

Lithia Motors, Inc.

Stock Ownership Policy for Officers

The Board of Directors believes that the Company's Section 16 reporting officers ("Executives") and other officers should hold sufficient shares of Lithia Motors common stock to meaningfully share the risks and rewards of ownership with the Company's shareholders and to appropriately align the interests of officers with Lithia's long-term goals.

To that end, the Board of Directors has adopted the following policy:

- Each officer who is a Vice President or above is expected to own and maintain shares of common stock of the Company having a market value equal to the below multiple of annual base cash salary paid to the officer within seven years after appointment to the officer's respective position (the "Stock Ownership Requirement").

Position	Multiple of Salary
Chief Executive Officer	5
Chief Operating Officer or EVP	3
Senior Vice President	2
Vice President	1

- The following will be included for determining share ownership under this policy: (1) shares beneficially owned by the officer, as determined under SEC Rule 13d-3; (2) shares underlying time-vesting restricted stock and restricted stock units; and (3) shares held under any retirement plan or deferral arrangement, including the Company's 401(k) plan. Shares underlying unearned performance share units do not count when determining share ownership.
- A Stock Ownership Compliance Review is performed quarterly and a policy reminder is sent to employees on an annual basis. The Company will assess compliance with this policy at least annually as of December 31st of each year, based on the previous 40 trading day average closing price of the Company's common stock. If an officer's holdings at any time do not meet the Stock Ownership Requirement (including if the base salary paid to the officer increases or the market value of Company shares declines) the officer is expected to retain 50% of the net after-tax shares received as compensation and not otherwise transfer any shares until the Stock Ownership Requirement is again met.
- An officer may not pledge, or agree to pledge, Company stock or rights to purchase Company stock except as specifically approved by the Board of Directors.
- An officer may not effect puts, calls, short sales, sales against the box or any other derivative transaction involving Company common stock.
- An officer may not engage in hedging or monetization transactions with Company stock, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds.

From time to time circumstances may arise that require special consideration. Therefore, the Chair of the Compensation Committee may grant exceptions to the Stock Ownership Requirement for Executives in Chair's sole discretion, and the Chief Executive Officer may grant exceptions below the level of Executive.

Approved: July 31, 2026