the beneficiary thereunder; provided that the failure of the Issuing Lender to so notify the

Company shall not affect the rights of the Issuing Lender or the Lenders in any manner whatsoever.

2.7.4 Limitation on Obligations of Issuing Lender. In determining whether to pay under any Letter of Credit, the Issuing Lender shall not have any obligation to the Company or any Lender other than to confirm that any documents required to be delivered under such Letter of Credit appear to have been delivered and appear to comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by the Issuing Lender under or in connection with any Letter of Credit, if taken or omitted in the absence of gross negligence and willful misconduct, shall not impose upon the Issuing Lender any liability to the Company or any Lender and shall not reduce or impair the Company's reimbursement obligations set forth in Section 2.7.3 or the obligations of the Lenders pursuant to Section 2.7.5.

2.7.5 Funding by Lenders to Issuing Lender. If the Issuing Lender makes any payment or disbursement under any Letter of Credit and the Company has not reimbursed the Issuing Lender in full for such payment or disbursement by 10:00 A.M., Detroit time, on the date of such payment or disbursement, or if any reimbursement received by the Issuing Lender from the Company is or must be returned or rescinded upon or during any bankruptcy or reorganization of the Company or otherwise, each other Lender shall be obligated to pay to the Agent for the account of the Issuing Lender, in full or partial payment of the purchase price of its participation in such Letter of Credit, its Pro Rata Share of such payment or disbursement (but no such payment shall diminish the obligations of the Company under Section 2.7.3), and, upon notice from the Issuing Lender, the Agent shall promptly notify each other Lender thereof. Each other Lender irrevocably and unconditionally agrees to so pay to the Agent in immediately available funds for the Issuing Lender's account the amount of such other Lender's Pro Rata Share of such payment or disbursement. If and to the extent any Lender shall not have made such amount available to the Agent by 2:00 P.M., Detroit time, on the Business Day on which such Lender receives notice from the Agent of such payment or disbursement (it being understood that any such notice received after noon, Detroit time, on any Business Day shall be deemed to have been received on the next following Business Day), (a) the Agent shall be entitled to retain (for the benefit of the Issuing Lender) all interest payments paid by the Company allocable to such Lender's Pro Rata Share of the unpaid reimbursement obligations for the period from the time such Lender was required to make such amount available to the Agent until such Lender actually makes such amount available or such amount is indefeasibly paid to the Agent by the Company and (b) such Lender agrees to pay to the Issuing Lender forthwith upon demand the greater of (x) all reasonable and actual costs incurred by the Issuing Lender as a result of such failure and (y) interest on such amount for the Issuing Lender's account, for each day from the date such amount was to have been delivered to the Agent to the date such amount is paid, at a rate per annum equal to the Federal Funds Rate from time to time in effect. Any Lender's failure to make available to the Agent its Pro Rata Share of any such payment or disbursement shall not relieve any other Lender of its obligation hereunder to make available to the Agent such other Lender's Pro Rata Share of such payment, but no Lender shall be responsible for the failure of any other Lender to make available to the Agent such other Lender's Pro Rata Share of any such payment or disbursement.

SECTION 3 NOTES EVIDENCING LOANS.

3.1 Notes. The Loans of each Lender shall be evidenced by a promissory note (each a “Note”) substantially in the form set forth in Exhibit A, with appropriate insertions, payable to the order of such Lender in full on the Termination Date.

3.2 Recordkeeping. Each Lender shall record in its records, or at its option on the schedule attached to its Note, the date and amount of each Loan made by such Lender and each repayment thereof. The aggregate unpaid principal amount so recorded shall be rebuttable presumptive evidence of the principal amount owing and unpaid on such Note. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the obligations of the Company hereunder or under any Note to repay the principal amount of the Loans evidenced by such Note together with all interest accruing thereon.

SECTION 4 INTEREST.

4.1 Interest Rate. The Company promises to pay interest on the unpaid principal amount of each Loan for the period commencing on the date of such Loan until such Loan is paid in full at the Interest Rate.

4.2 Interest Payment Dates. Accrued interest on each Loan shall be payable in arrears for each month on the 20th day of the next succeeding month and at maturity. After maturity, accrued interest on all Loans shall be payable on demand.

4.3 Computation of Interest. Interest shall be computed for the actual number of days elapsed on the basis of a year of 360 days. The Interest Rate shall change simultaneously with each change in the Adjusted Term SOFR Rate referred to in the definition of “Interest Rate.”

4.4 Inability To Determine Rates.

(a) Subject to Section 4.5, if, on or prior to the date any Interest Rate for any Loan is determined:

(i) the Agent determines (which determination shall be conclusive and binding absent manifest error) that Adjusted Term SOFR cannot be determined pursuant to the definition thereof, or

(ii) the Required Lenders determine that for any reason in connection with any request for a borrowing that Adjusted Term SOFR with respect to a proposed borrowing does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Loan, and the Required Lenders have provided notice of such determination to the Agent, the Agent will promptly so notify the Company and each Lender.

(b) Upon notice thereof by the Agent to the Company, any obligation of the Lenders to fund borrowings shall be suspended (to the extent of the affected borrowings) until the Agent (with respect to clause (a), at the instruction of the Required Lenders) revokes such notice. Upon

receipt of such notice, the Company may revoke any pending request for a borrowing (to the extent of the affected borrowings).

4.5 Benchmark Replacement Setting.

(a) Benchmark Replacement.

(i) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders. If the Benchmark Replacement is Adjusted Daily Simple SOFR, all interest payments will be payable on a monthly basis.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Agent will promptly notify the Company and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement and (iii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Agent will notify the Company of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 4.5(d) or (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 4.5, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement

or any other Loan Document, except, in each case, as expressly required pursuant to this Section 4.5.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Agent may modify the definition of “Interest Rate” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Agent may modify the definition of “Interest Rate” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Company’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Company may revoke any pending request for a borrowing.

4.6 Term SOFR Conforming Changes. In connection with the use or administration of Term SOFR, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Agent will promptly notify the Company and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

SECTION 5 FEES.

5.1 Non-Use Fee. The Company agrees to pay to the Agent for the account of the Lenders a non-use fee (the “Non-Use Fee”) equal to 0.20% per annum (computed for the actual number of days elapsed on the basis of a year of 360 days) of an amount equal to the Commitments (other than Commitments to issue Letters of Credit) less the Total Outstandings. Such Non-Use Fees shall accrue from and including the Effective Date to and excluding the Termination Date and be payable in arrears (x) at all times prior to the Termination Date, on an annual basis for each year, on the 20th day of the next succeeding January and (y) on the Termination Date. Each Lender shall be entitled to receive such Lender’s Pro Rata Share of the Non-Use Fee.

5.2 Agent’s Fees. (a) Each Lender hereto acknowledges and agrees that the Agent may deduct from interest payments received by it from the Company an amount equal to 0.10%

per annum of the daily unpaid principal amount of such Lender's Pro Rata Share of the Loans for the period from and including the Effective Date to and excluding the Termination Date, and that all payments of interest to such Lenders by the Agent shall be net of such amount.

(b) All of the Agent's fees payable under Section 5.2(a) shall be computed for the actual number of days elapsed on the basis of a year of 360 days.

(c) Each Lender hereto acknowledges and agrees that the Agent may deduct from the Letter of Credit Fees received by it from the Company an amount equal to 50% of the Letter of Credit Fees payable to such Lender under Section 5.3, and that all payments of Letter of Credit Fees to such Lender by the Agent shall be net of such amount.

5.3 Letter of Credit Fee. The Company agrees to pay to the Agent for the account of the Lenders a fee for each Letter of Credit (the "Letter of Credit Fee") equal to 1.50% per annum of the undrawn amount of such Letter of Credit. Such Letter of Credit Fees shall be payable with respect to each Letter of Credit in advance on the date of issuance, increase or extension thereof. Subject to Section 5.2(c), each Lender shall be entitled to receive such Lender's Pro Rata Share of the Letter of Credit Fee.

5.4 All Fees. All fees under this Section 5 are nonrefundable.

SECTION 6 REDUCTION OR TERMINATION OF THE REVOLVING COMMITMENT AMOUNT; PREPAYMENTS.

6.1 Voluntary Reduction of Revolving Commitment Amount; Fee; Termination. (a) Subject to Section 6.1(c) below, the Company may from time to time on at least one Business Day's prior written notice to the Agent (which shall promptly advise each Lender thereof) permanently reduce the Revolving Commitment Amount to an amount not less than the Revolving Outstandings. All reductions of the Revolving Commitment Amount shall reduce the Revolving Commitments pro rata among the Lenders according to their respective Pro Rata Shares.

(b) [Reserved].

(c) The Company may not reduce the Revolving Commitment Amount unless it pays the fees required pursuant to this Section 6.1(c). The Company may reduce the Revolving Commitment Amount upon at least ten Business Days' notice to the Agent (which shall promptly advise each Lender thereof) and payment of the early termination fee set forth below. If the Revolving Commitment Amount is reduced pursuant to this Section 6.1, the Company shall pay to the Agent, for the ratable account of the Lenders, an early termination fee upon each such reduction equal to 0.25% of the amount of such reduction.

6.2 Voluntary Prepayments. (a) Except for Same Day Prepayments under Section 6.2(b), the Company may, upon not less than one Business Day's prior written notice to the Agent, from time to time prepay the Loans in whole or in part, without premium or penalty.

(b) In addition to voluntary prepayments under Section 6.2(a), the Company may make a Same Day Prepayment of the Total Outstandings on any Business Day that the Company has not requested (and will not request) a Same Day Loan. In order to make a Same Day Prepayment, the Company must give written or electronic notice or telephonic notice (followed immediately by written or electronic confirmation thereof) to the Agent of the Same Day Prepayment not later than 11:00 A.M., Detroit time, on the Business Day that the Company desires to make such Same Day Prepayment. Each such notice shall be effective upon receipt by the Agent, shall be irrevocable, shall specify the amount of the proposed Same Day Prepayment, which amount may not exceed Thirty Million and 00/100 Dollars (\$30,000,000.00) for any particular Business Day and shall specify whether such proposed Same Day Prepayment is to be applied to the Revolving Loans. By 11:30 A.M., Detroit time, on the Business Day that the Agent receives a notice of a proposed Same Day Prepayment, the Agent shall advise each Lender thereof. Each Same Day Prepayment must be paid to the Agent by a federal wire transfer to the Agent's designated bank account, which federal wire transfer must be initiated by the Company on or before 4:00 P.M., Detroit time, on the Business Day that the Agent receives the notice of such Same Day Prepayment. Each Same Day Prepayment for which the above requirements are satisfied shall be treated as being made by the Company (and shall reduce the Revolving Outstandings) on the Business Day that the Company initiates the federal wire transfer, even if the Agent cannot confirm the receipt of such funds until the next Business Day. If the federal wire transfer for any Same Day Prepayment is not initiated by the Company on or before 4:00 P.M., Detroit time, on the Business Day that the Agent received the notice of such Same Day Prepayment, such Same Day Prepayment shall be deemed to have been received by the Agent on the following Business Day, unless the Agent can actually confirm (on such following Business Day) that such wire transfer was actually received into the Agent's designated bank account on the Business Day that the Agent received the notice of such Same Day Prepayment. Each Same Day Prepayment must be made on a Business Day. The Company may not make a Same Day Prepayment on any Business Day that the Company has requested a Same Day Loan. The Company may make a Same Day Prepayment on the same Business Day that it has previously requested a borrowing under Section 2.2(a) and/or on the same Business Day for which the Company has notified the Agent of a voluntary prepayment under Section 6.2(a) and such Same Day Prepayment shall be made in addition to, separately from and without any netting for such other borrowing and/or voluntary prepayment. All Same Day Prepayments may be made without premium or penalty.

6.3 Mandatory Prepayments. If at any time (A) the Total Outstandings exceed (B) the sum of (i) the Borrowing Base in effect at such time plus (ii) 35% of the Domestic Blue Sky Value at such time, the Company shall immediately prepay Loans and/or Cash Collateralize Letters of Credit, or do a combination of the foregoing, in an amount sufficient to eliminate such excess. To the extent Cash Collateral is provided for any Letter of Credit as provided in the immediately preceding sentence, the Agent agrees, upon request of the Company, to release such Cash Collateral if at any time when no Event of Default exists clause (A) of the immediately preceding sentence does not exceed clause (B) of such sentence.

SECTION 7 MAKING AND PRORATION OF PAYMENTS; SETOFF; TAXES.

7.1 Making of Payments. All payments of principal and/or interest on the Notes, and of all fees, shall be made by the Company to the Agent in immediately available funds, without defense, deduction, recoupment, set-off or counterclaim, at the office specified by the Agent not later than noon, Detroit time, on the date due and funds received after that hour shall be deemed to have been received by the Agent on the following Business Day; provided, that Same Day Prepayments shall be subject to Section 6.2(b). The Agent shall remit to each Lender its share of all such payments (other than Same Day Prepayments) received in collected funds by the Agent for the account of such Lender as follows: (i) on the Business Day deemed received, in the case of payments specified by the Company as principal payments; and (ii) on the following Business Day after the Business Day deemed received, in the case of other amounts. All Same Day Prepayments shall be made to (and shall be deemed to have been received by) the Agent as set forth in Section 6.2(b) and shall, subject to the terms of Section 12.11(c), be remitted by the Agent to each Lender by a federal wire transfer to such Lender's designated bank account, which federal wire transfer must be initiated by the Agent on or before 4:00 P.M., Detroit time, on the Business Day that the Agent receives the notice of such Same Day Prepayment. Each Same Day Prepayment for which the above requirements are satisfied shall be treated as being remitted by the Agent to the Lenders on the Business Day that the Agent initiates the federal wire transfer, even if the Lenders cannot confirm the receipt of such funds until the next Business Day.

7.2 Application of Certain Payments. Each payment of principal shall be applied to such Loans as the Company shall direct by notice to be received by the Agent on or before the date of such payment. Concurrently with each remittance to any Lender of its share of any such payment, the Agent shall advise such Lender as to the application of such payment.

7.3 Due Date Extension. If any payment of principal or interest with respect to any of the Loans, or of any fees, falls due on a day which is not a Business Day, then such due date shall be extended to the immediately following Business Day and, in the case of principal, additional interest shall accrue and be payable for the period of any such extension.

7.4 Setoff. The Company agrees that the Agent and each Lender have all rights of setoff provided by applicable law, and in addition thereto, the Company agrees that at any time any Event of Default exists, the Agent and each Lender may apply to the payment of any obligations of the Company hereunder, whether or not then due, any and all balances, credits, deposits, accounts or moneys of the Company then or thereafter with the Agent or such Lender. The Agent or the Lender exercising the setoff shall promptly notify the Company thereof after making such exercise; provided that failure to give such notice shall not affect the validity of the setoff; provided, further, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 2.6 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agent and the Lenders and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail all amounts owing to such Defaulting Lender as to which it exercised such right of setoff.

7.5 Proration of Payments. If any Lender shall obtain any payment or other recovery (whether voluntary, involuntary, by application of offset or otherwise, but excluding any payment pursuant to Section 13.9 and excluding any payment made pursuant to any application of funds arising from the existence of a Defaulting Lender) on account of principal of or interest on any Loan (or on account of its exposure under any Letter of Credit) in excess of its share of payments and other recoveries obtained by all Lenders on account of principal of and interest on the Loans (or such exposure) then held by them, such Lender shall purchase from the other Lenders such participations in the Loans and Letters of Credit held by them as shall be necessary to cause such purchasing Lender to share the excess payment or other recovery ratably with each of them; provided that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of such recovery.

7.6 Taxes. All payments of principal of, and interest on, the Loans and all other amounts payable hereunder shall be made free and clear of and without deduction for any present or future income, excise, stamp or franchise taxes and other taxes, fees, duties, withholdings or other charges of any nature whatsoever imposed by any taxing authority, excluding franchise taxes and taxes imposed on or measured by any Lender's net income or receipts (all non-excluded items being called "Taxes"). If any withholding or deduction from any payment to be made by the Company hereunder is required in respect of any Taxes pursuant to any applicable law, rule or regulation, then the Company will:

- (a) pay directly to the relevant authority the full amount required to be so withheld or deducted;
- (b) promptly forward to the Agent an official receipt or other documentation satisfactory to the Agent evidencing such payment to such authority; and
- (c) pay to the Agent for the account of the Lenders such additional amount as is necessary to ensure that the net amount actually received by each Lender will equal the full amount such Lender would have received had no such withholding or deduction been required.

Moreover, if any Taxes are directly asserted against the Agent or any Lender with respect to any payment received by the Agent or such Lender hereunder, the Agent or such Lender may pay such Taxes and the Company will promptly pay such additional amounts (including any penalty, interest or expense) as is necessary in order that the net amount received by such Person after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount such Person would have received had such Taxes not been asserted.

If the Company fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Agent, for the account of the respective Lenders, the required receipts or other required documentary evidence, the Company shall indemnify the Lenders for any incremental Taxes, interest or penalties that may become payable by any Lender as a result of any such failure. For purposes of this Section 7.6, a distribution hereunder by the Agent or any Lender to or for the account of any Lender shall be deemed a payment by the Company.

Each Lender that (a) is organized under the laws of a jurisdiction other than the United States of America or a state thereof and (b)(i) is a party hereto on the Effective Date or (ii) becomes an assignee of an interest under this Agreement under Section 13.9.1 after the Effective Date (unless such Lender was already a Lender hereunder immediately prior to such assignment) shall execute and deliver to the Company and the Agent one or more (as the Company or the Agent may reasonably request) United States Internal Revenue Service Form W-8ECI or Form W-8BEN or such other forms or documents, appropriately completed, as may be applicable to establish that such Lender is exempt from withholding or deduction of Taxes. The Company shall not be required to pay additional amounts to any Lender pursuant to this Section 7.6 to the extent that the obligation to pay such additional amounts would not have arisen but for the failure of such Lender to comply with this paragraph.

SECTION 8 WARRANTIES.

To induce the Agent and the Lenders to enter into this Agreement and to induce the Lenders to make Loans hereunder, the Company warrants to the Agent and the Lenders that:

8.1 Organization. The Company is a corporation validly existing and in good standing under the laws of the State of Delaware; each Subsidiary is validly existing and in good standing under the laws of the jurisdiction of its organization; and each of the Company and each Subsidiary is duly qualified to do business in each jurisdiction where, because of the nature of its activities or properties, such qualification is required, except for such jurisdictions where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect.

8.2 Authorization; No Conflict. Each of the Company and each other Loan Party is duly authorized to execute and deliver each Loan Document to which it is a party, the Company is duly authorized to borrow monies hereunder and each of the Company and each other Loan Party is duly authorized to perform its obligations under each Loan Document to which it is a party. The execution, delivery and performance by the Company of this Agreement and by each of the Company and each other Loan Party of each Loan Document to which it is a party, and the borrowings by the Company hereunder, do not and will not (a) require any consent or approval of any Governmental Authority (other than any consent or approval which has been obtained and is in full force and effect), (b) conflict with (i) any provision of law, (ii) the charter, by-laws or other organizational documents of the Company or any other Loan Party or (iii) any agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon the Company or any other Loan Party or any of their respective properties or (c) require, or result in, the creation or imposition of any Lien on any asset of the Company, any Subsidiary or any other Loan Party (other than Liens in favor of the Agent created pursuant to the Collateral Documents).

8.3 Validity and Binding Nature. Each of this Agreement and each other Loan Document to which the Company or any other Loan Party is a party is the legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity.

8.4 Financial Condition. (a) The audited consolidated financial statements of the Company and its Subsidiaries as at December 31, 2021 and the unaudited consolidated condensed financial statements of the Company and its Subsidiaries as at September 30, 2022 and (b) the audited financial statements of PTL as at December 31, 2021 and the unaudited financial statements of PTL as at September 30, 2022, copies of each of which have been delivered to the Agent for distribution to each Lender, were prepared in accordance with GAAP.

8.5 No Material Adverse Change. Since December 31, 2021 there has been no material adverse change in the financial condition, operations, assets, business, properties or prospects of the Company and its Subsidiaries taken as a whole.

8.6 Litigation and Contingent Liabilities. No litigation (including derivative actions), arbitration proceeding or governmental investigation or proceeding is pending or, to the Company's knowledge, threatened against the Company or any Subsidiary which might reasonably be expected to have a Material Adverse Effect. Other than any liability incident to such litigation or proceedings, neither the Company nor any Subsidiary has, to the best of the Company's knowledge, any material contingent liabilities not listed on Schedule 8.6 or permitted by Section 9.7.

8.7 Ownership of Properties; Liens. Each of the Company and each Subsidiary owns good and, in the case of real property, marketable title to all of its properties and assets, real and personal, tangible and intangible, of any nature whatsoever (including patents, trademarks, trade names, service marks and copyrights), free and clear of all Liens, charges and claims (including infringement claims with respect to patents, trademarks, service marks, copyrights and the like) except as permitted by Section 9.8.

8.8 Subsidiaries. As of the Effective Date, the Company has no Subsidiaries other than those previously notified to the Agent in writing.

8.9 Pension Plans. (a) During the twelve-consecutive-month period prior to the date of the execution and delivery of this Agreement or the making of any Loan, (i) no steps have been taken to terminate any Pension Plan and (ii) no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under Section 302(f) of ERISA. No condition exists or event or transaction has occurred with respect to any Pension Plan which could result in the incurrence by the Company of any material liability, fine or penalty.

(b) All contributions (if any) have been made to any Multiemployer Pension Plan that are required to be made by the Company or any other member of the Controlled Group under the terms of the plan or of any collective bargaining agreement or by applicable law; neither the Company nor any other member of the Controlled Group has withdrawn or partially withdrawn from any Multiemployer Pension Plan, incurred any withdrawal liability with respect to any such plan or received notice of any claim or demand for withdrawal liability or partial withdrawal liability from any such plan, and no condition has occurred which, if continued, might result in a withdrawal or partial withdrawal from any such plan; and neither the Company nor any other member of the Controlled Group has received any notice that any Multiemployer Pension Plan is in reorganization, that increased contributions may be required to avoid a reduction in plan

benefits or the imposition of any excise tax, that any such plan is or has been funded at a rate less than that required under Section 412 of the Code, that any such plan is or may be terminated, or that any such plan is or may become insolvent.

(c) Each Foreign Employee Benefit Plan is in compliance in all respects with all laws, regulations and rules applicable thereto and the respective requirements of the governing documents for such plan, except for any non-compliance the consequences of which, in the aggregate, would not result in a Material Adverse Effect. There are no actions, suits or claims pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary or any other member of the Controlled Group with respect to any Foreign Employee Benefit Plan, other than routine claims for benefits and other than claims which, individually and in the aggregate, would not result in a Material Adverse Effect.

8.10 Investment Company Act. Neither the Company nor any Subsidiary is an “investment company” or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940.

8.11 Regulation U. The Company is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

8.12 Taxes. Each of the Company and each Subsidiary has filed all Federal and other material tax returns and reports required by law to have been filed by it and has paid all taxes and governmental charges thereby shown to be owing, except any such taxes or charges which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

8.13 Solvency, etc. On the Effective Date, and immediately prior to and after giving effect to each borrowing hereunder and the use of the proceeds thereof, (a) the assets of the Company and the other Loan Parties, taken as a whole, will exceed the liabilities of the Company and the other Loan Parties, taken as a whole, and (b) the Company and the other Loan Parties, taken as a whole, will be solvent, will be able to pay their debts as they mature, will own property with fair saleable value greater than the amount required to pay their debts and will have capital sufficient to carry on their business as then constituted.

8.14 Environmental Matters.

(a) No Violations. Neither the Company nor any Subsidiary, nor any operator of the Company’s or any Subsidiary’s properties, is in violation, or alleged violation, of any judgment, decree, order, law, permit, license, rule or regulation pertaining to environmental matters, including those arising under the Resource Conservation and Recovery Act (“RCRA”), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), the Superfund Amendments and Reauthorization Act of 1986 or any other Environmental Law which individually or in the aggregate otherwise might reasonably be expected to have a Material Adverse Effect.

(b) Notices. Except for matters arising after the Effective Date, in each case none of which could singly or in the aggregate be expected to have a Material Adverse Effect, neither the Company nor any Subsidiary has received notice from any third party, including any Governmental Authority: (a) that any one of them has been identified by the U.S. Environmental Protection Agency as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B; (b) that any hazardous waste, as defined by 42 U.S.C. §6903(5), any hazardous substance as defined by 42 U.S.C. §9601(14), any pollutant or contaminant as defined by 42 U.S.C. §9601(33) or any toxic substance, oil or hazardous material or other chemical or substance regulated by any Environmental Law (all of the foregoing, “Hazardous Substances”) which any one of them has generated, transported or disposed of has been found at any site at which a Federal, state or local agency or other third party has conducted a remedial investigation, removal or other response action pursuant to any Environmental Law; (c) that the Company or any Subsidiary must conduct a remedial investigation, removal, response action or other activity pursuant to any Environmental Law; or (d) of any Environmental Claim.

(c) Handling of Hazardous Substances. (i) No portion of the real property or other assets of the Company or any Subsidiary has been used for the handling, processing, storage or disposal of Hazardous Substances except in accordance in all material respects with applicable Environmental Laws and no underground tank or other underground storage receptacle for Hazardous Substances is located on any such properties located in the United States; (ii) in the course of any activities conducted by the Company, any Subsidiary or the operators of any real property of the Company or any Subsidiary, no Hazardous Substances have been generated or are being used on such properties except in accordance in all material respects with applicable Environmental Laws; (iii) there have been no Releases or threatened Releases of Hazardous Substances on, upon, into or from any real property or other assets of the Company or any Subsidiary, which Releases singly or in the aggregate might reasonably be expected to have a Material Adverse Effect; (iv) there have been no Releases on, upon, from or into any real property in the vicinity of the real property or other assets of the Company or any Subsidiary which, through soil or groundwater contamination, may have come to be located on, and which might reasonably be expected to have a Material Adverse Effect; and (v) any Hazardous Substances generated by the Company and its Subsidiaries have been transported offsite only by properly licensed carriers and delivered only to treatment or disposal facilities maintaining valid permits as required under applicable Environmental Laws, which transporters and facilities have been and are operating in compliance in all material respects with such permits and applicable Environmental Laws.

8.15 Insurance. The Agent has previously been notified in writing of the property and casualty insurance program of the Company and its Subsidiaries as of the Effective Date (including the names of all insurers, policy numbers, expiration dates, amounts and types of coverage, annual premiums, exclusions, deductibles, self-insured retention and a description in reasonable detail of any self-insurance program, retrospective rating plan, fronting arrangement or other risk assumption arrangement involving the Company or any Subsidiary).

8.16 Information. All information heretofore or contemporaneously herewith furnished in writing by the Company or any Subsidiary to the Agent or any Lender for purposes of or in connection with this Agreement and the transactions contemplated hereby is, and all written information hereafter furnished by or on behalf of the Company or any Subsidiary to the Agent or any Lender pursuant hereto or in connection herewith will be, true and accurate in every material respect on the date as of which such information is dated or certified, and none of such information is or will be materially incomplete by omitting to state any material fact necessary to make such information not misleading in light of the circumstances under which made (it being recognized by the Agent and the Lenders that any projections and forecasts provided by the Company are based on good faith estimates and assumptions believed by the Company to be reasonable as of the date of the applicable projections or forecasts and that actual results during the period or periods covered by any such projections and forecasts may differ materially from projected or forecasted results).

8.17 Intellectual Property. The Company and each Subsidiary owns and possesses or has a license or other right to use all patents, patent rights, trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights and copyrights as are necessary for the conduct of the business of the Company and its Subsidiaries, without any infringement upon rights of others, except to the extent that failure to comply with any of the foregoing could not reasonably be expected to have a Material Adverse Effect.

8.18 Burdensome Obligations. Neither the Company nor any Subsidiary is a party to any agreement or contract or subject to any corporate or partnership restriction which might reasonably be expected to have a Material Adverse Effect.

8.19 Labor Matters. Neither the Company nor any Subsidiary is subject to any labor or collective bargaining agreement that could reasonably be expected to have a Material Adverse Effect. There are no existing or threatened strikes, lockouts or other labor disputes involving the Company or any Subsidiary that singly or in the aggregate could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the Company and its Subsidiaries are not in violation of the Fair Labor Standards Act or any other applicable law, rule or regulation dealing with such matters, in each case that singly or in the aggregate could reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business, assets, operations, properties or prospects of the Company and its Subsidiaries, taken as a whole.

8.20 No Default. No Event of Default or Unmatured Event of Default exists or would result from the incurring by the Company of any Debt hereunder or under any other Loan Document.

8.21 Senior Debt. The obligations of the Company and each Loan Party under the Loan Documents constitute "Senior Indebtedness" or "Senior Guarantor Indebtedness" of the Company or such Loan Party, as applicable, under and as defined under the indentures relating to the Subordinated Notes.

8.22 Dealer Agreements; Material Business Relationships. The Company and its Domestic Subsidiaries have such rights under Dealer Agreements as are necessary for the operation of their business. Each of such Dealer Agreements is currently in full force and effect, and neither the Company nor any Subsidiary has received any notice of termination with respect to any such agreement, except, in each case, for such failures to remain in full force and effect and notices that could not reasonably be expected to have a Material Adverse Effect; and neither the Company nor any Subsidiary is aware of any event that with notice, lapse of time or both would allow any Manufacturer that is a party to any such Dealer Agreement to terminate any such agreement except for such terminations that could not reasonably be expected to have a Material Adverse Effect. There exists no actual or threatened termination, cancellation or limitation of, or any modification of or change in, the business relationship between the Company or any of its Subsidiaries and any customer or any group of customers or with any Manufacturer that, in any case, could reasonably be expected to have a Material Adverse Effect.

8.23 Anti-Money Laundering and Anti-Terrorism Finance Laws. To the extent applicable, the Company and each of its Subsidiaries is in compliance, in all material respects, with anti-money laundering laws and anti-terrorism finance laws including the Bank Secrecy Act and the PATRIOT Act (the “Anti-Terrorism Laws”).

8.24 Foreign Corrupt Practices Act. No part of the proceeds of the Loans shall be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977.

8.25 Sanctions Laws. Neither the Company nor any of its Subsidiaries, and to the knowledge of the Company, no Affiliate or broker or other agent of any of the Company or any of its Subsidiaries acting or benefiting in any capacity in connection with the Loans is any of the following (a “Restricted Person”): (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “Executive Order”); (ii) a Person that is named as a “specially designated national and blocked person” on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control (“OFAC”) at its official website or any replacement website or other replacement official publication of such list or similarly named by any similar foreign Governmental Authority; (iii) an agency of the government of a country, an organization controlled by a country, or a Person resident in a country that is subject to a sanctions program identified on the lists maintained by OFAC; or (iv) a Person that derives more than 10% of its assets or operating income from investments in or transactions with any such country, agency, organization or person. Further, none of the proceeds from the Loans shall be used to finance any operations, investments or activities in, or make any payments to, any such country, agency, organization or Person subject to OFAC sanctions.

SECTION 9 COVENANTS.

Until the expiration or termination of the Commitments and thereafter until all obligations of the Company hereunder and under the other Loan Documents are paid in full, the

Company agrees that, unless at any time the Required Lenders shall otherwise expressly consent (except as provided in Section 13.1) in writing, it will:

9.1 Reports, Certificates and Other Information. Furnish to the Agent:

9.1.1 Annual Report. Promptly when available and in any event within 90 days after the close of each Fiscal Year: (a) a copy of the annual report of the Company and its Subsidiaries for such Fiscal Year, including therein consolidated balance sheets and statements of earnings and cash flows of the Company and its Subsidiaries for such Fiscal Year, certified (without any qualification arising from the scope of the audit or as to the ability of the Company and its Subsidiaries to operate as a going concern) by Deloitte & Touche LLP or other independent auditors of recognized standing selected by the Company and reasonably acceptable to the Agent, together with (i) a written statement from such accountants to the effect that in making the examination necessary for the signing of such annual audit report by such accountants, nothing came to their attention that caused them to believe that the Company was not in compliance with any provision of Section 9.6, 9.7 or 9.9 of this Agreement insofar as such provision relates to accounting matters or, if something has come to their attention that caused them to believe that the Company was not in compliance with any such provision, describing such non-compliance in reasonable detail and (ii) a comparison with the financial results of the previous Fiscal Year; and (b) consolidating balance sheets of the Company and its Subsidiaries as of the end of such Fiscal Year and a consolidating statement of earnings for the Company and its Subsidiaries for such Fiscal Year.

9.1.2 Interim Reports. Promptly when available and in any event within 45 days after the end of each Fiscal Quarter (except the last Fiscal Quarter of each Fiscal Year), consolidated and consolidating balance sheets of the Company and its Subsidiaries as of the end of such Fiscal Quarter, together with consolidated and consolidating statements of earnings and cash flows for such Fiscal Quarter and for the period beginning with the first day of such Fiscal Year and ending on the last day of such Fiscal Quarter, together with a comparison with the corresponding period of the previous Fiscal Year; provided, that so long as the Company is a registrant within the meaning of Rule 1-01 of Regulation S-X of the SEC, the Company may deliver a copy of its report on Form 10Q for such Fiscal Quarter, together with consolidating balance sheets and consolidating statements of earnings for the relevant period, in lieu of the foregoing within such 45-day period.

9.1.3 Compliance Certificates. Contemporaneously with the furnishing of a copy of each annual audit report pursuant to Section 9.1.1(a) and each set of quarterly statements pursuant to Section 9.1.2, a duly completed compliance certificate in the form of Exhibit B, with appropriate insertions, dated the date of such annual report or such quarterly statements and signed by the Chief Financial Officer or the Controller of the Company, containing (i) a computation of each of (x) the financial ratios and restrictions set forth in Section 9.6 and (y) the Leverage Ratio as of the applicable Computation Period, (ii) the Current Assets Commitment Amount, if any, to be included in the financial ratios specified hereunder for the period until the next compliance certificate is due, (iii) the total amount of all consideration paid for all Foreign Acquisitions made by the Company and its Domestic Subsidiaries during the period covered by

such compliance certificate (including cash and noncash purchase price, noncompetition payments, earnout payments, debt assumption and other similar consideration), (iv) the aggregate amount of all Foreign Investments by the Company and its Domestic Subsidiaries made during the period covered by such compliance certificate and (v) a statement to the effect that such officer has not become aware of any Event of Default or Unmatured Event of Default that has occurred and is continuing or, if there is any such event, describing it and the steps, if any, being taken to cure it and setting forth all Events of Default that had occurred but were cured or waived during the period covered by the related financial statements.

9.1.4 Reports to the SEC and to Shareholders. Promptly upon the filing or sending thereof, copies of all regular, periodic or special reports of the Company or any Subsidiary filed with the SEC; copies of all registration statements of the Company or any Subsidiary filed with the SEC (other than on Form S-8); and copies of all proxy statements or other communications made to security holders generally.

9.1.5 Notice of Default, Litigation and ERISA Matters. Promptly upon the Company obtaining knowledge of any of the following, written notice describing the same and the steps being taken by the Company or the Subsidiary affected thereby with respect thereto:

(a) the occurrence of an Event of Default or an Unmatured Event of Default;

(b) any litigation, arbitration or governmental investigation or proceeding not previously disclosed by the Company to the Lenders which has been instituted or, to the knowledge of the Company, is threatened against the Company or any Subsidiary or to which any of the properties of any thereof is subject which might reasonably be expected to have a Material Adverse Effect;

(c) the institution of any steps by any member of the Controlled Group or any other Person to terminate any Pension Plan, or the failure of any member of the Controlled Group to make a required contribution to any Pension Plan (if such failure is sufficient to give rise to a Lien under Section 302(f) of ERISA) or to any Multiemployer Pension Plan, or the taking of any action with respect to a Pension Plan which could result in the requirement that the Company furnish a bond or other security to the PBGC or such Pension Plan, or the occurrence of any event with respect to any Pension Plan or Multiemployer Pension Plan which could result in the incurrence by any member of the Controlled Group of any material liability, fine or penalty (including any claim or demand for withdrawal liability or partial withdrawal from any Multiemployer Pension Plan), or any material increase in the contingent liability of the Company with respect to any post-retirement welfare plan benefit, or any notice that any Multiemployer Pension Plan is in reorganization, that increased contributions may be required to avoid a reduction in plan benefits or the imposition of an excise tax, that any such plan is or has been funded at a rate less than that required under Section 412 of the Code, that any such plan is or may be terminated, or that any such plan is or may become insolvent;

(d) any cancellation (unless contemporaneously replaced with similar coverage) or material change in any insurance maintained by the Company or any Subsidiary;

(e) any material violation of law by the Company or any Subsidiary or any officer or director of the Company or any Subsidiary related to the business of the Company or such Subsidiary; or

(f) any other event (including any violation of any Environmental Law or the assertion of any Environmental Claim) which might reasonably be expected to have a Material Adverse Effect.

9.1.6 Management Reports. Promptly upon receipt thereof, copies of all detailed financial and management reports submitted to the Company by independent auditors in connection with each audit made by such auditors of the books of the Company, to the extent such reports identify a material weakness (as such term is defined in the Public Company Accounting Oversight Board Auditing Standard No. 2) in the Company's internal controls.

9.1.7 Subordinated Debt Notices. Promptly from time to time, copies of any material notices (including notices of default or acceleration) received from any holder, or any notice from any trustee, of, under or with respect to any Subordinated Debt.

9.1.8 Borrowing Base Certificates. Within 45 days of the last day of each Fiscal Quarter, a Borrowing Base Certificate dated as of such last day and executed by the Chief Financial Officer or the Controller of the Company on behalf of the Company (provided that the Agent may at any time require the Company to deliver Borrowing Base Certificates more frequently).

9.1.9 Notices of Casualty or Condemnation. Promptly, and in any event within five days of the Company obtaining knowledge thereof, written notice of the occurrence of any material casualty loss (whether or not insured) or condemnation of any portion of any real property that is subject to a Mortgage.

9.1.10 [Reserved].

9.1.11 PTL Annual Reports. Promptly when available, and in any event within 90 days after the end of each fiscal year of PTL, a copy of the annual report of PTL for such fiscal year, including therein balance sheets and statements of earnings and cash flows of the PTL for such fiscal year, certified (without any qualification arising from the scope of the audit or as to the ability of PTL to operate as a going concern) by Deloitte & Touche LLP or other independent auditors of recognized standing selected by PTL and reasonably acceptable to the Agent, together with a comparison with the financial results of the previous fiscal year.

9.1.12 PTL Interim Reports. Promptly when available, and in any event within 45 days after the end of each fiscal quarter of PTL (except the last fiscal quarter of a fiscal year), balance sheets of PTL as of the end of such fiscal quarter together with statements of earnings and cash

flows for such fiscal quarter and for the period beginning with the first day of such fiscal year and ending on the last day of such fiscal quarter, together with a comparison with the corresponding period of the previous fiscal year.

9.1.13 Other Information. Promptly from time to time, such other information concerning the Company and its Subsidiaries as any Lender or the Agent may reasonably request.

Documents required to be delivered pursuant to Section 9.1 (to the extent they consist of SEC filings that are publicly available or filings under the PTL investor website or the PTL website) (i) shall be deemed delivered at such time as they are posted on the SEC website (www.sec.gov) and (ii) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date on which the Company provides a link to such documents in an email addressed to Mark Heindselman at the Agent at mark.heindselman@mercedes-benz.com (or such other email address as the Agent shall provide to the Company from time to time).

9.2 Books, Records and Inspections. Keep, and cause each Subsidiary to keep, its books and records in accordance with sound business practices sufficient to allow the preparation of financial statements in accordance with GAAP; permit, and cause each Subsidiary to permit, any Lender or the Agent or any representative thereof to inspect the properties and operations of the Company or such Subsidiary; and permit, and cause each Subsidiary to permit, at any reasonable time and with reasonable notice (or at any time without notice if an Event of Default exists), any Lender or the Agent or any representative thereof to visit any or all of its offices, to discuss its financial matters with its officers and its independent auditors (and the Company hereby authorizes such independent auditors to discuss such financial matters with any Lender or the Agent or any representative thereof at all times when an Event of Default has occurred and is continuing), and to examine any of its books or other records; and permit, and cause each Subsidiary to permit, the Agent (and any Lender that chooses to join the Agent for the purpose of such inspection) and its representatives to inspect the Inventory and other tangible assets of the Company or such Subsidiary, to perform appraisals of the Equipment of the Company or such Subsidiary, and to inspect, audit, check and make copies of and extracts from the books, records, computer data, computer programs, journals, orders, receipts, correspondence and other data relating to Inventory, Accounts Receivable and any other collateral. All such examinations, inspections, audits or appraisals by the Agent shall be at the Agent's expense; provided that if an Event of Default or Unmatured Event of Default exists, such examinations, inspections, audits and appraisals shall be at the Company's expense.

9.3 Maintenance of Property; Insurance. (a) Keep, and cause each Subsidiary to keep, all material property necessary in the business of the Company or such Subsidiary in good working order and condition, ordinary wear and tear excepted.

(b) Maintain, and cause each Subsidiary to maintain, with responsible insurance companies, such insurance as may be required by any law or governmental regulation or court decree or order applicable to it and such other insurance, to such extent (including customary deductibles) and against such hazards and liabilities, as is customarily maintained by companies similarly situated; and, upon request of the Agent or any Lender, furnish to the Agent or such

Lender a certificate setting forth in reasonable detail the nature and extent of all insurance maintained by the Company and its Subsidiaries. The Company shall cause each issuer of an insurance policy with respect to the Company and its Domestic Subsidiaries to provide the Agent with an endorsement (i) naming the Agent as Lender's loss payee with respect to each policy of property or casualty insurance and naming the Agent and each Lender as an additional insured with respect to each policy of insurance for liability for personal injury or property damage, (ii) providing that 30 days' notice will be given to the Agent prior to any cancellation of, material reduction or change in coverage provided by or other material modification to such policy and (iii) reasonably acceptable in all other respects to the Agent. The Company shall execute and deliver, and shall cause each other Loan Party to execute and deliver, to the Agent a collateral assignment, in form and substance reasonably satisfactory to the Agent, of each business interruption insurance policy maintained by such Loan Party.

9.4 Compliance with Laws; Payment of Taxes and Liabilities. (a) Comply, and cause each Subsidiary to comply, with all applicable laws, rules, regulations, decrees, orders, judgments, licenses and permits, except where failure to comply could not reasonably be expected to have a Material Adverse Effect; and (b) pay, and cause each Subsidiary to pay, prior to delinquency, all taxes and other governmental charges against it or any of its property, as well as claims of any kind which, if unpaid, might become a Lien on any of its property; provided that the foregoing shall not require the Company or any Subsidiary to pay any such tax or charge so long as it shall contest the validity thereof in good faith by appropriate proceedings and shall set aside on its books adequate reserves with respect thereto in accordance with GAAP.

9.5 Maintenance of Existence, etc. Maintain and preserve, and (subject to Section 9.10 and to the ability of the Company to dissolve Subsidiaries the dissolution of which could not have a Material Adverse Effect) cause each Subsidiary to maintain and preserve, (a) its existence and good standing in the jurisdiction of its organization and (b) its qualification to do business and good standing in each jurisdiction where the nature of its business makes such qualification necessary (except in those instances in which the failure to be qualified or in good standing does not have a Material Adverse Effect).

9.6 Financial Covenants.

9.6.1 Current Ratio. Not permit the ratio of Consolidated Current Assets to Consolidated Current Liabilities at any time to be less than 1.00:1.0.

9.6.2 Fixed Charge Coverage Ratio. Not permit the Fixed Charge Coverage Ratio for any Computation Period to be less than 1.10:1.0.

9.6.3 Ratio of Non-Floorplan Debt to Stockholders' Equity. Not permit the ratio of Funded Debt (less Debt under Dealer Financings and Real Estate Debt) to Stockholders' Equity of the Company to be greater than 1.3:1 at any time. When calculating this ratio, to the extent the Company has recorded an impairment after the date hereof to goodwill or franchise value, such impairment shall be added back to Stockholders' Equity.

9.6.4 Funded Debt to EBITDA Ratio. Not permit the Funded Debt to EBITDA Ratio as of the last day of any Computation Period to exceed 2.50:1.0.

9.6.5 Working Capital. Cause each Subsidiary to maintain such level of working capital as is necessary to satisfy the requirements of such Subsidiary's Dealer Agreements.

9.7 Limitations on Debt. Not, and not permit any Subsidiary to, create, incur, assume or suffer to exist any Debt, except:

(a) obligations under this Agreement and the other Loan Documents;

(b) Debt (other than Real Estate Debt) secured by Liens permitted by Section 9.8(d), and extensions, renewals and refinancings thereof;

(c) unsecured Debt of Domestic Subsidiaries to the Company or to any other Domestic Subsidiary, provided that, without the consent of the Required Lenders, neither the Company nor any Subsidiary shall make any Investment after the date hereof in MB Greenwich in an aggregate amount exceeding \$5,000,000 at any one time outstanding except as required to prevent any default under, any automotive framework, franchise or dealer agreement of MB Greenwich;

(d) unsecured Debt of the Company to Domestic Subsidiaries, provided that, without the consent of the Required Lenders, neither the Company nor any Subsidiary shall make any Investment after the date hereof in MB Greenwich in an aggregate amount exceeding \$5,000,000 at any one time outstanding except as required to prevent any default under, any automotive framework, franchise or dealer agreement of MB Greenwich;

(e) (i) the Subordinated Notes and guaranties thereof provided by the Domestic Subsidiaries, so long as each such guaranty thereof is subordinated to the obligations of the respective Domestic Subsidiary under the Loan Documents on substantially the same basis as the obligations of the Company under the Subordinated Notes are subordinated to the obligations of the Company under the Loan Documents, (ii) other Subordinated Debt and (iii) Refinancing Debt in respect thereof; provided that the aggregate principal amount of all Seller Subordinated Debt at any time outstanding shall not exceed \$50,000,000;

(f) Hedging Obligations incurred for bona fide hedging purposes and not for speculation;

(g) Debt described on Schedule 9.7 and any extension, renewal or refinancing thereof so long as the principal amount thereof is not increased and the obligors are not changed;

(h) Debt with respect to any Dealer Financing provided to the Company or any Domestic Subsidiary by any Dealer Financing Provider that is a party to the

Intercreditor Agreement or any other Person to whom the Required Lenders, in their sole discretion, consent;

(i) Debt to MBFS in respect of Dealer Financings;

(j) other Debt, in addition to the Debt listed above, of the Company and its Domestic Subsidiaries in an aggregate amount not at any time exceeding \$250,000,000;

(k) Debt of Foreign Subsidiaries to (x) the Company or any Subsidiary or (y) any other Person as to which neither the Company nor any Domestic Subsidiary is directly or indirectly liable or provides any Suretyship Liability or credit support of any kind;

(l) recourse obligations, repurchase obligations and Suretyship Liabilities of the Company (other than Suretyship Liabilities of the Company and its Domestic Subsidiaries with respect to obligations of Foreign Subsidiaries) and Domestic Subsidiaries arising in the ordinary course of business in connection with the sale of retail installment contracts or retail leases involving Motor Vehicles to financial institutions that are not Restricted Affiliates;

(m) obligations arising from agreements by the Company or a Subsidiary to provide for indemnification, customary purchase price closing adjustments, earn-outs or other similar obligations, in each case, incurred in connection with an Acquisition permitted hereunder;

(n) Debt of the Company or any of its Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business, provided, however, that such Debt is extinguished within three Business Days of incurrence;

(o) Real Estate Debt;

(p) Suretyship Liabilities of the Company or any of its Domestic Subsidiaries with respect to (i) Debt that is otherwise permitted under this Section 9.7 (other than the Debt permitted under Section 9.7(k)) or (ii) other obligations incurred in the ordinary course of business of the Company and its Domestic Subsidiaries;

(q) other Suretyship Liabilities of the Company and its Domestic Subsidiaries in an aggregate amount not at any time exceeding \$50,000,000;

(r) Debt of MB Greenwich with respect to Dealer Financings; and

(s) [reserved].

9.8 Liens. Not, and not permit any Subsidiary to, create or permit to exist any Lien on any of its real or personal properties, assets or rights of whatsoever nature (whether now owned or hereafter acquired), except:

(a) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith by appropriate proceedings and, in each case, for which it maintains adequate reserves;

(b) Liens arising in the ordinary course of business (such as (i) Liens of carriers, warehousemen, mechanics and materialmen and other similar Liens imposed by law and (ii) Liens incurred in connection with worker's compensation, unemployment compensation and other types of social security (excluding Liens arising under ERISA) or in connection with surety bonds, bids, performance bonds and similar obligations) for sums not overdue or being contested in good faith by appropriate proceedings and not involving any deposits or advances or borrowed money or the deferred purchase price of property or services and, in each case, for which it maintains adequate reserves;

(c) Liens described on Schedule 9.8 and replacements, extensions and renewals of such Liens upon or in the same property theretofore subject thereto (without increase in the amount of any Debt secured thereby);

(d) (i) Liens arising in connection with Capital Leases (and attaching only to the property being leased); (ii) Liens existing on property at the time of the acquisition thereof by the Company or any Subsidiary (and not created in contemplation of such acquisition); (iii) Liens on any property securing Debt (including Real Estate Debt) incurred for the purpose of financing all or any part of such property and attaching only to such property; and (iv) Liens created pursuant to those certain Mortgages dated on or around September 28, 2008 between TMCC, the Company and various Subsidiaries of the Company on real property located in Royal Palm Beach, Florida owned by certain Subsidiaries, improvements thereon, easements related thereto, fixtures on such real property (other than trade fixtures), leases and rents related to such real property, and condemnation and insurance proceeds, in each case relating to such real property, and proceeds of the foregoing;

(e) attachments, appeal bonds, judgments and other similar Liens, for sums not exceeding \$10,000,000 arising in connection with court proceedings, provided the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;

(f) easements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary conduct of the business of the Company or any Subsidiary;

(g) Liens arising under the Loan Documents;

(h) Liens on any asset of a Domestic Subsidiary securing Debt permitted by Sections 9.7(h) and (i);

(i) Liens (the “Approved Swap Liens” and individually, an “Approved Swap Lien”) arising in connection with any Hedging Agreement so long as the Required Lenders have provided their prior written consent to such Liens (each such Hedging Agreement, an “Approved Swap Document”);

(j) Liens on Capital Stock or assets of Foreign Subsidiaries securing Debt permitted by Section 9.7(k), to the extent such Capital Stock and assets are not required to be pledged to the Agent hereunder;

(k) Liens on real property of a Person at the time such Person becomes a Subsidiary, provided that (x) such Liens are not created in contemplation of such Person becoming a Subsidiary and (y) such Liens may not extend to any other property;

(l) Liens of a collecting bank under Section 4-210 of the Uniform Commercial Code and Liens arising solely by virtue of any statutory or common law provision relating to banker’s Liens and rights of setoff as to deposit accounts maintained with a bank in the ordinary course of business (provided such deposit accounts are not dedicated cash collateral accounts);

(m) other Liens of the Company and its Subsidiaries on property having an aggregate fair market value not at any time exceeding \$40,000,000;

(n) [reserved];

(o) Liens on assets of MB Greenwich securing Debt permitted by Section 9.7(r); and

(p) [reserved].

It is acknowledged and agreed by the Agent and Lenders that any Liens of TMCC (to the extent such Liens are duly perfected) described in clause (d)(iv) of this Section 9.8 on any real property, improvements, fixtures (other than trade fixtures), condemnation and insurance proceeds, leases and rents related thereto and proceeds thereof are senior in priority to the Liens, if any, of the Agent and the Lenders in such property under the Collateral Documents.

9.9 Restricted Payments. Not, and not permit any Subsidiary to, (a) make any distribution to any of its shareholders, the Company or any other Subsidiary, (b) purchase or redeem any of its Equity Interests, (c) pay any management fees or similar fees to any of its shareholders, the Company, any other Subsidiary or any Affiliate, (d) make any redemption, prepayment, defeasance or repurchase of any Subordinated Debt or (e) set aside funds for any of the foregoing; provided that (i) any Subsidiary may pay dividends or make other distributions to the Company or another Subsidiary and (ii) so long as no Event of Default or Unmatured Event of Default has occurred and is continuing or would result therefrom and, immediately after

giving effect thereto, the Company is in pro forma compliance with all the financial ratios and restrictions set forth in Section 9.6, the Company and its Subsidiaries may (1) pay dividends or make other distributions to its stockholders and purchase or redeem its Equity Interests, (2) pay management fees or similar fees as set forth under the relevant operating agreements of Subsidiaries to any of its shareholders, the Company, any other Subsidiary or any Affiliate and (3) redeem, prepay, defease, repurchase or otherwise repay any Subordinated Debt.

9.10 Mergers, Consolidations, Sales. Not, and not permit any Subsidiary to, be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any membership or partnership or joint venture interest in, any other Person, except for: (a) any such merger, consolidation, sale, transfer, conveyance, lease or assignment of or by any Domestic Subsidiary into the Company (provided, that in the case of any merger or consolidation, the Company is the survivor) or into, with or to any other Domestic Subsidiary; (b) any such purchase or other acquisition by the Company or any Domestic Subsidiary of the assets or stock of any Domestic Subsidiary; (c) any such merger, consolidation, sale, transfer, conveyance, lease or assignment of or by any Foreign Subsidiary into, with or to any other Foreign Subsidiary; (d) any such purchase or other acquisition by any Foreign Subsidiary of the assets or stock of any Foreign Subsidiary; (e) any Acquisition by the Company or any Domestic Subsidiary if (1) immediately before and after giving effect to such Acquisition, no Event of Default or Unmatured Event of Default shall exist, (2) immediately after giving effect to such Acquisition, the Company is in pro forma compliance with all the financial ratios and restrictions set forth in Section 9.6, (3) in the case of the Acquisition of any Person, the Board of Directors (or similar body) of such Person has approved such Acquisition and all requisite Manufacturers have consented to such Acquisition (provided that such Manufacturers need not have consented to such Acquisition at the time of consummation thereof if the Company or the Subsidiary making such Acquisition has an irrevocable option, on terms and conditions (including cash escrow) satisfactory to the Agent in its sole discretion, to put the Person acquired in such Acquisition back to the seller thereof for a price in cash at least equal to the total amount of cash consideration paid by the Company or such Subsidiary in such Acquisition (including purchase price, noncompetition payments, earnout payments, debt assumption and other similar consideration) within 180 days if such Manufacturers have not consented to such Acquisition, which option is otherwise unconditional, and which option must be exercised by the Company or the applicable Subsidiary within such period if such consents are not obtained) and (4) prior to and after such Acquisition, the Chief Financial Officer of the Company shall have delivered a certificate to the Agent confirming that the conditions set forth in clauses (1) - (3) above will be (in the case of a certificate delivered prior to such Acquisition) or have been (in the case of a certificate delivered after such Acquisition) met; and (f) the Company and its Subsidiaries may enter into, or make additional Investments into, joint ventures permitted by Section 9.19(j) which joint ventures are engaged in businesses permitted by Section 9.18.

9.11 Modification of Organizational Documents. Not permit the Certificate or Articles of Incorporation, By-Laws or other organizational documents of the Company or any Subsidiary to be amended or modified in any way which might reasonably be expected to materially adversely affect the interests of the Lenders.

9.12 Use of Proceeds. (a) Use the proceeds of the Revolving Loans solely for working capital, for Acquisitions permitted by Section 9.10, for Capital Expenditures, to make Investments permitted hereunder, to repurchase the Company's Capital Stock and for other general corporate purposes; provided, that the Company shall not use more than \$400,000,000 in the aggregate of the Revolving Loans at any one time from and after the First Amendment Effective Date through the Termination Date directly or indirectly for Investments outside of the United States including, without limitation, for Foreign Investments and Investments in Foreign Subsidiaries.

(b) Not use or permit any proceeds of any Loan to be used, either directly or indirectly, for any other purpose, including for the purpose, whether immediate, incidental or ultimate, of "purchasing or carrying" any Margin Stock.

(c) Use the Letters of Credit solely for working capital and for other general corporate purposes.

9.13 Further Assurances. (a) Take, and cause each Subsidiary (other than MB Greenwich) to take, such actions as are necessary or as the Agent or the Required Lenders may reasonably request from time to time (including the execution and delivery of guaranties, security agreements, pledge agreements, mortgages, deeds of trust, financing statements and other documents, the filing or recording of any of the foregoing, and the delivery of stock certificates and other collateral with respect to which perfection is obtained by possession) to ensure that (i) the obligations of the Company hereunder and under the other Loan Documents (x) are secured by substantially all of the assets (other than property in which the Company is prohibited from granting a security interest, pledge or assignment pursuant to a Permitted Restriction) of the Company and (y) guaranteed by all of its Subsidiaries (other than MB Greenwich) (including, promptly upon the acquisition or creation thereof, any Subsidiary acquired or created after the date hereof but excluding Foreign Subsidiaries (to the extent that such exclusion is necessary to avoid material adverse tax consequences for the Company)) by execution of a counterpart of the Guaranty and (ii) the obligations of each Subsidiary (other than MB Greenwich) under the Guaranty are secured by substantially all of the assets (other than property in which such Subsidiary is prohibited from granting a security interest, pledge or assignment pursuant to a Permitted Restriction) of such Subsidiary (other than Foreign Subsidiaries (to the extent that such exclusion is necessary to avoid material adverse tax consequences for the Company)), provided that (x) the pledge by the Company or any Subsidiary (other than a Foreign Subsidiary) of the stock of any Foreign Subsidiary shall be limited to 65% of the stock of such Foreign Subsidiary to the extent the pledge of a greater percentage would have material adverse tax consequences for the Company and (y) a pledge of the stock of a Subsidiary shall not be required if and to the extent that such pledge would violate a Permitted Restriction in favor of a Manufacturer.

(b) It is understood that none of the funds in any deposit account will be included in the Borrowing Base unless and until such a Control Agreement with respect to such account is delivered to the Agent.

(c) [reserved].

9.14 Transactions with Affiliates. Not, and not permit any Subsidiary to, enter into, or cause, suffer or permit to exist any transaction, arrangement or contract with any of its Affiliates which is on terms that are less favorable to the Company or such Subsidiary than are obtainable from any Person which is not one of its Affiliates; provided that the foregoing shall not prohibit (i) transactions among the Company and its Domestic Subsidiaries (and not involving any Foreign Subsidiary), (ii) transactions among Foreign Subsidiaries (and not involving the Company or any Domestic Subsidiary) and (iii) any transaction between the Company or a Domestic Subsidiary, on the one hand, and a Foreign Subsidiary, on the other hand, which is on terms no less favorable to the Company or such Domestic Subsidiary than are obtainable from any Person which is not one of its Affiliates.

9.15 Employee Benefit Plans. Maintain, and cause each Subsidiary to maintain, each Pension Plan and Foreign Employee Benefit Plan in substantial compliance with all applicable requirements of law and regulations.

9.16 Environmental Matters. (a) If any Release or Disposal of Hazardous Substances shall occur or shall have occurred on any real property or any other assets of the Company or any Subsidiary, the Company shall, or shall cause the applicable Subsidiary to, cause the prompt containment and removal of such Hazardous Substances and the remediation of such real property or other assets as necessary to comply with all Environmental Laws and to preserve the value of such real property or other assets. Without limiting the generality of the foregoing, the Company shall, and shall cause each Subsidiary to, comply with any valid Federal or state judicial or administrative order requiring the performance at any real property of the Company or any Subsidiary of activities in response to the Release or threatened Release of a Hazardous Substance.

(b) To the extent that the transportation of “hazardous waste” as defined by RCRA is permitted by this Agreement, the Company shall, and shall cause its Subsidiaries to, dispose of such hazardous waste only at licensed disposal facilities operating in compliance with Environmental Laws.

9.17 Inconsistent Agreements. Not, and not permit any Subsidiary to, enter into any agreement containing any provision which would (a) be violated or breached by any borrowing by the Company hereunder or by the performance by the Company or any Subsidiary of any of its obligations hereunder or under any other Loan Document, (b) except for Permitted Restrictions and the terms of this Agreement, prohibit the Company or any Subsidiary from granting to the Agent, for the benefit of the Lenders, a Lien on any of its assets or (c) except for Permitted Restrictions, create or permit to exist or become effective any encumbrance or restriction on the ability of any Subsidiary to (i) pay dividends or make other distributions to the Company or any other applicable Subsidiary, or pay any Debt owed to the Company or any other Subsidiary, (ii) make loans or advances to the Company or any other Subsidiary or (iii) transfer any of its assets or properties to the Company or any other Subsidiary.

9.18 Business Activities. Not, and not permit any Subsidiary to, engage in any line of business other than the businesses engaged in on the Effective Date and businesses reasonably related thereto, including businesses that operate a dealership or dealerships for the retail sales

and leases of new and/or used motor vehicles, motor vehicle distribution businesses and other transportation related businesses and/or other businesses ancillary to the operation of such businesses, including businesses engaged in by PTL as of the date the Company made the Investment referred to in Section 9.19(j). For the avoidance of doubt, for purposes of this Section, if the Company or any Subsidiary has made an Investment in any Person that is not a Subsidiary (a “Minority Investee”), the businesses engaged in by such Minority Investee shall not be attributed to the Company or such Subsidiary.

9.19 Investments. Not, and not permit any Subsidiary to, make or permit to exist any Investment in any other Person, except (without duplication) the following:

- (a) contributions by the Company to the capital of any of its Subsidiaries, or by any such Subsidiary to the capital of any of its Subsidiaries; provided that, without the consent of the Required Lenders, neither the Company nor any Subsidiary shall make any Investment after the date hereof in MB Greenwich in an aggregate amount exceeding \$5,000,000 at any one time outstanding except as required to prevent any default under, any automotive framework, franchise or dealer agreement of MB Greenwich;
- (b) Investments by the Company in any Subsidiary or by any Subsidiary in the Company, or by any Subsidiary in any other Subsidiary, by way of intercompany loans, advances or guaranties, all to the extent permitted by Section 9.7;
- (c) Suretyship Liabilities permitted by Section 9.7;
- (d) Cash Equivalent Investments;
- (e) bank deposits in the ordinary course of business;
- (f) Investments in securities of account debtors received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such account debtors;
- (g) Investments to consummate Acquisitions permitted by Section 9.10;
- (h) Investments in an aggregate amount not exceeding \$125,000,000 at any one time outstanding in Persons engaged in businesses in which the Company and its Subsidiaries are permitted to engage hereunder (provided that any Investment made with the proceeds of any offering of Capital Stock (other than Disqualified Stock) or Subordinated Debt of the Company shall be disregarded when determining compliance with the aggregate dollar limit in this clause (h));
- (i) consumer loans and leases entered into, purchased or otherwise acquired by the Company or its Subsidiaries, as lender, lessor or assignee, as applicable, in the ordinary course of business;
- (j) Investments in an aggregate not to exceed 38.92% of the outstanding ownership interests in PTL;

- (k) Foreign Investments;
- (l) Investments set forth on Schedule 9.19;
- (m) [reserved]; and
- (n) such other Investments consented to by the Required Lenders in their sole discretion;

provided that (x) any Investment which when made complies with the requirements of the definition of the term “Cash Equivalent Investment” may continue to be held notwithstanding that such Investment if made thereafter would not comply with such requirements; and (y) no Investment otherwise permitted by clause (a), (b), (c), (g), (h) or (j) shall be permitted to be made if, immediately before or after giving effect thereto, any Event of Default or Unmatured Event of Default exists.

9.20 Restriction of Amendments to Certain Documents. Not without the written consent of the Agent and the Lenders amend or otherwise modify, or waive any rights under, the notes or indentures relating to the Subordinated Notes (or any instrument governing Refinancing Debt in respect of the Subordinated Notes), or the Approved Swap Documents, in any case, if such amendment, modification or waiver could reasonably be expected to be adverse to the Lenders in any respect, if such amendment, modification or waiver could reasonably be expected to have a Material Adverse Effect; and not take any action to terminate any Approved Swap Document if it is a condition to such termination that the Company make any payment to the counterparty under such Approved Swap Document, or if a consequence of such termination would permit such counterparty to retain or sell any collateral or to demand any payment from the Company.

9.21 Limitation on Dealer Financing Amendments. Not modify any Dealer Financing arrangement if such modification would have a Material Adverse Effect.

9.22 Eligible Real Estate Collateral. With respect to each parcel of Eligible Real Estate Collateral, upon Agent’s request, the Company shall, at its expense, no more than once in any thirty-six (36) month period, but at any time or times as the Agent may request on or after an Event of Default, deliver or cause to be delivered to the Agent written appraisals as to such Eligible Real Estate Collateral in form, scope and methodology acceptable to the Agent and by an appraiser acceptable to the Agent, addressed to the Agent and the Lenders and upon which the Agent and Lenders shall be expressly permitted to rely.

9.23 Changes in Fiscal Periods. The Company shall not permit the Fiscal Year of the Company or any other Loan Party to end on a day other than December 31 or change the Company’s or any other Loan Party’s method of determining fiscal quarters without the Agent’s prior written consent.

9.24 Anti-Money Laundering and Anti-Terrorism Finance Laws; Foreign Corrupt Practices Act; Sanctions Laws; Restricted Person. The Company shall not, and shall not permit

any Subsidiary to, (i) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any prohibition set forth in any Anti-Terrorism Law, (ii) cause or permit any of the funds that are used to repay the obligations under the Loan Documents to be derived from any unlawful activity with the result that the making of the Loans would be in violation of any applicable law, (iii) use any part of the proceeds of the Loans, directly or indirectly, for any payment to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977 or (iv) use any of the proceeds from the Loans to finance any operations, investments or activities in, or make any payments to, any Restricted Person.

9.25 [Reserved].

SECTION 10 EFFECTIVENESS; CONDITIONS OF LENDING, ETC.

The effectiveness of this Agreement, and the obligation of each Lender to make its Loans hereunder, are subject to the following conditions precedent:

10.1 Conditions to Effectiveness. This Agreement shall become effective on the Effective Date if the Agent shall have received on or prior to the Effective Date all of the following, each duly executed and dated the date hereof (or such other date as shall be satisfactory to the Agent), in form and substance reasonably satisfactory to the Agent (unless waived in writing by the Agent and the Lenders):

10.1.1 Notes. A Note executed by the Company in favor of each Lender.

10.1.2 Resolutions. Certified copies of resolutions of the Board of Directors of the Company authorizing the execution, delivery and performance by the Company of this Agreement, the Notes and the other Loan Documents to which the Company is a party; and certified copies of resolutions of the Board of Directors of each other Loan Party authorizing the execution, delivery and performance by such Loan Party of each Loan Document to which such entity is a party.

10.1.3 Consents, etc.. Certified copies of all documents evidencing any necessary corporate, limited liability company or partnership action, consents and governmental approvals (if any) required for the execution, delivery and performance by the Company and each other Loan Party of the documents referred to in this Section 10.

10.1.4 Incumbency and Signature Certificates. A certificate of the Secretary or an Assistant Secretary (or other appropriate representative) of each Loan Party certifying the names of the officer or officers of such entity authorized to sign the Loan Documents to which such entity is a party, together with a sample of the true signature of each such officer (it being understood that the Agent and each Lender may conclusively rely on each such certificate until formally advised by a like certificate of any changes therein).

10.1.5 Reaffirmation. A counterpart of the Reaffirmation executed by each Subsidiary of the Company (other than Foreign Subsidiaries and MB Greenwich).

10.1.6 Opinion of Counsel. An opinion of counsel reasonably satisfactory to the Agent.

10.1.7 Payment of Interest and Fees. Evidence of payment by the Company of all accrued and unpaid interest, fees, costs and expenses to the extent then due and payable on the Effective Date, together with all Attorney Costs of the Agent to the extent invoiced prior to the Effective Date, plus such additional amounts of Attorney Costs as shall constitute the Agent's reasonable estimate of Attorney Costs incurred or to be incurred by the Agent through the closing proceedings (provided that such estimate shall not thereafter preclude final settling of accounts between the Company and the Agent).

10.1.8 Solvency Certificate. A solvency certificate, substantially in the form of Exhibit F, executed by the Chief Financial Officer of the Company.

10.1.9 Closing Certificate. A certificate signed by a Vice President of the Company dated as of the Effective Date, affirming the matters set forth in Section 10.2.1 as of the Effective Date.

10.1.10 Governing Documents. A certificate of the Secretary or Assistant Secretary (or other appropriate representative) of each Loan Party certifying that either (i) there has been no change or amendment (other than those attached to such certificate) to its respective articles of incorporation, by-laws, certificate of formation or operating agreement (as applicable) or other governing documents since certified copies of such documents were provided to the Agent in connection with the Existing Agreement or (ii) such documents have been delivered to the Agent in connection with the closing hereunder.

10.1.11 Borrowing Base Certificate. A Borrowing Base Certificate dated as of the Effective Date.

10.1.12 Officer's Certificate. A certificate of an authorized officer of the Company certifying as to the completeness and accuracy of and attaching as an exhibit thereto (i) a list of all Subsidiaries of the Company as described in Section 8.8 and (ii) a summary of the property and casualty insurance program of the Company and its Subsidiaries as described in Section 8.15, each as of the Effective Date.

10.1.13 Other. Such other documents as the Agent or any Lender may reasonably request.

10.2 Conditions. The obligation (a) of each Lender to make each Loan and (b) of the Issuing Lender to issue each Letter of Credit is subject to the following further conditions that:

10.2.1 Compliance with Warranties, No Default, etc.. Both before and after giving effect to the making of any Loan or the issuance of any Letter of Credit, the following statements shall be true and correct:

(a) the representations and warranties of the Company and each Subsidiary set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects with the same effect as if then made (except to the extent stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct as of such earlier date);

(b) no Event of Default or Unmatured Event of Default shall have then occurred and be continuing; and

(c) [Reserved].

10.2.2 Confirmatory Certificate. If requested by the Agent or any Lender, the Agent shall have received (in sufficient counterparts to provide one to each Lender) a certificate dated the date of such requested Loan or Letter of Credit and signed by a duly authorized representative of the Company as to the matters set out in Section 10.2.1 (it being understood that each request by the Company for the making of a Loan or the issuance of a Letter of Credit shall be deemed to constitute a warranty by the Company that the conditions precedent set forth in Section 10.2.1 will be satisfied at the time of the making of such Loan or the issuance of such Letter of Credit), together with such other documents as the Agent or any Lender may reasonably request in support thereof.

SECTION 11 EVENTS OF DEFAULT AND THEIR EFFECT.

11.1 Events of Default. Each of the following shall constitute an Event of Default under this Agreement:

11.1.1 Non-Payment of the Loans, etc.. Default in the payment when due of the principal of any Loan or reimbursement obligation with respect to any Letter of Credit by the Company hereunder; or default, and continuance thereof for five Business Days, in the payment when due of any interest, fee or other amount payable by the Company hereunder or under any other Loan Document.

11.1.2 Non-Payment of Other Debt. Any default shall occur under the terms applicable to any Debt of the Company or any Subsidiary in an aggregate amount (for all such Debt so affected) exceeding \$25,000,000 (or the Dollar Equivalent thereof if denominated in a currency other than Dollars) and such default shall (a) consist of the failure to pay such Debt when due, whether by acceleration or otherwise, or (b) accelerate the maturity of such Debt or permit the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such Debt to become due and payable prior to its expressed maturity; or any such Debt shall be required to be prepaid or redeemed (other than by a regularly scheduled prepayment or redemption), purchased or defeased or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or any default shall occur under any Dealer Financing provided by any Lender or any Affiliate of a Lender to the Company or any Subsidiary.

11.1.3 Other Material Obligations. Default in the payment when due, or in the performance or observance of, any material obligation of, or condition agreed to by, the Company or any Subsidiary with respect to any material purchase or lease of goods or services, or any agreement with a Manufacturer, where such default, singly or in the aggregate with all other such defaults, might reasonably be expected to have a Material Adverse Effect or cause the loss of a material franchise.

11.1.4 Bankruptcy, Insolvency, etc.. The Company or any Subsidiary becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay, debts as they become due; or the Company or any Subsidiary applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for the Company or such Subsidiary or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for the Company or any Subsidiary or for a substantial part of the property of any thereof and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of the Company or any Subsidiary (other than a voluntary dissolution, not under any bankruptcy or insolvency law, of an immaterial Subsidiary), and if such case or proceeding is not commenced by the Company or such Subsidiary, it is consented to or acquiesced in by the Company or such Subsidiary, or remains for 30 days undismissed; or the Company or any Subsidiary takes any action to authorize, or in furtherance of, any of the foregoing.

11.1.5 Non-Compliance with Loan Documents. (a) Failure by the Company to comply with or to perform any covenant set forth in Sections 9.1.5(a), 9.5 through 9.14 (excluding Section 9.6.5), 9.19 through 9.21, and 9.24; (b) failure by the Company to comply with the covenant set forth in Section 9.6.5 and continuance of such failure for 60 days; or (c) failure by any Loan Party to comply with or to perform any other provision of this Agreement or any other Loan Document (and not constituting an Event of Default under any other provision of this Section 11) and continuance of such failure for 30 days.

11.1.6 Warranties. Any warranty made by the Company or any Subsidiary herein or any other Loan Document is breached or is false or misleading in any material respect, or any schedule, certificate, financial statement, report, notice or other writing furnished by the Company or any Subsidiary to the Agent or any Lender in connection herewith is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.

11.1.7 Pension Plans. (i) Institution of any steps by the Company or any other Person to terminate a Pension Plan if as a result of such termination the Company could be required to make a contribution to such Pension Plan, or could incur a liability or obligation to such Pension Plan or Foreign Employee Benefit Plan, in excess of \$25,000,000 (or the Dollar Equivalent thereof if denominated in a currency other than Dollars); (ii) a contribution failure occurs with respect to any Pension Plan sufficient to give rise to a Lien under Section 302(f) of ERISA; or (iii) there shall occur any withdrawal or partial withdrawal from a Multiemployer Pension Plan

and the withdrawal liability (without unaccrued interest) to Multiemployer Pension Plans as a result of such withdrawal (including any outstanding withdrawal liability that the Company and the Controlled Group have incurred on the date of such withdrawal) exceeds \$25,000,000.

11.1.8 Judgments. Final judgments which exceed an aggregate of \$25,000,000 (or the Dollar Equivalent thereof if denominated in a currency other than Dollars) shall be rendered against the Company or any Subsidiary and shall not have been paid, discharged or vacated or had execution thereof stayed pending appeal within 60 days after entry or filing of such judgments.

11.1.9 Invalidity of Guaranty, etc.. The Guaranty shall cease to be in full force and effect with respect to any Subsidiary, other than by virtue of the release of such Subsidiary after sale thereof in a transaction permitted hereunder or the voluntary dissolution of an immaterial Subsidiary; or any Subsidiary (or any Person by, through or on behalf of such Subsidiary) shall contest in any manner the validity, binding nature or enforceability of the Guaranty with respect to such Subsidiary.

11.1.10 Invalidity of Collateral Documents, etc.. Any Collateral Document shall cease to be in full force and effect, other than by virtue of the release of such Subsidiary after sale thereof in a transaction permitted hereunder or the voluntary dissolution of an immaterial Subsidiary; or the Company or any Subsidiary (or any Person by, through or on behalf of the Company or any Subsidiary) shall contest in any manner the validity, binding nature or enforceability of any Collateral Document.

11.1.11 Invalidity of Subordination Provisions, etc.. Any subordination provision in any document or instrument governing Subordinated Debt, or any subordination provision in any guaranty by any Subsidiary of any Subordinated Debt, shall cease to be in full force and effect, or the Company or any other Person (including the holder of any applicable Subordinated Debt) shall contest in any manner the validity, binding nature or enforceability of any such provision.

11.1.12 Change of Control. Individuals who on the date hereof constituted the Board of Directors of the Company (together with any new directors whose election to such board or whose nomination for election by the stockholders of the Company was approved by a vote of a majority of the directors then still in office who were either (x) directors on the date hereof or (y) whose election or nomination for election was previously so approved, but only if such directors were elected or nominated at such time as Penske Corporation and any of its Affiliates collectively controlled the power to direct or cause the direction of the management and policies of the Company whether by contract or otherwise) shall cease for any reason to constitute a majority of such Board of Directors then in office; provided that the foregoing shall not constitute an Event of Default if a majority of the members of the Board of Directors have been elected after having been nominated by any of Roger S. Penske or Penske Capital Partners, LLC, International Motor Cars Group I, LLC, International Motor Cars Group II, LLC, Penske Corporation, Penske Automotive Holdings Corp. and their respective Subsidiaries, in each case so long as Roger S. Penske (or his lineal descendants) is the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934) directly or indirectly of more than 50% of the voting stock of such entities.

11.2 Effect of Event of Default. If any Event of Default described in Section 11.1.4 shall occur, the Commitments (if they have not theretofore terminated) shall immediately terminate and the Loans and all other obligations hereunder shall become immediately due and payable and the Company shall become immediately obligated to Cash Collateralize all Letters of Credit, all without presentment, demand, protest or notice of any kind; and, if any other Event of Default shall occur and be continuing, the Agent (upon written request of the Required Lenders) shall declare the Commitments (if they have not theretofore terminated) to be terminated and/or declare all Loans and all other obligations hereunder to be due and payable and/or demand that the Company immediately Cash Collateralize all Letters of Credit, whereupon the Commitments (if they have not theretofore terminated) shall immediately terminate and/or all Loans and all other obligations hereunder shall become immediately due and payable and/or the Company shall immediately become obligated to Cash Collateralize all Letters of Credit, all without presentment, demand, protest or notice of any kind. The Agent shall promptly advise the Company of any such declaration, but failure to do so shall not impair the effect of such declaration. Notwithstanding the foregoing, the effect as an Event of Default of any event described in Section 11.1.1 or Section 11.1.4 may be waived by the written concurrence of all of the Lenders, and the effect as an Event of Default of any other event described in this Section 11 may be waived by the written concurrence of the Required Lenders (except as provided in Section 13.1). Any cash collateral delivered hereunder shall be held by the Agent (without liability for interest thereon) and applied to reimbursement obligations under the Letters of Credit. After the expiration or termination of the Letters of Credit, such cash collateral shall be applied by the Agent to any remaining obligations hereunder and any excess shall be delivered to the Company or as a court of competent jurisdiction may direct.

SECTION 12 THE AGENT.

12.1 Appointment and Authorization. (a) Each Lender hereby irrevocably (subject to Section 12.9) appoints, designates and authorizes the Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. The provisions of this Section 12 are solely for the benefit of the Agent and the Lenders, and neither the Company nor any of its Subsidiaries shall have any rights as a third-party beneficiary of any of such provisions. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document, the Agent shall not have any duty or responsibility except those expressly set forth herein, nor shall the Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Agent.

(b) The Issuing Lender shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith. The Issuing Lender shall have all of the benefits and immunities (i) provided to the Agent in this Section 12 with respect to any acts taken or omissions suffered by the Issuing Lender in connection with Letters of Credit issued by it or proposed to be issued by it and the applications and agreements for letters

of credit pertaining to such Letters of Credit as fully as if the term “Agent”, as used in this Section 12, included the Issuing Lender with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to the Issuing Lender.

12.2 Delegation of Duties. The Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

12.3 Liability of Agent. None of the Agent nor any of its directors, officers, employees or agents shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by the Company or any Subsidiary or Affiliate of the Company, or any officer thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of the Company or any other party to any Loan Document to perform its obligations hereunder or thereunder. The Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Company or any of the Company’s Subsidiaries or Affiliates.

12.4 Reliance by Agent. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Company), independent accountants and other experts reasonably selected by the Agent. The Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, confirmation from the Lenders of their obligation to indemnify the Agent against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

12.5 Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default or Unmatured Event of Default except with respect to defaults in the payment of principal, interest and fees required to be paid to the Agent for the

account of the Lenders, unless the Agent shall have received written notice from a Lender or the Company referring to this Agreement, describing such Event of Default or Unmatured Event of Default and stating that such notice is a “notice of default”. The Agent will notify the Lenders of its receipt of any such notice. The Agent shall take such action with respect to such Event of Default or Unmatured Event of Default as may be requested by the Required Lenders in accordance with Section 11; provided that unless and until the Agent has received any such request, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default or Unmatured Event of Default as it shall deem advisable or in the best interest of the Lenders.

12.6 Credit Decision. Each Lender acknowledges that the Agent has not made any representation or warranty to it, and that no act by the Agent hereafter taken, including any review of the affairs of the Company and its Subsidiaries, shall be deemed to constitute any representation or warranty by the Agent to any Lender. Each Lender represents to the Agent that it has, independently and without reliance upon the Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Company and its Subsidiaries, and made its own decision to enter into this Agreement and to extend credit to the Company hereunder. Each Lender also represents that it will, independently and without reliance upon the Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Company. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by the Agent, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial or other condition or creditworthiness of the Company which may come into the possession of the Agent.

12.7 Indemnification. Whether or not the transactions contemplated hereby are consummated, each Lender shall indemnify upon demand the Agent and its directors, officers, employees and agents (to the extent not reimbursed by or on behalf of the Company and without limiting the obligation of the Company to do so) from and against any and all Indemnified Liabilities in accordance with its Pro Rata Share; provided that no Lender shall be liable for any payment to any such Person of any portion of the Indemnified Liabilities resulting from such Person’s gross negligence or willful misconduct. Without limitation of the foregoing, each Lender shall reimburse the Agent upon demand for such Lender’s Pro Rata Share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Agent is not reimbursed for such expenses by or on behalf of the Company. The undertaking in this Section shall survive repayment of the obligations hereunder, cancellation of the Notes, any foreclosure under, or

modification, release or discharge of, any or all of the Collateral Documents, termination of this Agreement and the resignation or replacement of the Agent.

12.8 Agent in Individual Capacity. MBFS and its Affiliates may make loans to, issue letters of credit for the account of, acquire equity interests in and generally engage in any kind of business with the Company and its Subsidiaries and Affiliates as though MBFS were not the Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, MBFS or its Affiliates may receive information regarding the Company or its Affiliates (including information that may be subject to confidentiality obligations in favor of the Company or such Affiliate) and acknowledge that the Agent shall be under no obligation to provide such information to them. With respect to their Loans (if any), MBFS and its Affiliates shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though MBFS were not the Agent, and the terms “Lender” and “Lenders” include MBFS and its Affiliates, to the extent applicable, in their individual capacities.

12.9 Successor Agent. The Agent may resign as Agent upon 30 days’ notice to the Lenders. If the Agent resigns under this Agreement, the Required Lenders shall, with (so long as no Event of Default exists) the consent of the Company (which shall not be unreasonably withheld or delayed), appoint from among the Lenders a successor agent for the Lenders. If no successor agent is appointed prior to the effective date of the resignation of the Agent, the Agent may appoint, after consulting with the Lenders and the Company, a successor agent from among the Lenders. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Agent and the term “Agent” shall mean such successor agent, and the retiring Agent’s appointment, powers and duties as Agent shall be terminated. After any retiring Agent’s resignation hereunder as Agent, the provisions of this Section 12 and Sections 13.6 and 13.13 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor agent has accepted appointment as Agent by the date which is 30 days following a retiring Agent’s notice of resignation, the retiring Agent’s resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of the Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above.

12.10 Collateral Matters. (a) The Lenders irrevocably authorize the Agent, at its option and in its discretion, (i) to release any Lien granted to or held by the Agent under any Collateral Document (x) upon termination of the Commitments and payment in full of all Loans and all other obligations of the Company hereunder, (y) constituting property sold or to be sold or disposed of as part of or in connection with any Disposition permitted hereunder or (z) subject to Section 13.1, if approved, authorized or ratified in writing by the Required Lenders; and (ii) to subordinate its interest in any collateral to any holder of a Lien on such collateral which is permitted by clause (d)(i), (d)(iii), (d)(iv) or (h) of Section 9.8. Upon request by the Agent at any time, the Lenders will confirm in writing the Agent’s authority to release, or subordinate its interest in, particular types or items of collateral pursuant to this Section 12.10.

(b) Any and all proceeds of disposition or other realization on the collateral granted under the Collateral Documents (the “Collateral”) or from any realization on the Collateral received by the Agent in connection with any enforcement, sale, collection (including judicial or non-judicial foreclosure) or similar proceedings with respect to the Collateral or a demand or other enforcement or collection with respect to the Collateral shall be applied by the Agent, as follows:

FIRST: To the payment of the costs and expenses of such disposition, collection or other realization, including Attorney Costs, and all costs, expenses, liabilities and advances made or incurred by the Agent in connection therewith;

SECOND: To the payment of the Liabilities then due and owing in such order as shall be directed by the Required Lenders; and

THIRD: After payment in full of all Liabilities, any surplus then remaining from such proceeds shall be paid to the Company or to whomsoever may be lawfully entitled to receive the same or paid as a court of competent jurisdiction may direct. Until such proceeds are so applied, the Agent shall hold such proceeds in its custody in accordance with its regular procedures for handling deposited funds.

(c) Upon request by the Company, the Agent shall release the Lien granted to and held by the Agent under any Mortgage, and shall, at the sole cost and expense of the Company, promptly provide all reasonably requested assistance to effect such release, so long as (i) no Event of Default or Unmatured Event of Default has occurred and is continuing or would result from the release of such Lien and (ii) the Company has delivered to the Agent a pro forma Borrowing Base Certificate that demonstrates that, immediately after giving effect to the removal of such real estate from the Borrowing Base, the Total Outstandings will not exceed the sum of (x) the Borrowing Base plus (y) 35% of the Domestic Blue Sky Value.

12.11 Funding Reliance. (a) Unless the Agent receives notice from a Lender by noon, Detroit time, on the day of a proposed borrowing for any borrowing other than a Same Day Loan (or by 3:00 P.M., Detroit time, on the day of a proposed borrowing for any Same Day Loan) that such Lender will not make available to the Agent an amount equal to its Pro Rata Share of such borrowing, the Agent may assume that such Lender has made such amount available to the Agent and, in reliance upon such assumption, make a corresponding amount available to the Company. If and to the extent such Lender has not made such amount available to the Agent: (i) the Company agrees to repay such amount to the Agent forthwith on demand, together with interest thereon at the interest rate applicable to Loans comprising such borrowing, (ii) the Agent shall be entitled to retain all interest payments paid by the Company allocable to such Lender’s Pro Rata Share of such borrowing for the period from the time such Lender was required to make such amount available to the Agent until such Lender actually makes such amount available or such amount is indefeasibly paid to the Agent by the Company and (iii) such Lender agrees to pay to the Agent forthwith upon demand the greater of (x) all reasonable and actual costs incurred by the Agent as a result of such failure and (y) interest on such amount for the Agent’s account, for each day from the date such amount was to have been delivered to the Agent until the date such amount is paid, at a rate per annum equal to the Federal Funds Rate from time to

time in effect. Nothing set forth in this clause (a) shall relieve any Lender of any obligation it may have to make any Loan hereunder.

(b) Unless the Agent receives notice from the Company prior to the due date for any payment hereunder (other than a Same Day Prepayment) that the Company does not intend to make such payment, the Agent may assume that the Company has made such payment and, in reliance upon such assumption, make available to each Lender its share of such payment. If and to the extent that the Company has not made any such payment to the Agent, each Lender which received a share of such payment shall repay such share (or the relevant portion thereof) to the Agent forthwith on demand. With respect to all payments other than Same Day Prepayments, if and to the extent such Lender does not so repay the Agent on demand, (i) the Agent shall be entitled to retain all interest payments paid by the Company allocable to such Lender's Pro Rata Share of such payment for the period from the time such Lender was required to so repay the Agent until such Lender actually pays the Agent such amount or the amount of such repayment is indefeasibly paid to the Agent by the Company and (ii) such Lender agrees to pay to the Agent forthwith upon demand the greater of (x) all reasonable and actual costs incurred by the Agent as a result of such failure to repay and (y) interest on such amount for the Agent's account, for each day from the date such Lender was required to so repay such amount to the Agent until the date such amount is paid, at a rate per annum equal to the Federal Funds Rate from time to time in effect. Nothing set forth in this clause (b) shall relieve the Company of any obligation it may have to make any payment hereunder.

(c) The Agent may always assume that the Company has made each Same Day Prepayment on the Business Day upon which the notice of the Same Day Prepayment was received by the Agent and may, in reliance upon such assumption, make available to each Lender its share of such Same Day Prepayment. With respect to each Same Day Prepayment that is not made by the Company on the same Business Day as the Agent received the notice of such Same Day Prepayment, (i) each Lender which received a share of such Same Day Prepayment shall repay such share to the Agent forthwith on demand, (ii) the Agent shall be entitled to retain all interest payments paid by the Company allocable to such Lender's Pro Rata Share of such payment for the period from the Business Day that the Agent received the notice of such Same Day Prepayment until such Lender actually pays the Agent such amount or the amount of such Same Day Prepayment is indefeasibly paid to the Agent by the Company and (iii) such Lender agrees to pay to the Agent forthwith upon demand the greater of (x) all reasonable and actual costs incurred by the Agent as a result of such failure to repay and (y) interest on its Pro Rata Share of such Same Day Prepayment, for the Agent's account, for each day from the date that such Lender was required to so repay the Agent until the date such amount is paid, at a rate per annum equal to the Federal Funds Rate from time to time in effect. Nothing set forth in this clause (c) shall relieve the Company of any obligation it may have to make any payment hereunder.

12.12 Enforcement. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against any Loan Party shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained

exclusively by, the Agent in accordance with Section 12.1 for the benefit of all the Lenders; provided that the foregoing shall not prohibit (a) the Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents, (b) any Lender from enforcing its right to payment when due of the principal of and interest on its Loans, fees and other amounts owing to such Lender under the Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 7.4 (subject to the terms of Section 7.5) or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any bankruptcy or insolvency law; and provided, further, that if at any time there is no Person acting as Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Agent pursuant to this Section 12 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 7.5, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

12.13 Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Company) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other amounts that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agent and their respective agents and counsel and all other amounts due the Lenders and the Agent under Sections 5, 13.6 and 13.13) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 5, 13.6 and 13.13.

SECTION 13 GENERAL.

13.1 Waiver; Amendments. No delay on the part of the Agent or any Lender in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any of them of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification,

waiver or consent shall (i) amend, modify or waive Section 7.5, (ii) increase the Revolving Commitment Amount or the L/C Commitment Amount, (iii) extend the date for payment of any principal of or interest on the Loans, any reimbursement obligation with respect to any Letter of Credit or any fees payable hereunder, (iv) reduce the principal amount of any Loan, the rate of interest thereon, any reimbursement obligation with respect to any Letter of Credit or any fees payable hereunder, (v) release all or a substantial number of the guarantors from the Guaranty or all or any substantial part of the collateral granted under the Collateral Documents, (vi) amend, modify or waive Section 6.3 or (vii) reduce the aggregate Pro Rata Share required to effect an amendment, modification, waiver or consent without, in each case, the consent of all Lenders. No amendment, modification, waiver or consent shall (w) amend or modify Section 9.6.1 or Section 9.6.2 so as to reduce the minimum financial ratios set forth therein, (x) amend or modify Section 9.6.3 or Section 9.6.4 so as to increase the maximum financial ratios set forth therein, (y) amend or modify Section 9.6.5, or (z) amend, modify or waive Section 11.1.2 to the extent such Section expressly refers to Dealer Financings without, in each case, the consent of the Required Lenders. No amendment, modification, waiver or consent shall increase or extend any Commitment of any Lender without the written consent of such Lender. The Agent shall not execute any material amendment, modification or waiver of, or material consent with respect to, any provision of the Guaranty or any Collateral Document unless the same shall be approved in writing by the Required Lenders, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No provision of Section 12 or other provision of this Agreement affecting the Agent in its capacity as such shall be amended, modified or waived without the consent of the Agent. No provision of this Agreement relating to the rights or duties of the Issuing Lender in its capacity as such shall be amended, modified or waived without the consent of the Issuing Lender.

13.2 Confirmations. The Company and each holder of a Note agree from time to time, upon written request received by it from the other, to confirm to the other in writing (with a copy of each such confirmation to the Agent) the aggregate unpaid principal amount of the Loans then outstanding under such Note.

13.3 Notices. Except as otherwise provided in Section 2.2 and in the last paragraph of Section 9.1, all notices hereunder shall be in writing (including facsimile transmission) and shall be sent to the applicable party at its address shown on Schedule 13.3 or at such other address as such party may, by written notice received by the other parties, have designated as its address for such purpose. Notices sent by facsimile transmission shall be deemed to have been given when sent and mechanical confirmation of such transmission has been received; notices sent by mail shall be deemed to have been given three Business Days after the date when sent by registered or certified mail, postage prepaid; and notices sent by hand delivery or overnight courier service shall be deemed to have been given when received. For purposes of Section 2.2, the Agent shall be entitled to rely on telephonic instructions from any person that the Agent in good faith believes is an authorized officer or employee of the Company, and the Company shall hold the Agent and each other Lender harmless from any loss, cost or expense resulting from any such reliance.

13.4 Computations. Where the character or amount of any asset or liability or item of income or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purpose of this Agreement, such determination or calculation shall, to the extent applicable and except as otherwise specified in this Agreement, be made in accordance with GAAP, consistently applied; provided that if the Company notifies the Agent that the Company wishes to amend any covenant in Section 9 to eliminate or to take into account the effect of any change in GAAP on the operation of such covenant (or if the Agent notifies the Company that the Required Lenders wish to amend Section 9 for such purpose), then the Company's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Company and the Required Lenders.

13.5 Regulation U. Each Lender represents that it in good faith is not relying, either directly or indirectly, upon any Margin Stock as collateral security for the extension or maintenance by it of any credit provided for in this Agreement.

13.6 Costs, Expenses and Taxes. The Company agrees to pay on demand all reasonable out-of-pocket costs and expenses of the Agent (including Attorney Costs) in connection with the preparation, execution, syndication, delivery and administration of this Agreement, the other Loan Documents and all other documents provided for herein or delivered or to be delivered hereunder or in connection herewith (including any amendment, supplement or waiver to any Loan Document), and all out-of-pocket costs and expenses (including Attorney Costs) incurred by the Agent and each Lender after an Event of Default in connection with the enforcement of this Agreement, the other Loan Documents or any such other documents. In addition, the Company agrees to pay, and to save the Agent and the Lenders harmless from all liability for, (a) any stamp or other taxes (excluding income taxes and franchise taxes based on net income) which may be payable in connection with the execution and delivery of this Agreement, the borrowings hereunder, the issuance of the Notes or the execution and delivery of any other Loan Document or any other document provided for herein or delivered or to be delivered hereunder or in connection herewith and (b) any fees of the Company's auditors in connection with any reasonable exercise by the Agent and the Lenders of their rights pursuant to Section 9.2. All obligations provided for in this Section 13.6 shall survive repayment of the obligations hereunder, cancellation of the Notes and termination of this Agreement.

13.7 Subsidiary References. The provisions of this Agreement relating to Subsidiaries shall apply only during such times as the Company has one or more Subsidiaries.

13.8 Captions. Section captions used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

13.9 Assignments; Participations.

13.9.1 Assignments. Any Lender may, with the prior written consents of the Agent and (so long as no Event of Default exists) the Company (which consents shall not be unreasonably delayed or withheld and, in any event, shall not be required for an assignment by a Lender to one

of its Affiliates or to any other Lender), at any time assign and delegate to one or more commercial banks or other Persons (any Person to whom such an assignment and delegation is to be made being herein called an “Assignee”) all or any fraction of such Lender’s Loans and Commitments (which assignment and delegation shall be of a constant, and not a varying, percentage of all the assigning Lender’s Loans and Commitments) in a minimum aggregate amount equal to the lesser of (i) the amount of the assigning Lender’s Pro Rata Share of the Revolving Commitment Amount and (ii) \$25,000,000; provided that (a) no assignment and delegation may be made to any Person if, at the time of such assignment and delegation, the Company would be obligated to pay any greater amount under Section 7.6 to the Assignee than the Company is then obligated to pay to the assigning Lender under such Section (and if any assignment is made in violation of the foregoing, the Company will not be required to pay the incremental amounts), (b) no assignment and delegation may be made to any Person that does not assign and delegate to such Person an equal Pro Rata Share of the Revolving Commitment Amount and the L/C Commitment Amount and all Revolving Loans and all Letters of Credit, (c) if, after giving effect to any assignment by the Agent, the Agent’s Pro Rata Share would be less than the Pro Rata Share of any other Lender, the Agent shall give each such Lender 60 days’ prior written notice of such assignment, (d) no assignment and delegation may be made to any Defaulting Lender or any of its Subsidiaries or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof and (e) the Company and the Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned and delegated to an Assignee until the date when all of the following conditions shall have been met:

(x) five Business Days (or such lesser period of time as the Agent and the assigning Lender shall agree) shall have passed after written notice of such assignment and delegation, together with payment instructions, addresses and related information with respect to such Assignee, shall have been given to the Company and the Agent by such assigning Lender and the Assignee,

(y) the assigning Lender and the Assignee shall have executed and delivered to the Company and the Agent an assignment agreement substantially in the form of Exhibit G (an “Assignment Agreement”), together with any documents required to be delivered thereunder, which Assignment Agreement shall have been accepted by the Agent, and

(z) except in the case of an assignment by a Lender to one of its Affiliates or another Lender, the assigning Lender or the Assignee shall have paid the Agent a processing fee of \$3,500.

From and after the date on which the conditions described above have been met, (x) such Assignee shall be deemed automatically to have become a party hereto and, to the extent that rights and obligations hereunder have been assigned and delegated to such Assignee pursuant to such Assignment Agreement, shall have the rights and obligations of a Lender hereunder and (y) the assigning Lender, to the extent that rights and obligations hereunder have been assigned and delegated by it pursuant to such Assignment Agreement, shall be released from its

obligations hereunder. Within five Business Days after the effectiveness of any assignment and delegation, the Company shall execute and deliver to the Agent (for delivery to the Assignee) a new Note (unless the Assignee was already a holder of a Note immediately prior to such effectiveness). Each such Note shall be dated the effective date of such assignment. Accrued interest on that part of the obligations being assigned shall be paid as provided in the Assignment Agreement. Accrued interest and fees on that part of the obligations not being assigned shall be paid to the assigning Lender. Accrued interest and accrued fees shall be paid at the same time or times provided in the predecessor Note and in this Agreement. Any attempted assignment and delegation not made in accordance with this Section 13.9.1 shall be null and void. Except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Company and the Agent, the applicable Pro Rata Share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent and each other Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Pro Rata Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Notwithstanding the foregoing provisions of this Section 13.9.1 or any other provision of this Agreement, any Lender may at any time assign all or any portion of its Loans and its Note to a Federal Reserve Bank (but no such assignment shall release any Lender from any of its obligations hereunder).

13.9.2 Participations. Any Lender may at any time sell to one or more commercial banks or other Persons participating interests in any Loan owing to such Lender, the Note held by such Lender, the Commitments of such Lender, the interest of such Lender in any Letter of Credit or any other interest of such Lender hereunder (any Person purchasing such participating interest being herein called a "Participant"). In the event of a sale by a Lender of a participating interest to a Participant, (x) such Lender shall remain the holder of its Note for all purposes of this Agreement, (y) the Company and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations hereunder and (z) all amounts payable by the Company shall be determined as if such Lender had not sold such participation and shall be paid directly to such Lender. No Participant shall have any direct or indirect voting

rights hereunder except with respect to any of the events described in the fourth sentence of Section 13.1. Each Lender agrees to incorporate the requirements of the preceding sentence into each participation agreement which such Lender enters into with any Participant. The Company agrees that if amounts outstanding under this Agreement and the Notes are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement and any Note to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement or such Note; provided that such right of setoff shall be subject to the obligation of each Participant to share with the Lenders, and the Lenders agree to share with each Participant, as provided in Section 7.5. The Company also agrees that each Participant shall be entitled to the benefits of Section 7.6 as if it were a Lender (provided that no Participant shall receive any greater compensation pursuant to Section 7.6 than would have been paid to the participating Lender if no participation had been sold).

13.10 Governing Law. This Agreement and each Note shall be a contract made under and governed by the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All obligations of the Company and rights of the Agent and the Lenders expressed herein or in any other Loan Document shall be in addition to and not in limitation of those provided by applicable law.

13.11 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

13.12 Successors and Assigns. This Agreement shall be binding upon the Company, the Lenders and the Agent and their respective successors and assigns, and shall inure to the benefit of the Company, the Lenders and the Agent and the successors and assigns of the Lenders and the Agent.

13.13 Indemnification.

(a) Indemnification by the Company. In consideration of the execution and delivery of this Agreement by the Agent and the Lenders and the agreement to extend the Commitments provided hereunder, the Company hereby agrees to indemnify, exonerate and hold the Agent, each Lender and each of the officers, directors, employees, Affiliates and agents of the Agent and each Lender (each a "Lender Party") free and harmless from and against any and all actions, causes of action, suits, losses, liabilities, damages and expenses, including Attorney Costs (collectively, the "Indemnified Liabilities"), incurred by the Lender Parties or any of them as a result of, or arising out of, or relating to (i) any tender offer, merger, purchase of stock, purchase of assets or other similar transaction financed or proposed to be financed in whole or in part, directly or indirectly, with the proceeds of any of the Loans, (ii) the use, handling, release,

emission, discharge, transportation, storage, treatment or disposal of any Hazardous Substance at any property owned or leased by the Company or any Subsidiary, (iii) any violation of any Environmental Laws with respect to conditions at any property owned or leased by the Company or any Subsidiary or the operations conducted thereon, (iv) the investigation, cleanup or remediation of offsite locations at which the Company or any Subsidiary or their respective predecessors are alleged to have directly or indirectly disposed of Hazardous Substances or (v) the execution, delivery, performance or enforcement of this Agreement or any other Loan Document by any of the Lender Parties, except for any such Indemnified Liabilities arising on account of the applicable Lender Party's gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final, non-appealable judgment. If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Company hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. All obligations provided for in this Section 13.13 shall survive repayment of the obligations hereunder, cancellation of the Notes, any foreclosure under, or any modification, release or discharge of, any or all of the Collateral Documents and termination of this Agreement.

(b) Reimbursement by Lenders. To the extent that the Company for any reason fails to indefeasibly pay any amount required under Section 13.13(a) to be paid by it to the Agent (or any sub-agent thereof) or any Lender Party of any of the foregoing, each Lender severally agrees to pay to the Agent (or any such sub-agent) or such Lender Party, as the case may be, such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Outstandings at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent) or against any Lender Party of any of the foregoing acting for the Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this Section 13.13(b) are several and not joint.

13.14 Waiver of Consequential Damages, etc.. To the fullest extent permitted by applicable law, the Company shall not assert, and hereby waives, any claim against any Lender Party, on any theory of liability, for indirect, special, punitive, consequential or exemplary damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Lender Party referred to in Section 13.13 shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

13.15 Nonliability of Lenders. The relationship between the Company on the one hand and the Lenders and the Agent on the other hand shall be solely that of borrower and lender. Neither the Agent nor any Lender shall have any fiduciary responsibility to the Company.

Neither the Agent nor any Lender undertakes any responsibility to the Company to review or inform the Company of any matter in connection with any phase of the Company's business or operations. The Company agrees that neither the Agent nor any Lender shall have liability to the Company (whether sounding in tort, contract or otherwise) for losses suffered by the Company in connection with, arising out of, or in any way related to the transactions contemplated and the relationship established by the Loan Documents, or any act, omission or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought. Neither the Agent nor any Lender shall have any liability with respect to, and the Company hereby waives, releases and agrees not to sue for, any special, indirect or consequential damages suffered by the Company in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

13.16 Forum Selection and Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE COMPANY HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK. THE COMPANY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

13.17 Waiver of Jury Trial. EACH OF THE COMPANY, THE AGENT AND EACH LENDER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY NOTE, ANY OTHER LOAN DOCUMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH OR ARISING FROM ANY LENDING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

13.18 Confidentiality. Each Lender agrees to take, and to cause its Affiliates to take, normal and reasonable precautions and exercise due care to maintain the confidentiality of all non-public information provided to it by the Company or any Subsidiary, or by the Agent on the Company's or any Subsidiary's behalf, under this Agreement or any other Loan Document, and neither such Lender nor any of its Affiliates shall use any such information other than in connection with or in enforcement of this Agreement and the other Loan Documents or in connection with other business now or hereafter existing or contemplated with the Company or any Subsidiary, except to the extent such information was or becomes generally available to the public other than as a result of disclosure by such Lender or was or becomes available on a non-confidential basis from a source other than the Company (provided that such source is not bound by a confidentiality agreement with the Company or any Subsidiary known to such Lender); provided, however, that any Lender may disclose such information (A) at the request or pursuant to any requirement of any Governmental Authority to which such Lender is subject or in connection with an examination of such Lender by any such authority, (B) pursuant to subpoena or other court process, when required to do so in accordance with the provisions of any applicable requirement of law, (C) to the extent reasonably required in connection with any litigation or proceeding to which the Agent or any Lender or any of their respective Affiliates may be party, (D) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Loan Document, (E) to such Lender's independent auditors and other professional advisors, (F) to any participant or assignee, actual or potential, provided that such Person agrees in writing to keep such information confidential to the same extent required of the Lenders hereunder, (G) as to any Lender or its Affiliate, as expressly permitted under the terms of any other document or agreement regarding confidentiality to which the Company or any Subsidiary is party or is deemed party with such Lender or such Affiliate, (H) to its Affiliates and (I) to any nationally recognized rating agency that requires access to information about such Lender's investment portfolio in connection with ratings issued to such Lender.

SCHEDULE 9.7

PERMITTED EXISTING DEBT

1. Obligations under the Fourth Amended and Restated Credit Agreement dated as of April 1, 2014, as amended, among Penske Automotive Group, Inc., various financial institutions and Mercedes-Benz Financial Services USA LLC.
2. Obligations under the Indenture for the \$550,000,000 3.50% senior subordinated notes due 2025, dated August 20, 2020, and the \$500,000,000 3.75% senior subordinated notes due 2029, dated June 15, 2021, each, by and among Penske Automotive Group, Inc., as Issuer, the subsidiary guarantors named therein and as supplemented, and The Bank of New York Mellon Trust Company, N.A., as trustee.
3. Obligations under the £200,000,000 revolving facility agreement as amended and restated on January 31, 2023, as amended, between the Company's U.K. subsidiaries, National Westminster Bank plc, and BMW Financial Services (GB) Limited.
4. Obligations under the AU \$100.0 million credit agreement dated November 18, 2022, as amended, and related guaranties, by and between Penske Australia and Daimler Truck Financial Services Australia Pty Ltd and various credit and banking arrangements with respect to the Company's Australian operations not to exceed AU \$200.0 million.
5. Penske Automotive Group, Inc. guarantee of up to €60 million to MAN Truck and Bus AG in connection with Penske Commercial Vehicles.
6. Letters of credit not to exceed \$75 million.
7. Surety Bonds delivered on behalf of the Company and any Domestic Subsidiary in connection with the ordinary course operation of the business consistent with past practice.
8. Obligations under the Canadian revolving facility agreement, dated as of February 16, 2022, as amended, by and between the Company's Canadian subsidiaries and Daimler Truck Financial Services Canada Corporation, including any amendments thereto or replacements thereof with one or more Lenders or any Affiliate of a Lender, in an aggregate amount not to exceed CAD 150,000,000.

EXHIBIT B

Amended Form of Compliance Certificate

[See attached]

EXHIBIT B

FORM OF COMPLIANCE CERTIFICATE

To: Mercedes-Benz Financial Services USA LLC, as Agent

Please refer to the Fifth Amended and Restated Credit Agreement dated as of May 1, 2015 (as amended, amended and restated or otherwise modified from time to time, the "Credit Agreement") among Penske Automotive Group, Inc. (the "Company"), various financial institutions and Mercedes-Benz Financial Services USA LLC, as agent (in such capacity, the "Agent"). Capitalized terms used but not otherwise defined herein are used herein as defined in the Credit Agreement.

- I. Reports. Enclosed herewith is a copy of the annual audited/quarterly report of the Company as at _____, 20__ (the "Computation Date"), which report fairly presents in all material respects the financial condition and results of operations [(subject to the absence of footnotes and to normal year-end adjustments)] of the Company as of the Computation Date and has been prepared in accordance with GAAP consistently applied.
 - II. Financial Tests. The Company hereby certifies and warrants to you that the financial ratios and/or financial restrictions set forth on Schedule 1 attached hereto are true and correct computations as at the Computation Date.
 - III. Current Assets Commitment Amount. The Company hereby elects [not] to include a Current Assets Commitment Amount [of \$ _____] in the applicable financial ratios and/or financial restrictions set forth on Schedule 1 attached hereto.
 - IV. Foreign Acquisitions and Foreign Investments. The Company further certifies to you that:
 1. the total amount of all consideration paid for all Foreign Acquisitions made by the Company and its Domestic Subsidiaries during the period covered by this compliance certificate (including cash and noncash purchase price, noncompetition payments, earnout payments, debt assumption and other similar consideration) was \$ _____; and
 2. the aggregate amount of all Foreign Investments by the Company and its Domestic Subsidiaries made during the period covered by this compliance certificate was \$ _____.
 - V. No Default. The officer signing this certificate has not become aware of any Event of Default or Unmatured Event of Default that has occurred and is continuing.
-

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed and delivered by its duly authorized officer on _____, 20__.

PENSKE AUTOMOTIVE GROUP, INC.

By: _____
Title: _____

Date: _____
For the fiscal quarter/year
ended _____

SCHEDULE 1
to the Compliance Certificate
(\$ in 000's)

I. Current Ratio (Section 9.6.1)

A. Consolidated Current Assets [(including the Current Assets Commitment Amount (item I.A.3. below))]: \$ _____

1. Maximum Availability: \$ _____

2. Specified Current Assets Commitment Amount: \$ _____

and 2): \$ _____]

B. Consolidated Current Liabilities [(including the Current Assets Commitment Amount (item I.A.3 above))]:
\$ _____

C. Ratio of A to B: _____ : 1.0

D. Permitted Ratio of A to B: Not less than 1.00:1.0.

II. Fixed Charge Coverage Ratio (Section 9.6.2)

A. EBITDAR:

1. EBITDA:

a. Consolidated Net Income: \$ _____

b. PLUS

(i) Interest Expense: \$ _____

(ii) income tax expense: \$ _____

(iii) depreciation and amortization: \$ _____

(iv) minority interest: \$ _____

(v) franchise taxes : \$ _____

Total additions: \$ _____

EBITDA (result of a plus b): \$ _____

2. Rental Expense: \$ _____

3. EBITDAR (result of 1 plus 2): \$ _____

B. Capital Expenditures (other than, without duplication, Acquisition Capital Expenditures and Financed Capital Expenditures): \$ _____

C. Result of A minus B: \$ _____

D. Sum of:

1. Interest Expense to the extent paid in cash \$ _____

2. Rental Expense: \$ _____

3. income tax expense of the Company and its Subsidiaries
to the extent paid in cash: \$ _____

4. scheduled payments of principal of Debt for the
Company and its Subsidiaries: \$ _____

5. Total: \$ _____

- E. Ratio of C to D.5: _____:1.0
- F. Permitted Ratio of C to D.5: Not less than
1.10:1.0.

III. Ratio of Non-Floorplan Debt to Stockholders' Equity (Section 9.6.3)

- A. Debt of the Company and its Subsidiaries [(including the Current Assets Commitment Amount (item I.A.3))]
\$ _____
- B. LESS:
1. contingent obligations in respect of Suretyship Liabilities (except to the extent constituting Suretyship Liabilities in respect of Debt of a Person other than the Company or a Subsidiary): \$ _____
 2. Hedging Obligations: \$ _____
 3. Debt of the Company to Subsidiaries and Debt of Subsidiaries to the Company or to other Subsidiaries: \$ _____
- Total subtractions: \$ _____
- C. Funded Debt (result of A minus B) \$ _____
- D. LESS:
1. Debt under Dealer Financings: \$ _____
 2. Real Estate Debt: \$ _____
- Total subtractions: \$ _____
- E. Result of C minus D \$ _____
- F. 1. Stockholders' Equity of the Company: \$ _____
- plus
2. Impairments to goodwill or franchise value: \$ _____
- Sum of F.1 plus F.2 \$ _____
- G. Ratio of E to F _____ to 1.0

H. Permitted Ratio of E to F: Not greater
than 1.3 to 1.0

IV. Funded Debt to EBITDA Ratio (Section 9.6.4)

A. Funded Debt (item III. C above) \$ _____

B. LESS:

1. Debt under Dealer Financings: \$ _____

2. Real Estate Debt: \$ _____

3. Subordinated Debt: \$ _____

Total subtractions: \$ _____

C. Result of A minus B: \$ _____

D. EBITDA (item II.A.1 above, subject to pro forma
adjustments for Material Acquisitions and Material Dispositions): \$ _____

A. Ratio of C to D: _____ to 1.0

Permitted Ratio of C to D Not greater
than 2.5:1.0

V. Leverage Ratio.

A. Non-Vehicle Long Term Debt (all debt of the Company
determined on a consolidated basis in accordance with
GAAP, other than Floor Plan Financing): \$ _____

B. Leverage EBITDA

1. EBITDA:

a. Consolidated Net Income: \$ _____

b. PLUS:

(i) Interest Expense: \$ _____

(ii) income tax expense: \$ _____

(iii) depreciation and amortization: \$ _____

(iv) minority interest: \$ _____

(v) franchise taxes : \$ _____

c. EBITDA \$ _____

2. [PLUS][MINUS] (the net of):

(i) Any one-time items (e.g., impairments, write-downs, extraordinary losses, extraordinary gains) identified by the Company in its quarterly or annual earnings press releases filed with or furnished to the SEC: \$ _____

3. Leverage EBITDA (result of 1 [plus][minus] 2): \$ _____

C. Ratio of A to B: _____ to 1.0

List of Guarantor Subsidiaries of Penske Automotive Group, Inc.

Penske Automotive Group, Inc. is the issuer of (i) 3.50% senior subordinated notes due 2025 and (ii) 3.75% senior subordinated notes due 2029 (collectively, the “Notes”). The following subsidiaries are guarantors of these Notes as of March 31, 2025:

ATC CHATTANOOGA, LLC	CLASSIC TURNERSVILLE, INC.	LANDERS AUTO SALES, LLC
ATC KNOXVILLE, LLC	D. YOUNG CHEVROLET, LLC	LANDERS FORD NORTH, INC.
ATC REALTY INVESTMENTS, LLC	DAN YOUNG CHEVROLET, INC.	LATE ACQUISITION I, LLC
ATC WEST TEXAS, LLC	DAN YOUNG MOTORS, LLC	LATE ACQUISITION II, LLC
AUTO MALL PAYROLL SERVICES, INC.	DANBURY AUTO PARTNERSHIP	MOTORCARS ACQUISITION IV, LLC
CARSHOP HOLDINGS, LLC	DEALER ACCESSORIES, LLC	MOTORCARS ACQUISITION V, LLC
CARSHOP, LLC	DIFEO NISSAN PARTNERSHIP	MOTORCARS ACQUISITION VI, LLC
CARSHOP SUPERCENTERS, LLC	DIFEO PARTNERSHIP, LLC	MOTORCARS ACQUISITION, LLC
CJNS, LLC	DIFEO TENAFLY PARTNERSHIP	OCT PARTNERSHIP
CLASSIC AUTO GROUP, INC.	DON ALLEN AUTO SERVICE, INC.	PAG ACQUISITION 27, LLC
CLASSIC ENTERPRISES, LLC	ECARSHOP, LLC	PAG ACQUISITION 28, LLC
CLASSIC IMPORTS, INC.	EUROPA AUTO IMPORTS, INC.	PAG ACQUISITION 71, LLC
CLASSIC MANAGEMENT COMPANY, INC.	FLORIDA CHRYSLER PLYMOUTH, INC.	PAG ANNAPOLIS JL1, LLC
CLASSIC MOTOR SALES, LLC	FRN OF TULSA, LLC	PAG ATLANTA MANAGEMENT, LLC
CLASSIC NISSAN OF TURNERSVILLE, LLC	GENE REED CHEVROLET, INC.	PAG AUSTIN L1, LLC
CLASSIC OLDSMOBILE-PONTIAC-GMC TRUCK, LTD.	GMG MOTORS, INC.	PAG AZ PROPERTIES, LLC
CLASSIC SPECIAL ADVERTISING, INC.	GOODSON SPRING BRANCH, LLC	PAG BEDFORD A1, LLC
CLASSIC SPECIAL AUTOMOTIVE GP, LLC	HBL, LLC	PAG BEDFORD P1, LLC
CLASSIC SPECIAL AUTOMOTIVE, LTD.	HILL COUNTRY IMPORTS, LTD.	PAG BEDFORD PROPERTIES, LLC
CLASSIC SPECIAL HYUNDAI, LTD.	HT AUTOMOTIVE, LLC	PAG CENTRAL 262, LLC
CLASSIC SPECIAL, LLC	HUDSON MOTORS PARTNERSHIP	PAG CENTRAL 266, LLC
	KMT/UAG, INC.	PAG CHANDLER JLR, LLC
		PAG CHANTILLY M1, LLC
		PAG CHANTILLY P1, LLC
		PAG CHARLOTTE M1, LLC
		PAG CLOVIS T1, INC.

PAG CONNECTICUT LR1, LLC
PAG DAVIE P1, LLC
PAG DISTRIBUTOR S1, LLC
PAG EAST, LLC
PAG EAST 295, LLC
PAG EAST 296, LLC
PAG GOODYEAR F1, LLC
PAG GREENWICH B1, LLC
PAG GREENWICH HOLDINGS, LLC
PAG INDIANA G1, LLC
PAG INDIANA H1, LLC
PAG INTERNATIONAL SERVICES, LLC
PAG INVESTMENTS, LLC
PAG LEANDER H1, LLC
PAG LEANDER H2, LLC
PAG MADISON L1, LLC
PAG MADISON T1, LLC
PAG MARIN M1, INC.
PAG MCALLEN H1, LLC
PAG MCALLEN T1, LLC
PAG MENTOR A1, INC.
PAG MICHIGAN 165, LLC
PAG NEW JERSEY A1, LLC
PAG NEW JERSEY CS, LLC
PAG NEW JERSEY JL1, LLC
PAG NEW JERSEY JL2, LLC
PAG NEW JERSEY JL3, LLC
PAG NEW JERSEY P1, LLC
PAG NORTH ORANGE A1, INC.
PAG NORTH SCOTTSDALE BE, LLC

PAG NORTH SCOTTSDALE M1, LLC
PAG NORTH SCOTTSDALE PP1, LLC
PAG NORTHERN CALIFORNIA
MANAGEMENT, INC.
PAG ONTARIO B1, INC.
PAG ORANGE COUNTY L1, INC.
PAG ORANGE COUNTY
MANAGEMENT COMPANY, INC.
PAG ORANGE COUNTY RR1, INC.
PAG ORANGE COUNTY S1, INC.
PAG ORLANDO GENERAL, LLC
PAG ORLANDO LIMITED, LLC
PAG ORLANDO PARTNERSHIP, LTD.
PAG PENNSYLVANIA CS, LLC
PAG ROSWELL B1, LLC
PAG SANTA ANA AVW, INC.
PAG SANTA ANA B1, INC.
PAG SURPRISE T1, LLC
PAG TEMPE M1, LLC
PAG TEXAS 244, LLC
PAG TEXAS MANAGEMENT COMPANY,
LLC
PAG TL1, LLC
PAG TURNERSVILLE AU, LLC
PAG WEST 293, INC.
PAG WEST, LLC
PALM AUTO PLAZA, LLC
PEACHTREE NISSAN, INC.

PENSKE COMMERCIAL VEHICLES US,
LLC
PETER PAN MOTORS, INC.
PMRC, LLC
PREMIER PROTECTION LICENSING,
LLC
PREMIER PROTECTION PRODUCTS,
LLC
PTG OF IDAHO, LLC
PTG OF UTAH, LLC
PTG MISSOURI, LLC
PTG OREGON, LLC
PTG WISCONSIN, LLC
RELENTLESS PURSUIT ENTERPRISES,
INC.
SA AUTOMOTIVE, LTD.
SAU AUTOMOTIVE, LTD.
SCOTTSDALE 101 MANAGEMENT, LLC
SCOTTSDALE FERRARI, LLC
SCOTTSDALE MANAGEMENT GROUP,
LTD.
SCOTTSDALE PAINT & BODY, LLC
SDG AUTOMOTIVE INVESTMENTS,
LLC
SIGMA MOTORS INC.
SINGLE SOURCE TRUCK PARTS, LLC
SK MOTORS, LLC
SL AUTOMOTIVE, LLC
SUN MOTORS, LLC
TAMBURRO ENTERPRISES, INC.
THE AROUND THE CLOCK
FREIGHTLINER GROUP, LLC
UAG ATLANTA H1, LLC

UAG ATLANTA IV MOTORS, LLC
UAG CAPITOL, INC.
UAG CAROLINA, INC.
UAG CENTRAL REGION
MANAGEMENT, LLC
UAG CHANTILLY AU, LLC
UAG CLASSIC, INC.
UAG CLOVIS, INC.
UAG CONNECTICUT, LLC
UAG DULUTH, INC.
UAG EAST, LLC
UAG ESCONDIDO A1, INC.
UAG ESCONDIDO H1, INC.
UAG ESCONDIDO M1, INC.
UAG FAYETTEVILLE I, LLC
UAG FAYETTEVILLE II, LLC
UAG FAYETTEVILLE III, LLC
UAG FINANCE COMPANY, INC.
UAG HOUSTON ACQUISITION, LTD.
UAG HUDSON CJD, LLC

UAG HUDSON, INC.
UAG INTERNATIONAL HOLDINGS,
INC.
UAG KISSIMMEE MOTORS, LLC
UAG LANDERS SPRINGDALE, LLC
UAG LOS GATOS, INC.
UAG MARIN, INC.
UAG MEMPHIS II, INC.
UAG MENTOR ACQUISITION, LLC
UAG MINNEAPOLIS B1, LLC
UAG NORTHEAST, LLC
UAG REALTY, LLC
UAG ROYAL PALM M1, LLC
UAG SAN DIEGO A1, INC.
UAG SAN DIEGO AU, INC.
UAG SAN DIEGO MANAGEMENT, INC.
UAG STEVENS CREEK II, INC.
UAG TEXAS II, INC.
UAG TEXAS, LLC
UAG TULSA HOLDINGS, LLC

UAG TURNERSVILLE REALTY, LLC
UAG VK, LLC
UAG WEST BAY AM, LLC
UAG WEST BAY IAU, LLC
UAG WEST BAY II, LLC
UAG WEST BAY IL, LLC
UAG WEST BAY IM, LLC
UAG WEST BAY IP, LLC
UAG WEST BAY IW, LLC
UAG YOUNG II, INC.
UAG-CARIBBEAN, INC.
UNITED AUTO SCOTTSDALE
PROPERTY HOLDINGS, LLC
UNITED NISSAN, INC.
UNITED NISSAN, INC.
UNITED RANCH AUTOMOTIVE, LLC
UNITEDAUTO FINANCE, INC.
WEST PALM AUTO MALL, INC.
WTA MOTORS, LTD.

CERTIFICATION

I, Roger Penske, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Penske Automotive Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Roger Penske

Roger Penske

Chief Executive Officer

May 1, 2025

CERTIFICATION

I, Michelle Hulgrave, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Penske Automotive Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michelle Hulgrave

Michelle Hulgrave

Chief Financial Officer

May 1, 2025

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Penske Automotive Group, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Roger Penske and Michelle Hulgrave, Principal Executive Officer and Principal Financial Officer, respectively, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Roger Penske

Roger Penske

Chief Executive Officer

May 1, 2025

/s/ Michelle Hulgrave

Michelle Hulgrave

Chief Financial Officer

May 1, 2025

A signed original of this written statement required by Section 906 has been provided to Penske Automotive Group, Inc. and will be retained by Penske Automotive Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.