

***metro***

***Notice of 2022 Annual General Meeting of  
Shareholders and Management Proxy Circular***

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For more information regarding how to vote your shares, please refer to pages 2 to 6 of this Circular. Please vote early to ensure that the voting rights associated to your shares are exercised during the Meeting. TSX Trust Company, our transfer agent, must have received your vote by 5:00 p.m. (Eastern Standard Time), on January 21, 2022.

Detailed voting instructions are provided on page 2 of this Circular. Your vote is important.

## Shareholder voting matters and voting recommendations

<b>Election of 12 Directors</b>	<b>Appointment of Ernst &amp; Young LLP, as external auditors</b>	<b>Advisory resolution on executive compensation</b>
The Board of Directors and management recommend voting <b>FOR each nominee</b> .	The Board of Directors and management recommend voting <b>FOR the appointment of the external auditors</b> .	The Board of Directors recommends voting <b>FOR the advisory resolution</b> .
More information on page 6	More information on page 7	More information on page 7
<b>Approving the reconfirmation and the amendment and restatement of shareholder rights plan</b>	<b>Shareholder Proposals</b>	
The Board of Directors and management recommend voting <b>FOR the reconfirmation and the amendment and restatement of the shareholder rights plan</b> .	The Board of Directors and management recommend voting <b>AGAINST each shareholder proposal</b> .	
More information on page 7	More information on page 9	

# Notice of 2022 Annual General Meeting of Shareholders

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## When

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Tuesday, January 25, 2022 at 10:00 a.m. (Eastern Standard Time)

## Where

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Virtually via a live webcast at <https://web.lumiagm.com/409548244>

## Business of the Meeting

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1. receiving the Consolidated Financial Statements of the Corporation for the financial year ended September 25, 2021 and the report of the independent auditors thereon;
2. electing directors;
3. appointing auditors;
4. considering and, if deemed appropriate, passing an advisory resolution on the Corporation's approach to executive compensation as described on page 7 of the Management Proxy Circular (the "Circular");
5. considering and, if deemed appropriate, adopting an ordinary resolution approving the reconfirmation and the amendment and restatement of the Corporation's shareholder rights plan, all as more particularly described on pages 7 and following of the Circular;
6. considering and voting on the shareholder proposals set forth in Exhibit C on pages 63 and following of the Circular; and
7. transacting such other business as may properly be brought forward at the Meeting.

The holders of common shares of record at the close of business (Eastern Standard Time) on December 10, 2021 are entitled to receive notice of, to attend and to vote at this Meeting.

## Documents related to the Meeting

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METRO INC. has decided to use the Notice and Access rules adopted by the Canadian Securities Administrators to reduce the volume of paper with respect to materials distributed for the purpose of the Meeting. Instead of receiving the Circular, shareholders will receive a Notice of Meeting with instructions on how to access the remaining Meeting materials online together with the form of proxy or voting instruction form, as the case may be. The Circular and other relevant materials are available on SEDAR ([sedar.com](http://sedar.com)) or on the Corporation's corporate website ([corpo.metro.ca/en/investor-relations/annual-general-meeting.html](http://corpo.metro.ca/en/investor-relations/annual-general-meeting.html)). Shareholders are advised to review the Meeting materials prior to voting. Any shareholder who wishes to receive a paper copy of the Meeting materials may, at no cost, request such printed copies by calling our proxy solicitation agent TMX Investor Solutions Inc. toll-free at 1 800 246-2916, if you are in North America, or at 1 416 682-3825, if you are outside North America, or by emailing your request to [inquiries@dfking.com](mailto:inquiries@dfking.com).

If a paper copy of the Meeting materials is required, we recommend sending the request as soon as possible, and ideally before January 13, 2022, in order to allow shareholders sufficient time to receive and review said Meeting materials and return the form of proxy or voting instruction form in the prescribed time.

### Note:

**The holders of common shares who are unable to attend the Meeting are requested to proceed according to the instructions provided in the Circular, and to return the form of proxy or voting instruction form at their earliest convenience, but before 5:00 p.m. (Eastern Standard Time) on January 21, 2022.**

**Shareholders may register and log into the live webcast platform as of 9:00 a.m. (Eastern Standard Time) on January 25, 2022. We would appreciate your early registration so that the Meeting may start promptly at 10:00 a.m. (Eastern Standard Time).**

By order of the Board of Directors,



Simon Rivet  
Corporate Secretary  
Montréal, Québec  
December 10, 2021

# 1. Voting information

This Management Proxy Circular (the “Circular”) is provided in connection with the solicitation of proxies for the Annual General Meeting of Shareholders (the “Meeting”) of METRO INC. (the “Corporation”, “METRO” or “we”) to be held on **Tuesday, January 25, 2022**, at the place and time and for the purposes set forth in the enclosed notice of said Meeting (the “Notice of Meeting”), and all adjournments thereof.

**The proxy is being solicited by the management of the Corporation.** The solicitation will be made primarily by mail, but the directors, officers and employees of the Corporation may also solicit proxies by telephone, by fax,

## 1.1 How to vote

Holders of shares of record at the close of business in Montréal (Québec), on December 10, 2021 (the “Record Date”) will be entitled to attend the Meeting and any adjournment thereof and exercise the voting rights attached to their shares.

over the Internet, through advertisements or in person. The Corporation will also retain the services of other parties to solicit proxies, in particular TMX Investor Solutions Inc. The solicitation costs will be at the expense of the Corporation, including any costs in connection with the services provided by TMX Investor Solutions Inc. which are estimated at approximately \$35,500.

In addition, the Corporation will, upon request, reimburse brokers and nominees for expenses reasonably incurred for forwarding voting instruction forms and accompanying material to beneficial owners of common shares of the Corporation.

You are either a registered shareholder or a non-registered shareholder. You can vote in both cases, but the voting instructions vary depending on your status, as described below. The Corporation’s transfer agent is TSX Trust Company (“TSX Trust”).

### Registered shareholders

You are a registered shareholder if your name appears on a share certificate or on a direct registration statement of our transfer agent, TSX Trust. If you receive a form of proxy, it means that you are a registered shareholder.

### Non-registered shareholders

You are a non-registered shareholder when an intermediary (a bank, a trust company, a broker or another financial institution) holds your shares for your benefit. If you receive a voting instruction form, it means you are a non-registered shareholder.

## Option 1 – Voting rights exercised by proxy (in advance)

### Registered shareholders

Voting instructions can be given in multiple manners:



#### Internet

Go to [www.astvotemyproxy.com](http://www.astvotemyproxy.com) and follow the instructions.



#### Phone

Dial 1 888 489-7352 and follow the instructions.



#### Email

Fill your form of proxy, scan it and send it by email at [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com).



#### Fax

Fill your form of proxy and return it to 1 866 781-3111 (Canada and United States) or to 1 416 368-2502 (other countries).



#### Mail

Return your filled form of proxy in the included prepaid envelope at:  
TSX Trust Company  
P.O. Box 721  
Agincourt (Ontario) M1S 0A1

All forms of proxy must be received by 5:00 p.m. (Eastern Standard Time) on January 21, 2022

### Non-registered shareholders

You will receive a voting instruction form from your representative with respect to shares held on your behalf. This form will contain instructions pertaining to the execution and transmission of the document.



#### Internet

Go to [www.proxyvote.com](http://www.proxyvote.com) and follow the instructions.



#### Phone

Dial 1 800 474-7493 and follow the instructions.



#### Mail

Return your filled voting instruction form in the prepaid envelope included with your voting instruction form.

All voting instruction forms must be returned to your intermediary by 5:00 p.m. (Eastern Standard Time) on January 21, 2022.

## Option 2 – Voting online during the live webcast

### Registered shareholders

If you wish to vote during the live Meeting, you do not have to return a form of proxy, you must follow these steps:

1. You must register online at least 15 minutes before the Meeting using an Internet connected device such as a laptop, computer, tablet or mobile phone at <https://web.lumiagm.com/409548244>;
2. Enter the 13-digit control number that appears on your form of proxy, as your control number, and “metro2022” (case sensitive) as your password.

A vote during the webcast of the Meeting will cancel any vote submitted through a form of proxy before the Meeting.

### Non-registered shareholders

If you wish to vote during the live Meeting, you must follow these steps:

1. Name yourself as proxyholder on your voting instruction form. To do so, you have to write your name in the space provided for such purpose on the voting instruction form and follow the instructions for submitting such voting instruction form.
2. **YOU MUST ALSO REGISTER YOUR PROXYHOLDER WITH TSX TRUST THROUGH ONE OF THE FOLLOWING METHODS by 5:00 p.m. (Eastern Standard Time) on January 21, 2022 so that TSX Trust may provide you with a 13-digit proxyholder control number via email:**
  - a. **Call TSX Trust at 1 866 751-6315 (toll free in Canada and the United States) or 1 212 235-5754 (other countries); OR**
  - b. **Complete the online form at [www.tsxtrust.com/control-number-request](http://www.tsxtrust.com/control-number-request).**

To be able to participate, interact, ask questions or vote at the Meeting, you must have the 13-digit proxyholder control number and you have to appoint yourself as proxyholder in the voting instruction form. Otherwise, you will only be able to attend as a guest.

On the day of the Meeting:

1. You must register online at least 15 minutes before the Meeting using an Internet connected device such as a laptop, computer, tablet or mobile phone at <https://web.lumiagm.com/409548244>;
2. Enter the 13-digit proxyholder control number, as your control number, and “metro2022” (case sensitive) as your password.

in North America, or at 1 416 682-3825, if you are outside North America, or by emailing your request at [inquiries@dfking.com](mailto:inquiries@dfking.com).

### QUESTIONS

If you have any questions with respect to the foregoing, wish to receive an additional copy of this Circular or need help to vote, we invite you to contact TMX Investor Solutions Inc. by calling toll-free at 1 800 246-2916, if you are

## 1.2 Rules of conduct for the virtual Meeting

The Corporation has decided to hold the Meeting virtually in order to mitigate health and safety risks for the Corporation’s shareholders, employees and directors as well as the other people attending the Meeting and to maximize shareholder attendance for those who would be unable to attend in person. As such, shareholders will not be able to attend the Meeting in person. To ensure the effective conduct of the Meeting, the following rules will apply during the Meeting.


Only registered shareholders and duly appointed and registered proxyholders will be eligible to vote and have the opportunity to ask questions during the Meeting, provided they are connected to the Internet and comply with the requirement set out herein. Non-registered shareholders who did not appoint themselves as proxyholders and registered themselves with TSX Trust to obtain a 13-digit proxyholder control number by the 5 p.m. (Eastern Standard Time) voting deadline on January 21, 2022 will only be able to log in to the Meeting as guests. In such case, it will not be possible for them to vote or ask questions.

For any question on joining or attending the Meeting or on voting procedures,

please refer to the “User Guide – Virtual Meeting” which is included in the mailing envelope sent to shareholders and is available on the Corporation’s website ([corpo.metro.ca](http://corpo.metro.ca)) and on SEDAR ([sedar.com](http://sedar.com)). For live technical assistance during the Meeting, please contact TSX Trust at 1 800 387-0825.

If you attend the Meeting online, it is important that you are connected to the Internet at all times during the Meeting in order to be able to vote when solicited. It is your responsibility to ensure you stay connected for the duration of the Meeting. You should allow ample time to check into the online Meeting and complete the related procedure.

Shareholders will be able to submit their votes by virtual ballot throughout the Meeting. The Chair of the Meeting will indicate the time of opening and closure of the polls. Voting options will be visible on your screen.

It is recommended to shareholders and proxyholders to submit their questions as soon as possible during the Meeting so they can be addressed at the right time. There are two (2) ways to ask questions during the Meeting. Questions may be submitted in writing by using the relevant dialog box in the function “Ask a question” by clicking on the  icon during the Meeting. Questions may

also be asked over the telephone. To do so, the shareholder or proxyholder will need to submit its telephone number by using the relevant dialog box in the function "Ask a question" by clicking on the 🗨️ icon during the Meeting in order to be reached by telephone at the appropriate time. Your telephone number will not be shared with the other Meeting attendees. Only shareholders and duly appointed and registered proxyholders may ask questions during the question period.

The Chair of the Board of Director of the Corporation (the "Board" or the "Board of Director") and members of management present at the Meeting will answer questions relating to matters to be voted on before a vote is held on each matter, if applicable. General questions will be addressed by them at the end of the Meeting during the question period.

So that as many questions as possible are answered, shareholders and proxyholders are asked to be brief and concise and to address only one topic per question. Questions from multiple shareholders on the same topic or that are otherwise related will be grouped, summarized and answered together.

All shareholder questions are welcome. However, the Corporation does not intend to address questions that:

- are irrelevant to the Corporation's operations or to the business of the Meeting;
- are related to non-public information about the Corporation;
- are related to personal grievances;
- constitute derogatory references to individuals or that are

otherwise offensive to third parties;

- are repetitious or have already been asked by other shareholders;
- are in furtherance of a shareholder's personal or business interest; or
- are out of order or not otherwise appropriate as determined by the Chair or Secretary of the Meeting in their reasonable judgment.

For any questions asked but not answered during the Meeting, shareholders may contact the Corporation's Corporate Secretary at [secretaire.corpo@metro.ca](mailto:secretaire.corpo@metro.ca).

Shareholders who submitted proposals before the Meeting will be allowed to present their proposals over the telephone during the Meeting. The duration of this presentation should not exceed the time needed to read the text accompanying each proposal reproduced in the Circular.

The Corporation intends to offer a forum in which, to the extent possible using the electronic solutions available at the time of the Meeting, shareholders can adequately communicate during the Meeting. An audio and video webcast of the Meeting will be available on the Corporation's corporate website ([corpo.metro.ca/en/investor-relations/annual-general-meeting.html](http://corpo.metro.ca/en/investor-relations/annual-general-meeting.html)).

In the event of technical malfunction or other significant problem that disrupts the Meeting, the Chair of the Meeting may adjourn, recess, or expedite the Meeting, or take such other action as the Chair determines is appropriate considering the circumstances.

## 1.3 Proxyholder

### Appointment of a proxyholder

As a shareholder, you have the right to appoint another person (a "Proxyholder") to attend the Meeting and exercise your voting rights. **You have the right to appoint a Proxyholder other than the persons whose names already appear as Proxyholders in the form of proxy or voting instruction form, by inserting the name of the Proxyholder of your choice in the blank space.** The Proxyholder need not be a shareholder of the Corporation. If the shareholder is a corporation, the form of proxy or voting instruction form must be executed by a duly authorized officer or a representative thereof.

The following steps apply to shareholders who wish to appoint a Proxyholder other than the persons whose names already appear as Proxyholders in the form of proxy or voting instruction form, including non-registered shareholders who wish to appoint themselves as Proxyholder to **attend, participate or vote at the Meeting.**

#### Registered shareholders

Registered shareholders have received their 13-digit control number with their form of proxy. This control number is **only** valid for a registered shareholder. A registered shareholder who wishes that his Proxyholder attend the Meeting and be able to vote must proceed as follows to obtain a 13-digit proxyholder control number for their Proxyholder:

1. Submit your form of proxy appointing that person as Proxyholder;
2. Register that Proxyholder, either by telephone or online, as described below.

Registering your Proxyholder by telephone:

1. Call TSX Trust at 1 866 751-6315 (toll free in Canada and the United States) or 1 212 235-5754 (other countries) by 5:00 p.m. (Eastern Standard Time) on January 21, 2022;
2. Register the Proxyholder with the TSX Trust agent;
3. Receive a 13-digit proxyholder control number via email.

Registering your Proxyholder online:

#### Non-registered shareholders

1. Insert your Proxyholder's name in the blank space provided in the voting instruction form and follow the instructions for submitting such voting instruction form.

**Note:** If you wish to attend, participate or vote at the Meeting, you must appoint yourself as your Proxyholder on your voting instruction form.

2. Register that Proxyholder, either by telephone or online, as described below.

Registering your Proxyholder by telephone:

1. Call TSX Trust at 1 866 751-6315 (toll free in Canada and the United States) or 1 212 235-5754 (other countries) by 5:00 p.m. (Eastern Standard Time) on January 21, 2022;
2. Register the Proxyholder with the TSX Trust agent;
3. Receive a 13-digit proxyholder control number via email.

Registering your Proxyholder online:

1. Visit [www.tsxtrust.com/control-number-request](http://www.tsxtrust.com/control-number-request) by 5:00 p.m. (Eastern Standard Time) on January 21, 2022;
2. Complete the online form;
3. Receive a 13-digit proxyholder control number via email.

1. Visit [www.tsxtrust.com/control-number-request](http://www.tsxtrust.com/control-number-request) by 5:00 p.m. (Eastern Standard Time) on January 21, 2022;
2. Complete the online form;
3. Receive a 13-digit proxyholder control number via email.

## Revocation of a proxy

As a shareholder, you have the right to revoke your proxy and appoint a new Proxyholder. Make sure that you send new instructions to the Corporation's transfer agent, TSX Trust, or if you are a non-registered shareholder, to your intermediary, by 5:00 p.m. (Eastern Standard Time) on January 21, 2022.

### Registered shareholders

You may revoke your proxy in the following manners:

- by way of written notice duly executed by yourself, by the representative who has written authorization to act on your behalf or, if the shareholder is a corporation, by a duly authorized officer or a representative thereof, and submit said revocation to the transfer agent of the Corporation, TSX Trust, by 5:00 p.m. (Eastern Standard Time) on January 21, 2022;
- by voting again on the day of the Meeting; or
- by filling and returning a new form of proxy to the transfer agent of the Corporation, TSX Trust, by 5:00 p.m. (Eastern Standard Time) on January 21, 2022.

### Non-registered shareholders

You may revoke your proxy in the following manners:

- by way of written notice duly executed by yourself, by the representative who has written authorization to act on your behalf or, if the shareholder is a corporation, by a duly authorized officer or a representative thereof, and submitted to your intermediary, by 5:00 p.m. (Eastern Standard Time) on January 21, 2022; or
- by filling and returning a new voting instruction form to your intermediary, by 5:00 p.m. (Eastern Standard Time) on January 21, 2022.

## 1.4 Exercise of discretion

The form of proxy or the voting instruction form, once completed, confers discretionary authority upon the Proxyholder with respect to all amendments to matters set forth in the Notice of Meeting and any other matter which may

properly be brought before the Meeting. As at the date of this Circular, the management of the Corporation is unaware of any such amendments or other matters to be brought at the Meeting.

**Unless contrary instructions are indicated in the form of proxy or voting instruction form, your voting rights will be exercised as follows:**



**FOR electing each director nominated by management**



**FOR the appointment of Ernst & Young LLP, Chartered Professional Accountants as external auditors of the Corporation**



**FOR the advisory resolution on executive compensation**



**FOR the adoption of a resolution approving the reconfirmation and amendment and restatement of the Corporation's shareholder rights plan**



**AGAINST each of the shareholder proposals set forth in Exhibit C**

## 1.5 Notice and access rules

The Corporation has decided to use the Notice and Access rules adopted by the Canadian Securities Administrators to reduce the volume of paper with respect to materials distributed for the purpose of the Meeting. Instead of receiving this Circular, shareholders will receive a Notice of Meeting with the proxy or, as the case may be, voting instruction form along with instructions on how to access the Meeting materials online. The Corporation, via its transfer agent TSX Trust, will send the Notice of Meeting and form of proxy directly to registered shareholders. The Corporation will pay for intermediaries to deliver the Notice of Meeting, voting instruction form and other Meeting materials requested by non-registered shareholders.

This Circular and other relevant materials are available on the Corporation's corporate website ([corpo.metro.ca](http://corpo.metro.ca)) or on SEDAR ([sedar.com](http://sedar.com)).

If you would like to receive a printed copy of the Meeting materials by mail, at no cost, you must request same from TMX Investor Solutions Inc. by calling toll-free at 1 800 246-2916, if you are in North America, or at 1 416 682-3825, if you are outside North America, or by emailing your request at [inquiries@dfking.com](mailto:inquiries@dfking.com).

To ensure that you receive the materials in advance of the voting deadline and the Meeting, we recommend that you send your request before January 13, 2022 to ensure timely receipt. If you request a paper copy of the materials,



please take note that no additional form of proxy or voting instruction form shall be sent to you. Therefore, please make sure that you retain the form that you received with the Notice of Meeting for voting purposes.

To obtain a printed copy of the materials after the Meeting, please contact TMX Investor Solutions Inc. by calling toll-free at 1 800 246-2916, if you are in North America, or at 1 416 682-3825, if you are outside North America, or by emailing your request at [inquiries@dfking.com](mailto:inquiries@dfking.com).

## 1.6 Voting securities and principal holders thereof

The common shares (the "Share(s)") constitute the only class of shares of the Corporation carrying voting rights at a general meeting of shareholders. Each Share entitles its holder to one (1) vote. Each holder of Shares is entitled, at a meeting or any adjournment thereof, to one (1) vote for each Share registered in such holder's name at the close of business (Eastern Standard Time) on the Record Date.

issued and outstanding, representing 100% of the votes attached to all Shares of the Corporation.

To the knowledge of the directors and officers of the Corporation, the only person who, as at December 3, 2021, exercised or claimed to exercise beneficial ownership, control or direction over 10% of the Corporation's Shares was:

As at December 3, 2021, there were 240,967,649 Shares of the Corporation

Name	Approximate number of Shares	Approximate percentage of Shares
Fidelity Management & Research Company <sup>(1)</sup>	41,640,304	17.28%

<sup>(1)</sup> On the basis of the information available on SEDAR ([sedar.com](http://sedar.com)).

## 2. Business of the Meeting

### 2.1 Receiving the financial statements

The Consolidated Financial Statements of the Corporation for the financial year ended September 25, 2021 and the report of the independent auditors thereon will be submitted at the Meeting. These Consolidated Financial Statements appear in the Corporation's 2021 Annual Report (the "Annual

Report") that will be mailed to shareholders who requested it together with the Notice of Meeting. The Annual Report is available on SEDAR ([sedar.com](http://sedar.com)) as well as on the Corporation's corporate website ([corpo.metro.ca](http://corpo.metro.ca)).

### 2.2 Electing directors

The articles of the Corporation provide for a minimum of seven (7) and a maximum of 19 directors, which number is to be determined, from time to time, by resolution of the Board of Directors of the Corporation. The Board of Directors has set at 12 the number of directors for the upcoming year. The Corporation's By-laws provide that each director is elected for a one-year term beginning on the date of the annual meeting of shareholders during which such director is elected and ending at the following annual meeting of shareholders or upon the election of such director's successor, unless the director resigns or such director's seat becomes vacant as a result of death, removal or any other reason.

votes "for" with respect to the election in an uncontested election of directors during an annual general meeting of the shareholders will promptly offer his or her resignation to the Chair of the Board following said meeting of shareholders. The Governance Committee will consider such offer to resign and make a recommendation to the Board to accept it unless exceptional circumstances justify otherwise.

According to a policy of the Corporation, any person who was a director of the Corporation on January 30, 2012 may subsequently stand for election as a director, provided that at the time of such director's election he or she is under the age of 72. Any other person may stand for election as a director of the Corporation provided that at the time of such director's election, such director is under the age of 72 and has been a director of the Corporation for less than 12 years. Under special circumstances, the Board of Directors, upon recommendation of the Governance and Corporate Responsibility Committee (the "Governance Committee") can extend the term limit of a director for a maximum of three (3) one-year terms.

The Board will accept the offer to resign, unless exceptional circumstances justify otherwise, and issue a press release to that effect within 90 days following the meeting of shareholders, a copy of which will be sent to the Toronto Stock Exchange. The director who offered his or her resignation shall not take part in any of the Governance Committee's or the Board's meetings at which the resignation offer is being considered.

The full text of this policy can be found on the Corporation's corporate website ([corpo.metro.ca](http://corpo.metro.ca)).

Management recommends voting "FOR" the election of each of the 12 candidates proposed in this Circular.

### MAJORITY VOTING POLICY

The Board of Directors has adopted a policy providing that a nominee for the position of director who receives a greater number of votes "withheld" than

**Unless contrary instructions are indicated, the persons named as Proxyholder in the form of proxy or voting instruction form intend to vote "FOR" the election, as directors of the Corporation, of each of the 12 nominees whose names are set forth in this Circular. It should be noted that to be adopted, this resolution requires a favorable vote of a simple majority of the votes cast.**



## 2.3 Appointing the auditors

Ernst & Young LLP, Chartered Professional Accountants, (the “Auditors”) were first appointed as auditors of the Corporation on January 27, 1998, and have been acting in that capacity ever since. The Audit Committee has examined the quality of the work performed by the Auditors and has declared itself satisfied therewith. For more information on the review of the quality of the work of the Auditors, please refer to page 22 of this Circular.

At the 2021 annual general meeting of shareholders, the appointment of the Auditors was approved by 96.16% of the votes.

The Board of Directors and management are recommending that shareholders vote “FOR” the appointment of Ernst & Young LLP as auditors of the Corporation.

**Unless contrary instructions are indicated, the persons named as Proxyholders in the form of proxy or voting instruction form intend to vote “FOR” the appointment of Ernst & Young LLP, Chartered Professional Accountants as auditors of the Corporation at the Meeting. It should be noted that to be adopted, this resolution requires a favorable vote of a simple majority of the votes cast.**

### AUDITOR’S INDEPENDENCE

For the 2021 financial year, the Corporation’s Audit Committee obtained written confirmation from the Auditors of their independence and objectivity with respect to the Corporation, pursuant to the Code of Ethics of the Québec Order of Chartered Professional Accountants.

## 2.4 Considering an advisory resolution on executive compensation

The Board of Directors approved a say-on-pay advisory vote policy with respect to executive officers. The purpose of the say-on-pay advisory vote is to give shareholders the opportunity to vote on the Corporation’s approach to executive compensation at each annual general meeting of the shareholders. The Corporation’s approach to executive compensation is further described in the “Executive Compensation Discussion and Analysis” section on pages 29 to 44 of this Circular.

At the 2021 annual general meeting of shareholders, the Corporation’s approach to executive compensation was approved by 97.65% of the votes.

At the Meeting, shareholders will be asked to vote on the following advisory resolution:

“RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Corporation’s

## 2.5 Considering the reconfirmation and the amendment and restatement of the shareholder rights plan

The Corporation originally adopted, at the 2019 annual general meeting, a shareholder rights plan (the “Rights Plan”) pursuant to a shareholder rights plan agreement dated and effective January 29, 2019 (the “Original Rights Plan Agreement”) between the Corporation and AST Trust Company (Canada) (the “Rights Agent”). To remain effective, the Rights Plan must be reconfirmed every third annual meeting of shareholders of the Corporation, including at the Meeting, by resolution passed by a majority of the votes cast by the holders of common shares except those holders who do not qualify as Independent Shareholders (as defined in Exhibit A to this Circular). The

### FEES FOR THE SERVICES OF THE AUDITORS

For each of the financial years ended September 25, 2021 and September 26, 2020, the following fees were billed by the Auditors for audit services, audit-related services, tax services and other services provided by the Auditors:

	2021	2020
Audit fees	\$1,749,788	\$1,774,200
Audit-related fees	\$560,960	\$278,211
Tax fees	\$143,331	\$114,336
All other fees	—	—
<b>Total</b>	<b>\$2,454,079</b>	<b>\$2,166,747</b>

Audit-related fees consist primarily of fees invoiced for consultations concerning financial accounting or the presentation of financial information which are not categorized as “audit services”, fees invoiced for the audit of financial statements of pension plans and fees invoiced for the execution of tests on internal controls.

Tax fees consist primarily of fees invoiced for assistance with regulatory tax matters concerning federal and provincial income tax returns and sales tax and excise tax reporting, fees invoiced for consultations concerning the income tax, customs duty or sales tax impact of certain transactions, as well as fees invoiced for assistance with the annual audit or federal and provincial government audits involving income tax, sales tax, customs duties or deductions at source.

Management Proxy Circular delivered in advance of the 2022 annual meeting of shareholders of the Corporation.”

Given that the vote is held on an advisory basis, it will not be binding upon the Board of Directors. However, the Board of Directors will consider the outcome of the vote when reviewing and approving executive compensation policies and decisions.

The Board of Directors and management are recommending that shareholders vote “FOR” the approval of said resolution.

**Unless contrary instructions are indicated, the persons named as Proxyholders in the form of proxy or voting instruction form intend to vote “FOR” the advisory resolution on executive compensation. It should be noted that to be adopted, this resolution requires a favorable vote of a simple majority of the votes cast.**

Corporation has determined that there is no shareholder who would not qualify as Independent Shareholder for the purpose of the Meeting.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, approve, by ordinary resolution in the form set forth in Exhibit B to this Circular (the “Rights Plan Resolution”), the reconfirmation of the Rights Plan and the entering into by the Corporation of an amended and restated shareholder rights plan agreement (the “Restated and Amended Rights Plan Agreement”), between the Corporation and TSX Trust, as Rights Agent, providing for minor amendments to the Rights Plan essentially to reflect the

fact the Rights Agent is now named TSX Trust as a result of the merger of AST Trust Company (Canada) with TSX Trust on September 1, 2021.

The proposed amendments to the Original Rights Plan Agreement contained in the Amended and Restated Rights Plan Agreement also include certain clarifications in respect of non-certificated securities of the Corporation (including those represented by book entry form registration) and non-material changes to the sections of the Rights Plan related to the duties of the Rights Agent. The proposed amendments do not have any material impact on the rights of the shareholders or the rights holders under the Rights Plan. A summary of the Rights Plan, taking into account the proposed amendments contemplated by the Restated and Amended Right Plan Agreement, is attached as Exhibit A to this Circular. The complete text of the Amended and Restated Rights Plan Agreement, together with a version thereof showing the proposed amendments compared to the Original Rights Plan Agreement, is available on the Corporation's corporate website ([corpo.metro.ca](http://corpo.metro.ca)). Both the Original Rights Plan Agreement and the Amended and Restated Rights Plan Agreement are also available to any shareholder upon request. Shareholders wishing to receive a copy should contact the Corporation by email at [secretaire.corpo@metro.ca](mailto:secretaire.corpo@metro.ca), to the attention of the Corporate Secretary of the Corporation.

The objectives of the Rights Plan are to ensure, to the extent possible, that all shareholders and the Board of Directors have adequate time to consider and evaluate any unsolicited take-over bid for the Corporation, provide the Board of Directors with adequate time to evaluate any such take-over bid and explore and develop value-enhancing alternatives to any such take-over bid, encourage the fair treatment of the shareholders in connection with any such take-over bid, and generally assist the Board of Directors in enhancing shareholder value.

The Rights Plan was adopted and is being proposed to be reconfirmed by the Board of Directors as a governance best practice in the interest of the Corporation and all of its shareholders, given the widely-held ownership of the Corporation's common shares. It was not adopted and is not being proposed to be reconfirmed in response to any proposal to acquire control of the Corporation, nor is the Board of Directors currently aware of or anticipates any pending or threatened take-over bid for the Corporation.

In proposing the adoption of the Rights Plan at the 2019 annual general meeting, the Board of Directors considered the then existing legislative framework governing take-over bids in Canada, including significant amendments made in 2016.

As the legislative amendments made in 2016 do not apply to exempt take-over bids, there was at the time of the adoption of the Rights Plan in 2019 and there continues to be a role for shareholder rights plans in protecting issuers and preventing the unequal treatment of shareholders. Some areas of concern not addressed by the legislative amendments include:

- protecting against so-called "creeping bids" that are not required to be made to all shareholders. Creeping bids could involve the accumulation of more than 20% of the Corporation's common shares through purchases exempt from the Canadian take-over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of the Corporation's common shares over a stock exchange that could effectively block a take-over bid made to all shareholders, (iii) acquiring control through the slow accumulation

of the Corporation's common shares over a stock exchange and without paying a control premium, or (iv) acquiring control through the purchase of the Corporation's common shares in transactions outside of Canada not subject to Canadian take-over bid rules; and

- the use of so-called "hard" lock-up agreements by bidders, whereby existing shareholders commit to tender their shares to a bidder's take-over bid, that are either irrevocable or revocable but subject to preclusive termination conditions. Such agreements could have the effect of deterring other potential bidders from bringing forward competing bids particularly where the number of locked-up shares would make it difficult or unlikely for a competing bidder's bid to achieve the 50% minimum tender requirement imposed by the legislative amendments.

By applying to all acquisitions of 20% or more of the Corporation's outstanding voting Shares, except in limited circumstances including Permitted Bids (as defined in Exhibit A of this Circular), the Rights Plan is designed to ensure that all shareholders receive equal treatment. In addition, there may be circumstances where bidders request lock-up agreements that are not in the best interests of the Corporation or its shareholders and the Rights Plan encourages bidders to structure lock-up agreements so as to provide the locked-up shareholders with reasonable flexibility to terminate such agreements in order to deposit their shares to a higher value bid or support another transaction offering greater value.

The Rights Plan is therefore designed to encourage a potential acquirer who intends to make a take-over bid to proceed either by way of a Permitted Bid, which requires a take-over bid to meet certain minimum standards designed to promote the fair and equal treatment of all shareholders, or with the concurrence of the Board of Directors. If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Board of Directors, the Rights (as defined in Exhibit A of this Circular) to be issued to shareholders under the Rights Plan will entitle the holders thereof, other than the acquirer and certain related parties, to purchase additional common shares at a significant discount to market, thus exposing the person acquiring 20% or more of the common shares to substantial dilution of its holdings.

As a result of the foregoing considerations, the Board of Directors has determined that it is advisable and in the best interests of the Corporation to reconfirm the Rights Plan substantially in the form and on the terms of the Amended and Restated Rights Plan Agreement, subject to approval of such reconfirmation and amendment and restatement of the Rights Plan by shareholders at the Meeting. In recommending the approval of the Rights Plan, it is not the intention of the Board of Directors to preclude a bid for control of the Corporation. The Rights Plan provides a mechanism whereby shareholders may tender their shares to a take-over bid as long as it meets the criteria applicable to a Permitted Bid or Competing Permitted Bid, as the case may be, under the Rights Plan (discussed more fully in Exhibit A of this Circular). Furthermore, even in the context of a take-over bid that would not meet such criteria, but is made by way of a take-over bid circular to all of the Corporation's shareholders, the Board of Directors would still have a duty to consider such a bid and consider whether or not it should waive the application of the Rights Plan in respect of such bid. In discharging such duty, the Board of Directors must act with honesty and loyalty and in the interest of the Corporation.

The Rights Plan does not preclude any shareholder from using the proxy mechanism of the *Business Corporations Act* (Québec), the Corporation's governing statute, to promote a change in the Corporation's management or

in the Board of Directors, and it has no effect on the rights of holders of the Corporation's common shares to requisition a meeting of shareholders in accordance with the provisions of applicable legislation.

The Rights Plan is not expected to interfere with the Corporation's day-to-day operations. The issuance of Rights under the Rights Plan has not and the issuance of additional Rights in the future will not, in any way alter the financial condition of the Corporation, impede its business plans or alter its financial statements. In addition, the Rights Plan is initially not dilutive. However, if a Flip-in Event (as defined in Exhibit A of this Circular) occurs and the Rights separate from the common shares as described in Exhibit A of this Circular, reported net earnings per share and reported adjusted net earnings per share, on a fully-diluted or non-diluted basis, among other metrics, may be affected\*. In addition, holders of Rights not exercising their Rights after a Flip-in Event may suffer substantial dilution.

See the Summary of the Principal Terms of the Amended and Restated Rights Plan Agreement in Exhibit A starting on page 57 of this Circular.

The Toronto Stock Exchange has accepted notice for filing of the Amended and Restated Rights Plan Agreement, subject to approval of the Rights Plan

## 2.6 Shareholder proposals

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Exhibit C to this Circular sets forth five (5) proposals received from a shareholder along with the responses of the Corporation.

The Board of Directors and management are recommending that shareholders vote "AGAINST" each of the shareholder proposals set forth in Exhibit C starting on page 63 of this Circular.

Resolution by the shareholders at the Meeting. If the Rights Plan Resolution is approved by the shareholders at the Meeting, the Corporation will enter into the Amended and Restated Rights Plan Agreement, to be dated as of the date of the Meeting, the Rights Plan will be reconfirmed, and the Rights Plan will continue to be effective, with such amendments as set out in the Amended and Restated Rights Plan Agreement. If the Rights Plan Resolution is not approved, the Rights Plan and the Rights outstanding under the Rights Plan will terminate at the close of business on the date of the Meeting, unless terminated earlier in accordance with the terms of the Rights Plan, provided that termination will not occur if a Flip-in Event has occurred, and has not been waived, before that time.

The Board of Directors and management recommend that shareholders vote "FOR" the adoption of the Rights Plan Resolution which resolution is set forth in Exhibit B on page 62 of this Circular.

**Unless contrary instructions are indicated, the persons named as Proxyholders in the form of proxy or voting instruction form intend to vote "FOR" the adoption of the Rights Plan Resolution. It should be noted that to be adopted, this resolution requires a favorable vote of a simple majority of the votes cast.**

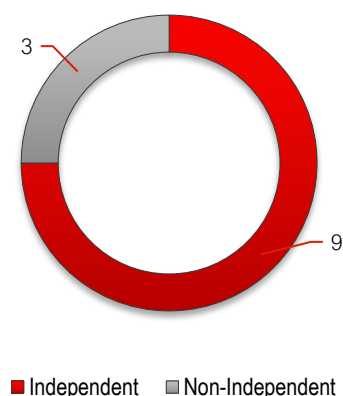
**Unless contrary instructions are indicated, the persons named as Proxyholders in the form of proxy or voting instruction form intend to vote "AGAINST" each of the shareholder proposals set forth in Exhibit C. It should be noted that to be adopted, these proposals require a favorable vote of a simple majority of the votes cast.**

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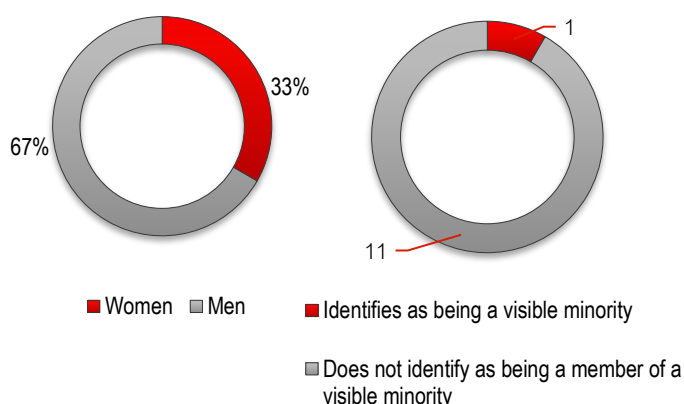
\* These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by the IFRS and therefore may not be comparable to similar measurements presented by other public companies.

### 3. Information on director nominees

#### SIZE OF THE BOARD AND INDEPENDENCE



#### DIVERSITY OF DIRECTOR NOMINEES



#### TOTAL EQUITY HOLDINGS OF DIRECTOR NOMINEES

The following table discloses the total holdings in Shares and deferred share units (“DSUs”) of the Corporation of the director nominees as of December 3, 2021 and December 4, 2020. The total value of Shares and DSUs is determined by multiplying the number of Shares and DSUs held by each director nominee by the closing price of the Shares on the Toronto Stock Exchange on December 3, 2021 (\$62.86) and on December 4, 2020 (\$59.51).

	December 3, 2021	December 4, 2020
Shares	323,964	318,380
DSUs	148,480	185,107
<b>Total value</b>	<b>\$29,697,830</b>	<b>\$29,962,511</b>

#### DIRECTOR NOMINEES

Nominees for the position of director are the current directors of the Corporation, except for Ms. Lori-Ann Beausoleil who is nominated for the first time as director, Mr. Claude Dussault who will be retiring at the end of the Meeting and Ms. Line Rivard who resigned on November 17, 2021, to accept the position of Delegate General of Québec in London, United Kingdom. In April 2021, the Board of Directors appointed Mr. Brian McManus as member of the Board. Mr. McManus is a director nominee at the Meeting.

**Unless contrary instructions are indicated, the persons named as Proxyholder in the form of proxy or voting instruction form sent to shareholders intend to vote “FOR” the election, as directors of the Corporation, of each of the 12 nominees whose names are set forth herein. It should be noted that to be adopted, this resolution requires a favorable vote of a simple majority of the votes cast.**

The Board of Directors considers that the composition of the group of proposed director nominees as well as the number of individuals in that group will allow the Board to function efficiently, in the Corporation’s and its stakeholders’ best interests.

Management of the Corporation does not expect that any such nominee will be unable or, for any reason, become unwilling to serve as a director, but if the foregoing should occur for any reason prior to the election, the persons named as Proxyholders in the form of proxy or voting instruction form may vote for another nominee of their choice.

The following tables describe the nominees for the position of director of the Corporation. Each nominee for the position of director of the Corporation holds the principal occupation indicated therein. The nominees’ experience as well as their previous functions, as applicable, are hereinafter summarized. The other boards of public corporations on which nominees currently serve, information relating to their board and committee meeting attendance and equity holdings in the Corporation are also mentioned. None of the nominees serve together on the same board of another public company, except for Ms. Maryse Bertrand and Mr. Russell Goodman who both serve on the board of directors of Gildan Activewear Inc. and for Ms. Maryse Bertrand and Mr. Pierre Boivin who both serve on the board of directors of the National Bank of Canada.

**Lori-Ann Beausoleil**  
**FCPA, FCA**  
 Mississauga (Ontario) Canada



**Corporate Director**  
 Age: 58  
 Status: **Independent**  
 Director since: n/a

2021 annual meeting votes in favour: n/a

Ms. Beausoleil is a recently retired Partner of PricewaterhouseCoopers LLP ("PwC"), where she most recently held the position of National Leader – Compliance, Ethics and Governance, as well as Real Estate Advisory Partner. She began her career at Coopers & Lybrand in 1986 and became a partner of PwC in 1999. Over her career, she held a variety of leadership positions including National Forensic Services Leader, a member of PwC's Deals Leadership Team, National Real Estate Leader and was the Chief Diversity and Inclusion Officer. Ms. Beausoleil is a member of the Board of Directors of Canadian Apartment Properties Real Estate Investment Trust and Slate Office REIT, where she acts as chair or member of various board committees. She is also a member of the Canadian Chartered Professional Accountants and the Chartered Professional Accountants of Ontario and is a CPA Ontario Fellow. She holds a Bachelor of Commerce degree from the University of Toronto.

**Maryse Bertrand**  
**Ad. E.**  
 Westmount (Québec) Canada



**Corporate Director and Business Advisor**  
 Age: 62  
 Status: **Independent**  
 Director since: 2015

2021 annual meeting votes in favour: **99.41%**

Ms. Bertrand is an advisor in corporate governance and risk management and a corporate director. She is a member of the Board of Directors of National Bank of Canada, PSP Investments, and Gildan Activewear Inc., where she acts as chair or member of various board committees. She is also Vice-Chair of the Board of Governors of McGill University and was, from 2019 to 2021, the Chair of the board of directors of the Institute of Corporate Directors (ICD) (Quebec Chapter). From 2016 to 2017, she was Strategic Advisor and Counsel at Borden Ladner Gervais LLP and, prior to that she was Vice-President, Real Estate Services, Legal Services and General Counsel at CBC/Radio-Canada, where she also chaired the National Crisis Management Committee and the board of directors of ARTV, a specialty channel. Prior to 2009, she was a partner of Davies Ward Philips & Vineberg LLP, where she specialized in mergers and acquisitions and corporate finance, and served on the firm's National Management Committee. She was named as *Advocatus emeritus* (Ad. E.) in 2007 by the Québec Bar in recognition for her exceptional contribution to the legal profession. Ms. Bertrand holds a Bachelor's degree in Civil Law (B.C.L.) from McGill University and a Master's degree in Risk Management from New York University (Stern School of Business).

**Meeting attendance during the 2021 financial year**

	Regular	Ad hoc	Total
n/a			
<b>Total attendance</b>		n/a	

**Other public company board membership**

	Since
Canadian Apartment Properties REIT	2021
Slate Office REIT	2021

**Information on equity holdings**

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	n/a	n/a
DSUs <sup>(1)</sup>	n/a	n/a
<b>Total value at risk<sup>(1)</sup></b>	<b>n/a</b>	<b>n/a</b>
<b>Value at risk as multiple of base annual retainer<sup>(2)</sup></b>	<b>n/a</b>	<b>n/a</b>
<b>Variation</b>	<b>n/a</b>	

Minimum holding requirement met	Target
January 25, 2025 <sup>(3)</sup>	3 x base annual retainer

**Meeting attendance during the 2021 financial year**

	Regular	Ad hoc	Total
Board	6/6	1/1	7/7
Audit	5/5	—	5/5
Corporate Governance (Chair)	4/4	1/1	5/5
<b>Total attendance</b>		<b>100%</b>	

**Other public company board membership**

	Since
Gildan Activewear Inc.	2018
National Bank of Canada	2012

**Information on equity holdings**

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	1,800 <sup>(4)</sup>	1,800 <sup>(4)</sup>
DSUs <sup>(1)</sup>	11,406	9,495
<b>Total value at risk<sup>(1)</sup></b>	<b>\$830,129</b>	<b>\$672,165</b>
<b>Value at risk as multiple of base annual retainer<sup>(2)</sup></b>	<b>6.64</b>	<b>5.84</b>
<b>Variation</b>	<b>24%</b>	

Minimum holding requirement met	Target
✓	3 x base annual retainer

**Pierre Boivin**  
Montréal (Québec) Canada

**President and Chief Executive Officer  
– Claridge Inc.**

Age: **68**  
Status: **Independent**  
Director since: **2019**



2021 annual meeting votes in favour:  
**99.40%**

Mr. Boivin is President and Chief Executive Officer of Claridge Inc., a private investment firm. He is also a member of the board of directors of the National Bank of Canada and the CH Group Inc., which manages the activities of the Club de Hockey Canadien, Inc., the Bell Centre, evenko and L'Équipe Spectra Inc. From 2013 to 2020, he was a member of the board of directors of the Canadian Tire Corporation, Limited. Since 2017, he has been involved in the development of artificial intelligence in Quebec and Canada. From 1999 to 2011, Mr. Boivin was President and Chief Executive Officer of the Club de hockey Canadien, Inc., the Bell Centre and evenko. He studied Commerce at McGill University. Mr. Boivin was named Chevalier de l'Ordre national du Québec in 2017. In 2009, the Université de Montréal awarded him an honorary Doctorate and he was appointed Officer of the Order of Canada.

**François J. Coutu**  
Montréal (Québec) Canada

**Pharmacist**

Age: **66**  
Status: **Non-Independent**  
Director since: **2018**



2021 annual meeting votes in favour:  
**98.81%**

Mr. Coutu has held various management positions within The Jean Coutu Group (PJC) Inc. (the "Jean Coutu Group") over a period of more than 25 years, including President and Chief Executive Officer from 2007 to 2018 and President until May 31, 2019, and has assumed various responsibilities as a member of the board committees. He also acted as chair of the board of directors of the Canadian Association of Chain Drug Stores (CACDS) and was a director of Rite Aid Corporation. Mr. Coutu is a pharmacist by trade, holds a Bachelor's degree in Business Administration from McGill University as well as a Bachelor's degree in Pharmacy from Samford University. He is a member of the board of directors of the School of Pharmacy of Samford University.

#### Meeting attendance during the 2021 financial year

	Regular	Ad hoc	Total
Board	6/6	1/1	7/7
Corporate Governance	2/2	—	2/2
Human Resources	2/2	—	2/2
<b>Total attendance</b>		<b>100%</b>	

#### Other public company board membership

	Since
National Bank of Canada	2013

#### Information on equity holdings

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	5,138	5 054
DSUs <sup>(1)</sup>	6,275	2 194
<b>Total value at risk<sup>(1)</sup></b>	<b>\$717,421</b>	<b>\$431,328</b>
<b>Value at risk as multiple of base annual retainer<sup>(2)</sup></b>	<b>2.39</b>	<b>3.75</b>
<b>Variation</b>	<b>66%</b>	

Minimum holding requirement met	Target
January 26, 2024	3 x base annual retainer

#### Meeting attendance during the 2021 financial year

	Regular	Ad hoc	Total
Board	5/6	1/1	6/7
<b>Total attendance</b>		<b>86%</b>	

#### Other public company board membership

n/a

#### Information on equity holdings

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	—	—
DSUs <sup>(1)</sup>	4,576	2,407
<b>Total value at risk<sup>(1)</sup></b>	<b>\$287,647</b>	<b>\$143,241</b>
<b>Value at risk as multiple of base annual retainer<sup>(2)</sup></b>	<b>2.30</b>	<b>1.25</b>
<b>Variation</b>	<b>101%</b>	

Minimum holding requirement met <sup>(5)</sup>	Target
✓	3 x base annual retainer



**Michel Coutu**

Town of Mount Royal (Québec)  
Canada

**President – MMC Investments Inc.**

Age: **68**  
Status: **Non-Independent**  
Director since: **2018**

2021 annual meeting votes in favour:  
**98.81%**

Mr. Coutu has been President of MMC Investments Inc. since 2010. He previously acted as President of the U.S. operations of the Jean Coutu Group and as President and Chief Executive Officer of The Jean Coutu Group (PJC) USA, Inc. He was also a member of the board of directors of the National Association of Chain Drug Stores in the United States and was co-chair of the board of directors of Rite Aid Corporation. Mr. Coutu holds a degree in Finance and a Bachelor's degree in Civil Law from Université de Sherbrooke and an MBA from the University of Rochester (Simons School of Business). He is a Governor of the Faculty of Commerce of the Université de Sherbrooke. In 2005, he received a Doctorate *Honoris Causa* from the Massachusetts College of Pharmacy and Health Sciences.

**Meeting attendance during the 2021 financial year**

	Regular	Ad hoc	Total
Board	6/6	1/1	7/7
<b>Total attendance</b>		<b>100%</b>	

**Other public company board membership**

n/a

**Information on equity holdings**

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	180	180
DSUs <sup>(1)</sup>	6,941	4,969
<b>Total value at risk<sup>(1)</sup></b>	<b>\$447,626</b>	<b>\$306,417</b>
<b>Value at risk as multiple of base annual retainer<sup>(2)</sup></b>	<b>3.58</b>	<b>2.66</b>
<b>Variation</b>	<b>46%</b>	

**Minimum holding requirement met****Target**

3 x base annual retainer

**Stephanie Coyles**

Toronto (Ontario) Canada

**Corporate Director**

Age: **54**  
Status: **Independent**  
Director since: **2015**

2021 annual meeting votes in favour:  
**99.85%**

Ms. Coyles is a director and member of the Governance, Investment and Conduct Review Committee and the Management Resources Committee of Sun Life Financial Inc., as well as a director and member of the Audit Committee and of the Human Resources and Compensation Committee at Corus Entertainment Inc. She was a member of the board of directors of Postmedia Network Inc. in 2016 and more recently, from March 2019 to February 2020, at Hudson's Bay Company prior to it becoming a private company. Prior to becoming a corporate director, Ms. Coyles was Chief Strategic Officer at LoyaltyOne Co. from 2008 to 2012 and, before that, spent most of her career as a management consultant and eventually as a partner at McKinsey & Company where she served clients in the area of advanced analytics, digital transformation and consumer marketing. She holds a Bachelor's degree in Commerce from Queen's University and a Master's degree in Public Policy from Harvard University (Kennedy School of Government). She is a graduate of the Directors Education Program of the Institute of Corporate Directors (ICD) and completed a CERT certificate in cybersecurity oversight from Carnegie Mellon University.

**Meeting attendance during the 2021 financial year**

	Regular	Ad hoc	Total
Board	6/6	1/1	7/7
Audit	5/5	—	5/5
Corporate Governance	3/3	1/1	4/4
<b>Total attendance</b>		<b>100%</b>	

**Other public company board membership**

	Since
Corus Entertainment Inc.	2020
Sun Life Financial Inc.	2017

**Information on equity holdings**

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	3,400	1,000
DSUs <sup>(1)</sup>	16,406	13,816
<b>Total value at risk<sup>(1)</sup></b>	<b>\$1,245,005</b>	<b>\$881,700</b>
<b>Value at risk as multiple of base annual retainer<sup>(2)</sup></b>	<b>9.96</b>	<b>7.67</b>
<b>Variation</b>	<b>41%</b>	

**Minimum holding requirement met****Target**

3 x base annual retainer



**Russell Goodman**

FCPA, FCA

Lac-Tremblant-Nord (Québec)  
Canada**Corporate Director**

Age: 68

Status: **Independent**

Director since: 2012

2021 annual meeting votes in favour:  
**98.05%**

Mr. Goodman is Lead Independent Director, Chair of the Audit Committee and member of the Compensation and Human Resources Committee of Northland Power Inc., and is a director, and member of the Audit and Finance and Human Resources and Compensation Committees of Gildan Activewear Inc. He is also a Chair of the Independent Review Committee of IG Wealth Management Funds. He spent his business career at PwC until his retirement in 2011 where, from 1998 to 2011, he was Managing Partner of various business units in Canada and for the Americas and held global leadership roles in the services and transportation industry sectors. Mr. Goodman is a Fellow Chartered Professional Accountant and a graduate of McGill University. He is a Fellow of the Order of Professional Chartered Accountants of Québec. He is a recipient of the Governor General of Canada's Sovereign's Medal for Volunteers and is a member of the Canadian Ski Hall of Fame. He is also a graduate of the Directors Education Program of the Institute of Corporate Directors (ICD).

**Marc Guay**

Oakville (Ontario) Canada

**Corporate Director**

Age: 63

Status: **Independent**

Director since: 2016

2021 annual meeting votes in favour:  
**99.96%**

Mr. Guay retired from PepsiCo Foods Canada Inc. in August 2015 after 29 years of service. He held the position of President of PepsiCo Foods Canada Inc. from 2008 to 2015 and President of Frito Lay Canada Inc. from 2001 to 2008. Mr. Guay is a trustee on the board of trustees of Boston Pizza Royalties Income Fund (the "Fund") since 2018 and was named Chair of the board of trustees in June 2019. He is a member of the Audit Committee of the Fund and of Boston Pizza GP Inc., the general partner of Boston Pizza Royalties Limited Partnership, the administrator of the Fund, and a member of the Governance Committee of Boston Pizza GP Inc. He holds a Bachelor's degree in Commerce from Université de Montréal (École des Hautes Études Commerciales) and completed the Advanced Executive Program of Northwestern University (Kellogg School of Business). He is a graduate of the Directors Education Program of the Institute of Corporate Directors (ICD).

**Meeting attendance during the 2021 financial year**

	Regular	Ad hoc	Total
Board	6/6	1/1	7/7
Audit (Chair)	5/5	—	5/5
Corporate Governance	4/4	1/1	5/5
<b>Total attendance</b>		<b>100%</b>	

**Other public company board membership**

	Since
Gildan Activewear Inc.	2010
Northland Power Inc.	2014

**Information on equity holdings**

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	8,100	8,100
DSUs <sup>(1)</sup>	14,261	12,699
<b>Total value at risk<sup>(1)</sup></b>	<b>\$1,405,612</b>	<b>\$1,237,748</b>
<b>Value at risk as multiple of base annual retainer<sup>(2)</sup></b>	<b>11.24</b>	<b>10.76</b>
<b>Variation</b>	<b>14%</b>	

**Minimum holding requirement met****Target**

3 x base annual retainer

**Meeting attendance during the 2021 financial year**

	Regular	Ad hoc	Total
Board	6/6	1/1	7/7
Audit	5/5	—	5/5
Human Resources (Chair)	4/4	—	4/4
<b>Total attendance</b>		<b>100%</b>	

**Other public company board membership**

	Since
Boston Pizza Royalties Income Fund	2018

**Information on equity holdings**

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	4,213	4,213
DSUs <sup>(1)</sup>	12,213	9,580
<b>Total value at risk<sup>(1)</sup></b>	<b>\$1,032,538</b>	<b>\$820,821</b>
<b>Value at risk as multiple of base annual retainer<sup>(2)</sup></b>	<b>8.26</b>	<b>7.14</b>
<b>Variation</b>	<b>26%</b>	

**Minimum holding requirement met****Target**

3 x base annual retainer

**Christian W. E. Haub**  
Munich, Germany



**Chief Executive Officer –  
The Tengelmänn Group**  
Age: 57  
Status: **Independent**  
Director since: 2006

2021 annual meeting votes in favour:  
**98.21%**

Mr. Haub is the sole managing partner of the Tengelmänn Group (“Tengelmänn”) and Chairman of the Management Board of Tengelmänn Twenty-One KG. He is the founder and Chairman of Emil Capital Partners, the United States venture capital company of Tengelmänn. From 1991 to 2012, he has held various executive positions (including chair of the board of directors) at The Great Atlantic & Pacific Tea Company, Inc., a subsidiary of Tengelmänn, until its divestiture in 2012. He holds a Master’s degree in Social and Economic Sciences from the Austrian University of Economics and Business Administration.

**Meeting attendance during the 2021 financial year**

	Regular	Ad hoc	Total
Board	6/6	1/1	7/7
Human Resources	4/4	—	4/4
<b>Total attendance</b>		<b>100%</b>	

**Other public company board membership**

n/a

**Information on equity holdings**

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	13,500	13,500
DSUs <sup>(1)</sup>	61,810	58,583
<b>Total value at risk<sup>(1)</sup></b>	<b>\$4,733,987</b>	<b>\$4,289,659</b>
<b>Value at risk as multiple of base annual retainer<sup>(2)</sup></b>	<b>37.87</b>	<b>37.30</b>
<b>Variation</b>		<b>10%</b>

Minimum holding requirement met	Target
✓	3 x base annual retainer

**Eric R. La Flèche**  
Town of Mount Royal (Québec)  
Canada



**President and Chief Executive Officer  
of the Corporation**  
Age: 59  
Status: **Non-Independent**  
Director since: 2008

2021 annual meeting votes in favour:  
**98.93%**

Mr. La Flèche has been President and Chief Executive Officer of the Corporation since April 2008. He joined the Corporation in 1991 and has since then held various management positions, including Executive Vice-President and Chief Operating Officer from 2005 to 2008. Mr. La Flèche holds a Bachelor’s degree in Civil Law from the University of Ottawa and an MBA from the Harvard Business School. He is a director and member of the Human Resources Committee of the Bank of Montreal. Mr. La Flèche was recognized as Canada’s Outstanding CEO of the Year for 2020 by the Financial Post and is involved with several not-for-profit organizations, including Centraide of Greater Montréal and the Montréal Neurological Institute.

**Meeting attendance during the 2021 financial year**

	Regular	Ad hoc	Total
Board	6/6	1/1	7/7
<b>Total attendance</b>		<b>100%</b>	

**Other public company board membership**

	Since
Bank of Montreal	2012

**Information on equity holdings**

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	270,508	270,508
DSUs <sup>(6)</sup>	—	—
<b>Total at risk value<sup>(1)</sup></b>	<b>\$17,004,133</b>	<b>\$16,097,931</b>
<b>Value at risk as multiple of base annual retainer<sup>(6)</sup></b>	<b>—</b>	<b>—</b>
<b>Variation</b>		<b>6%</b>

Minimum holding requirement met <sup>(7)</sup>	Target
✓	5 x base salary

**Christine Magee**  
Oakville (Ontario) Canada

**Chair of the board of directors – Sleep Country Canada Holdings Limited**

Age: **62**  
Status: **Independent**  
Director since: **2016**



2021 annual meeting votes in favour:  
**99.40%**

Ms. Magee is co-founder and chair of the board of directors of Sleep Country Canada Holdings Inc. where she also assumed the role of President from 1994 to 2014. Ms. Magee serves on the board of directors of TELUS Corporation where she is a member of the Pension Committee and Human Resources and Compensation Committee. She also is on the board of directors of other private and not-for-profit organizations (Trillium Health Partners, Woodbine Entertainment Group and The Talent Fund). She was director of Sirius XM Canada Holdings Inc. from 2014 to 2016, Cott Corporation from 2004 to 2008 as well as of McDonald's Restaurants of Canada Limited from 1999 to 2004. She holds an Honours Bachelor's degree in Business Administration (HBA) from Western University (Ivey Business School). She was appointed Member of the Order of Canada in 2015.

#### Meeting attendance during the 2021 financial year

	Regular	Ad hoc	Total
Board	6/6	1/1	7/7
Corporate Governance	4/4	1/1	5/5
Human Resources	3/3	—	3/3
<b>Total attendance</b>	<b>100%</b>		

#### Other public company board membership

	Since
Sleep Country Canada Holdings Inc.	2015
TELUS Corporation	2018

#### Information on equity holdings

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	1,125	1,125
DSUs <sup>(1)</sup>	13,616	11,072
<b>Total value at risk<sup>(1)</sup></b>	<b>\$926,619</b>	<b>\$725,843</b>
<b>Value at risk as multiple of base annual retainer<sup>(2)</sup></b>	<b>7.41</b>	<b>6.31</b>
<b>Variation</b>	<b>28%</b>	

Minimum holding requirement met	Target
✓	3 x base annual retainer

**Brian McManus**  
Senneville (Québec), Canada

**Executive Chair and Chief Executive Officer – Uni-Select Inc.**

Age: **54**  
Status: **Independent**  
Director since: **2021**



2021 annual meeting votes in favour: **n/a**

From 2001 until he retired in 2019, Mr. McManus was President and Chief Executive Officer of Stella-Jones Inc., a manufacturer of pressure-treated wood products. During 2020, he was a partner at Cafa Financial Corporation acting in a senior advisory role. In 2021, Mr. McManus was appointed as the Executive Chair and Chief Executive Officer for Uni-Select Inc. Mr. McManus holds a B.A. in Economics from McGill University and an MBA from the Western University (Ivey Business School).

#### Meeting attendance during the 2021 financial year<sup>(8)</sup>

	Regular	Ad hoc	Total
Board	3/3	—	3/3
Audit	2/2	—	2/2
<b>Total attendance</b>	<b>100%</b>		

#### Other public company board membership

	Since
Uni-Select Inc.	2021

#### Information on equity holdings

	December 3, 2021	December 4, 2020
Shares <sup>(1)</sup>	16,000 <sup>(9)</sup>	—
DSUs <sup>(1)</sup>	976	—
<b>Total value at risk<sup>(1)</sup></b>	<b>\$1,067,111</b>	
<b>Value at risk as multiple of base annual retainer<sup>(2)</sup></b>	<b>8.54</b>	
<b>Variation</b>	<b>n/a</b>	

Minimum holding requirement met	Target
✓	3 x base annual retainer

**Notes on the tables of director nominees:**

- (1) Calculated by using the Shares' closing price on the Toronto Stock Exchange on December 3, 2021 (\$62.86) and on December 4, 2020 (\$59.51).
- (2) Calculated using the annual base retainer as of September 25, 2021 (\$125,000) and as of September 26, 2020 (\$115,000).
- (3) If Ms. Beausoleil is elected at the Meeting, she will have until January 25, 2025 to comply with the minimum shareholding requirement.
- (4) Ms. Bertrand also controls 6,870 Shares of which she does not have beneficial ownership.
- (5) Given the large number of shares of the Corporation held by the Coutu family, the Board of Directors considers that the shareholding guidelines have been met by Mr. François J. Coutu.
- (6) As President and Chief Executive Officer of the Corporation, Mr. La Flèche does not receive compensation for acting as director and does not receive DSUs.
- (7) As President and Chief Executive officer of the Corporation, Mr. La Flèche is not subject to the Corporation's shareholding guidelines for directors. He is subject to shareholding requirements for executive officers. More information on these requirements can be found in the "Shareholding requirements for NEOs" section at page 38 of this Circular.
- (8) Mr. McManus was appointed director of the Corporation effective April 20, 2021 by the Board of Directors at which time he also became a member of the Audit Committee.
- (9) Mr. McManus also controls 4,000 Shares of which he does not have beneficial ownership.

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**SUMMARY OF BOARD AND COMMITTEE MEETINGS HELD**

The following table lists the number of meetings held by the Board and its committees during fiscal 2021:

<b>Board and Committee meetings summary</b>	<b>Regular</b>	<b>Ad hoc</b>	<b>Total</b>
Board of Directors	6	1	7
Audit Committee	5	—	5
Governance Committee	4	1	5
Human Resources Committee	4	—	4

In addition to these meetings, Board members continued to be regularly engaged and updated on the pandemic through numerous written updates from management.

**Key Board achievements in 2021:**

- Regularly discussed with the President and Chief Executive Officer and other executive officers the ongoing impacts of the COVID-19 pandemic on the Corporation's operations and activities.
- Continued to oversee the Corporation's major projects such as the modernization of the supply chain and the integration of the distribution activities for the pharma division.
- Participated in the strategic planning session to discuss with the President and Chief Executive Officer and other executive officers the current business plans, risks, challenges and opportunities as well as the competitive market the Corporation operates in.
- Reviewed and approved the 2022-2026 Corporate Responsibility Plan and oversaw the advancement of the Corporation's strategy with regards to corporate responsibility and environment, social and governance ("ESG") matters.
- Ensured the successful leadership transition of the Board of Directors through the appointment and onboarding of the new Chair of the Board, Mr. Pierre Boivin.
- Ensured the successful leadership transition of the Human Resources Committee Chair.
- Continued the Board renewal efforts by reviewing criteria, skills and profile needed at the Board and Committee levels to ensure thoughtful Board succession planning.
- Appointed a new Board member, Mr. Brian McManus, following a thorough selection process focussed on choosing the person with the identified skills and profile for the Board of Directors and successfully onboarded him.
- Identified a new director nominee, Ms. Lori-Ann Beausoleil, as part of the Board renewal efforts based on the criteria, skills and profile identified through the Board succession planning process.
- Approved the revision of certain aspects of the Performance Share Unit Plan as described in the section "Performance Share Unit Plan (PSU Plan)" at page 51 of this Circular.
- Reviewed and approved changes to the Corporation's governance practices including with regards to length of Board tenure.

### 3.1 Director nominees' skills and experience matrix

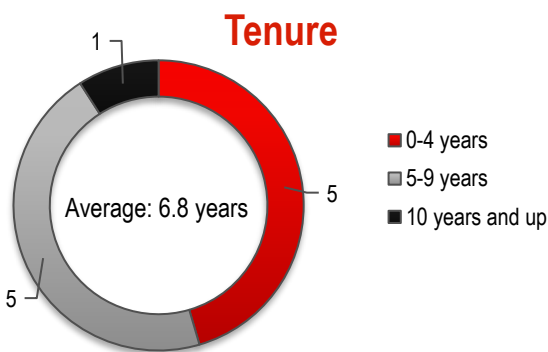
The Board of Directors and the Governance Committee believe that directors should possess two (2) types of qualifications:

- i) general qualifications that all directors must exhibit; and
- ii) particular skills and experience that should be represented on the Board as a whole, but not necessarily by each director.

The Governance Committee strives to maintain an engaged, independent board with broad diverse experience and judgment that is committed to representing the long-term interests of its shareholders and stakeholders. As such, to serve on the Board, all directors must have extensive experience, meet expectations and have the core competencies listed in Exhibit H, which the Corporation believes they all do.

In addition, the Board of Directors has identified particular competencies and experience that are important to be represented on the Board as a whole, in light of the Corporation's current and expected future priorities and strategic needs. The specific competency and experience matrix below has been developed to ensure that the composition of the Board of Directors is appropriate and that the required skills and experience are appropriately represented on the Board of Directors. The Governance Committee reviews annually the different directors' skills and experience requirements to ensure that they reflect the evolving priorities and strategic needs of the Corporation. The skills and experience matrix of the nominees for the position of director of the Corporation below is not intended to be an exhaustive list of directors' qualifications.

	L.-A. Beausoleil	M. Bertrand	P. Boivin	F. J. Coutu	M. Coutu	S. Coyles	R. Goodman	M. Guay	C. W. E. Haub	E. R. La Flèche	C. Magee	B. McManus
Independence	✓	✓	✓			✓	✓	✓	✓		✓	✓
Leadership: CEO / Senior officer of public or private company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prior or current public company board experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial / Accounting	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓
Real estate	✓	✓		✓	✓		✓		✓	✓		
Retail / Marketing	✓			✓	✓	✓		✓	✓	✓	✓	
Human resources / Compensation		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Digital / E-commerce / Information technology / Cybersecurity			✓	✓		✓				✓		
Supply chain				✓	✓	✓		✓	✓	✓		✓
Corporate responsibility / ESG	✓	✓	✓	✓				✓		✓		✓



Additional information on the director nominees for the position of director who have held or hold positions in other corporations can be found in the "Directors and Officers" section of the Corporation's 2021 Annual Information Form (the "Annual Information Form"). The Annual Information Form is available on SEDAR (sedar.com) as well as on the Corporation's corporate website (corpo.metro.ca).

### 3.2 Policy on external boards

The Board of Directors has adopted a policy limiting the number of directorships of its directors to a maximum of four (4) public companies, including the Corporation.

In addition, no more than two (2) directors of the Corporation shall hold a director seat at the same board of another public company. The Governance Committee of the Corporation takes into consideration the external

directorships of potential director nominees and does not propose a slate of directors for election by shareholders if the election of those directors would result in more than two (2) simultaneous situations where two (2) directors hold a director seat at the same board of another public company. A director of the Corporation must obtain the prior approval of the Governance Committee before submitting his or her candidacy as director of another public company.

### 3.3 Diversity

The Corporation acknowledges the value of diversity on the Board of Directors in all its forms including in terms of experience, skills, background and personal attributes including the representation of men and women. To this effect, the Corporation adopted in 2015 a written policy on diversity at the Board level in conformity with its signature of the Catalyst\* Accord in 2012. In accordance with its diversity policy, the Board of Directors wishes to maintain Board composition in which each gender comprises at least 30% of the directors.

This year, the Corporation proposes four (4) women among the group of 12 nominees for the position of director representing 33% of the Corporation's directors. The Corporation will continue to meet its 30% target in gender diversity as it has since 2015. The Corporation will continue to measure its diversity policy's efficiency with regards to its target on an annual basis to ensure it continues to meet or exceed the target.

At this time, the Corporation has one (1) director nominee identifies as a member of a visible minority.

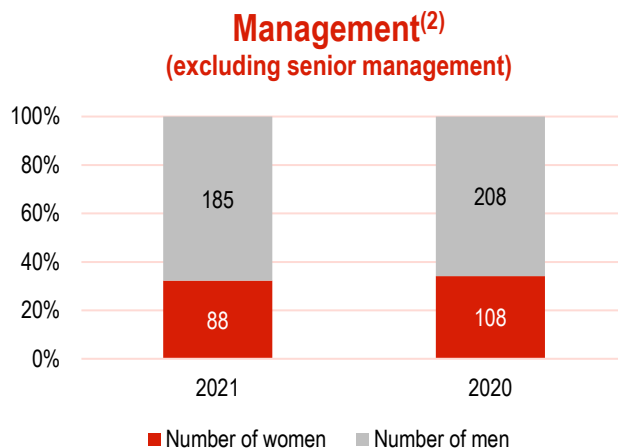
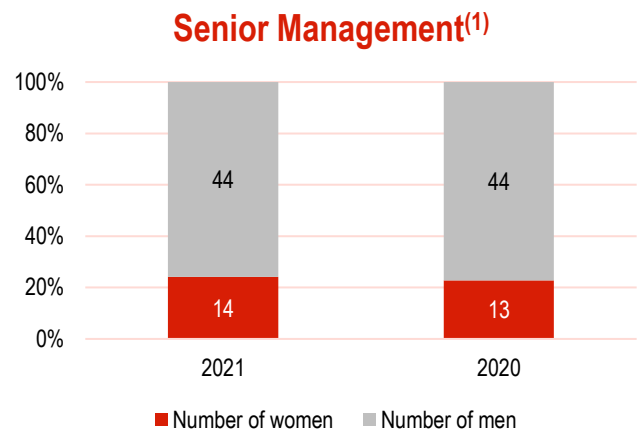
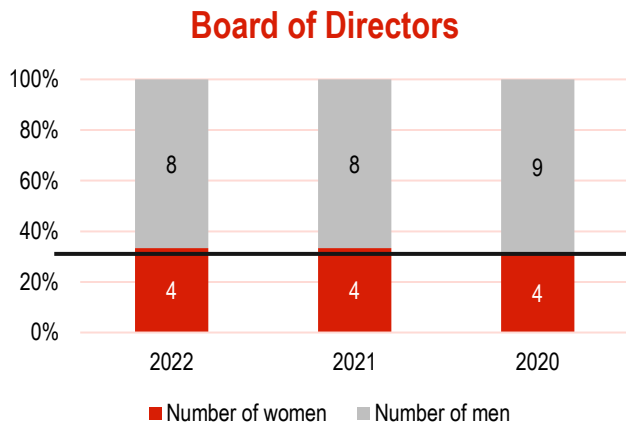
In making its decision to select a director nominee, the Governance Committee takes into consideration the profiles of each director already serving on the Board and aims to foster diversity, particularly in terms of competence, experience, skills, geographical representation, and personal attributes, including cultural, ethnic and gender diversity. For more information

on director succession planning, please refer to the "Director succession planning" section below.

The Corporation also adopted in 2015 a written policy on diversity among its employees, including its senior management. This policy provides that the Corporation reviews the competence, experience and skills of each of the candidates for each management position and aims to foster diversity among its employees by taking into account personal attributes, including the representation of men and women. To insure to have women as candidates to management positions, the policy on diversity provides, among other things, that, whenever possible, at least one (1) woman candidate shall be among the group of identified candidates for each such position.

Instead of establishing a target for the representation of women among its management and its executive management, the Corporation has established guidelines and policies for the recruitment and the succession planning processes, which the Corporation considers to be more efficient to favour the representation of women. The Corporation reviews the effectiveness of its diversity policy applicable to its employees every two (2) years and will make changes as may be necessary.

The graphics below illustrate the representation of women on the Board of Directors as well as at the senior management and management levels for the last two (2) financial years and at the Board level for the next year assuming that the director nominees will be elected at the Meeting:



**Notes:**

- (1) This group includes the President and Chief Executive Officer of the Corporation and the Vice-Presidents of the Corporation and its major subsidiaries.
- (2) The 2021 numbers reflect the harmonisation of titles that was carried out, following the acquisition of the Jean Coutu Group by the Corporation on May 11, 2018 (the "Transaction"), in the pharmacy division.

\* Founded in 1962, Catalyst is a non-profit membership international organization expanding opportunities for women and businesses.



### 3.4 Board succession planning

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The Board of Directors recognizes the importance of ensuring proper succession planning for its directors.

Both the Chair of the Board and the Governance Committee are in charge of Board succession planning. The Governance Committee reviews the experience and expertise needs of the Board on an annual basis. The Chairs of the Board and the Governance Committee review annually the retirement dates of all directors according to the Board Retirement Policy to ensure succession is planned accordingly both at the Board and at the Committee levels.

The Governance Committee establishes processes for Board succession planning, including the use of the services of recruitment specialists who identify possible director candidates for vacancies on the Board. These recruitment specialists can focus on particular skills and profile, including diversity, identified by the Governance Committee.

The Governance Committee reviews the competence, experience and skills of each of the nominees for the position of director and recommends to the Board of Directors the nominees who best meet the required profile at the time

of nomination.

The Chair of the Board and the Chair of the Governance Committee meet with potential director nominees together to discuss their interest and the contributions they could bring to the Board of Directors. The Chairs of the Audit and Human Resources Committees also meet with the potential director nominees. After these first meetings, if found suitable, potential director nominees will meet with the President and Chief Executive Officer of the Corporation. These discussions are reported to the Governance Committee which decides whether to recommend or not the potential director nominee.

The Governance Committee and the Chair of the Board make their recommendations to the Board of Directors which then chooses a nominee while taking into account, among other things, the list of competencies and expectations of directors that can be found in Exhibit H to this Circular and the availability of the candidates. The Board of Directors also takes into consideration the profiles of each director already serving on the Board of Directors, the needs of the Board in certain expertise, and aims to foster diversity, particularly in terms of competence, experience, skills, geographical representation and personal attributes, including gender diversity.

### 3.5 Evaluation of the effectiveness of the Board, the committees and the directors

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The Board of Directors has designed a comprehensive effectiveness assessment for itself, the committees and the directors under the supervision of the Governance Committee. This assessment occurs on an annual basis using questionnaires that are reviewed every year by the Governance Committee. These questionnaires cover a variety of subjects, including but not limited to corporate governance, and include both quantitative and qualitative questions.

The regular assessment consists of a six-part questionnaire completed by each director. The first part consists of an evaluation of the corporate governance practices of the Board of Directors as a whole and of the effectiveness and performance of the Board and the Board committees. The second, third and fourth parts are more open-ended and seek additional comments that may not have been addressed in the first part. The fifth part consists of an assessment by each director of the other directors' performance. Finally, the sixth part is a self-assessment of the performance of the director.

Every three (3) years, a detailed questionnaire replaces the regular questionnaire and only includes qualitative questions.

During the assessment process, the Governance Committee also ensures that the mandate of each committee of the Board of Directors is carried out

and assesses the manner in which the Chair of the Board of Directors and the Chairs of each committee fulfill their duties.

The Chair of the Board meets with each director individually on an annual basis to discuss the performance and contributions of the director to the Board and its committees. These individual discussions are also an opportunity to address the Board's effectiveness and possible improvements. These meetings also allow the Chair of the Board to obtain feedback from directors on his performance as Chair of the Board and on the performance of the other directors. The Chair reports on the progress of these discussions to the Governance Committee.

Performance evaluation results are reviewed by the Governance Committee. The Chair of the Governance Committee submits a complete report of this analysis to the Board of Directors.

In light of the foregoing, the Chair of the Board of Directors, with the help of the Governance Committee, assesses the process, the effectiveness and/or the need for change in the composition of the Board of Directors, its committees or their Chairs. Following this analysis management is advised of the relevant recommendations for improvements, in particular with respect to training and development programs for directors, which require its involvement.

### 3.6 Director orientation and continuing education

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There is a training and orientation program intended for new members of the Board of Directors. Pursuant to this program, new directors are provided with reports on the Corporation's business operations and internal affairs. New directors meet with the Chair of the Board of Directors and the President and Chief Executive Officer to discuss the operations of the Corporation and the Corporation's expectations towards each director. The Chair of the Board of Directors also informs new directors about the Corporation's corporate governance practices and, in particular, the role of the Board of Directors, its committees and each director. This program also allows new directors to meet

with the committee chairs, to visit the Corporation's distribution centers, food stores and pharmacies and to meet key management team members. Once this training and orientation program is completed, the Chair of the Governance Committee checks in with the new directors to ensure they feel adequately prepared to carry on their duties as directors of the Corporation.

The Corporation acknowledges that a board of directors' good performance stems from directors who are well informed; as such, the Corporation provides each director with a handbook that contains relevant documentation and



information about the Corporation, including the Information Policy and the Code of Ethics of the Directors of Metro Inc. (the “Directors’ Code of Ethics”).

At each meeting of the Board of Directors, the directors have the opportunity to hear presentations given by executive officers on various topics regarding the Corporation’s operations. The directors also take part, periodically, in organized visits of the Corporation’s facilities including distribution centers as well as its retail network. The Governance Committee reviews and suggests matters upon which information sessions for Board members would be appropriate. Board members also have the opportunity to share their interest in that regard. This year, directors received educational and informational briefings on various operational, financial and strategic topics including retail innovation, marketing, real estate, customer loyalty and the COVID-19 pandemic.

### 3.7 Conflicts of interests and related party transactions

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The Board of Directors and the Governance Committee are responsible for monitoring all actual and potential conflicts of interests at the Board of Directors’ level and all transactions that would involve one or more directors or parties related to one or more directors.

Under the Directors’ Code of Ethics, all directors must avoid situations involving a conflict of interests. Conflicts of interests are defined as any situation, whether real, perceived or apparent, potential or contingent, in which a director may be inclined to favour, directly or indirectly, his private or business interests or those of his or her family, friends, colleagues, related parties or anyone else to the detriment of the Corporation’s interests. Situations that may affect a director’s loyalty and judgment also constitute a conflict of interests. However, the mere holding of securities representing less than five percent (5%) of the outstanding securities of a publicly traded company is not considered a conflict of interests with respect to such company.

The Directors’ Code of Ethics defines related parties as any business entity or corporation related to a director (associate), a group of which the director is a director or officer, or a group in which the director or a party related to such director (associate) has an interest. As mentioned above, related parties are covered in the conflict of interests definition and are dealt with as follows.

### 3.8 The Board of Directors and its committees

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There are currently three (3) permanent Board committees: the Human Resources Committee, the Governance Committee and the Audit Committee. The Board of Directors has adopted a mandate in which it describes its role. The text of the Board of Directors’ mandate is included in Exhibit D to this Circular.

The roles of the Chair of the Board and of the Chief Executive Officer are separate. The Chair of the Board manages the Board, ensures that the Board operates effectively, and ensures that the Board maintains proper relationships and adequately fulfills its obligations with respect to the Corporation’s senior management, shareholders and other stakeholders. The mandate of the Chair of the Board is included in Exhibit J to this Circular.

The Chair of the Board is appointed by resolution of the Board of Directors. The current Chair of the Board is Mr. Pierre Boivin who started his mandate as Chair of the Board after the 2021 Annual General Meeting of Shareholders. Mr. Boivin is an independent director.

In addition, two (2) formal educational sessions took place and focused on consumer preferences and needs, and the state of the Canadian food retail market, which allowed Board members to keep themselves up to date on these fast-changing aspects of the business. All directors attended these sessions.

These briefings and sessions were presented by internal speakers and renowned experts in the applicable fields.

Board members and executives also attended a strategic planning session which took place this year.

The Corporation ensures that all directors are members of the Institute of Corporate Directors (ICD) and pays their ICD membership fees.

All directors must report to the Chair of the Board of Directors and the Chair of the Governance Committee any real or apprehended situation that could give rise to a conflict of interests as soon as they become aware of the situation. The Governance Committee reviews all situations reported by directors and make recommendations to the Board of Directors. Any member of the Governance Committee who is in a situation of conflict of interests is precluded from participating in the Governance Committee’s proceedings and discussions related to the matter.

The Board of Directors determines, if necessary, upon recommendation of the Governance Committee, the actions to be taken with respect to any situation giving rise to a conflict of interests. No director may vote on any resolution presented in relation to any situation giving rise to a conflict of interests involving such director or be present during deliberations in relation thereto, except in certain circumstances described in the Québec *Business Corporations Act* relating to the remuneration of the director, an indemnity or liability insurance benefiting a director, or a contract or operation with an affiliate of the Corporation for which the sole interest of the director is as a director or officer of the affiliate.

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#### HUMAN RESOURCES COMMITTEE

At the end of the 2021 financial year, the Human Resources Committee had five (5) members, all of whom were independent directors. This Committee met four (4) times during the 2021 financial year. The text of the Human Resources Committee’s mandate is included in Exhibit E to this Circular. The composition of this Committee is described in the “Human Resources Committee” section on page 29 of this Circular.

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#### GOVERNANCE AND CORPORATE RESPONSIBILITY COMMITTEE

The Governance Committee has five (5) members, all of whom are independent directors. This Committee met five (5) times during the 2021 financial year. The text of the Governance Committee’s mandate is included in Exhibit G to this Circular.

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#### AUDIT COMMITTEE

At the end of the 2021 financial year, the Audit Committee had six (6) members, all of whom were independent directors and were financially

literate. The Committee met five (5) times during the 2021 financial year. The text of the mandate of the Audit Committee is included in Exhibit F to this Circular.

At the end of the 2021 financial year, the Audit Committee was composed of the following independent directors who possessed the skills and experience that are relevant to the performance of their duties on the Audit Committee and to be considered financially literate:

- Russell Goodman, Chair of the Audit Committee, is a Chartered Professional Accountant who acquired his experience by serving as a partner at PricewaterhouseCoopers LLP for a period of 24 years. Mr. Goodman is also a director and member of the Audit Committee of Gildan Activewear Inc. and is a director and Chair of the Audit Committee of Northland Power Inc. He was also a director and Chair of the Audit Committee of Whistler Blackcomb Holdings Inc.
- Maryse Bertrand is a member of the Audit Committee of National Bank of Canada and of Gildan Activewear Inc., and a member of the Investment and Risk Committee of PSP Investments. She was special counsel at Borden Ladner Gervais LLP in matters of risk management and governance and holds a Master's degree in Risk Management.
- Stephanie Coyles is a member of the Audit Committee of Corus Entertainment Inc., and was a member of the Audit Committee of Sun Life Financial Inc. until November 2021. She also acquired her experience while she acted as Senior Vice-President and Chief Strategic Officer of LoyaltyOne Co. which reported its results in accordance with the International Financial Reporting Standards ("IFRS").
- Marc Guay served as president for a period of 15 years, first at Frito Lay Canada Inc. and then at PepsiCo Foods Canada Inc. Mr. Guay is also a member of the Audit Committees of Boston Pizza Royalties Income Fund and of Boston Pizza GP Inc., the general partner of the administrator of Boston Pizza Royalties Income Fund, Boston Pizza Royalties Limited Partnership.
- Brian McManus acquired his experience while he acted as President and Chief Executive Officer of Stella-Jones Inc., a publicly traded company.
- Line Rivard has held, for more than 20 years, various positions at BMO Capital Markets, including Vice-president and Managing Director, Corporate Investment Banking - Montréal. She also served on the board of directors of Ivanhoe Cambridge Inc. for which she was also Chair of the Investment Committee as well as a member of its Audit Committee. She was also Special Advisor to the Governor of the Bank of Canada.

On November 17, 2021, Ms. Rivard resigned as director of the Corporation to accept the position of Delegate General of Québec in London, United Kingdom.

#### **Pre-approval policies and procedures**

The Audit Committee approved the Policy concerning the pre-approval of audit services and non-audit services, the main components of which are described below.

The Auditors are appointed to audit the annual Consolidated Financial

Statements of the Corporation. The Auditors may also be called upon to provide audit-related services, tax services and non-audit services, as long as these services do not interfere with their independence.

The Audit Committee reviews, among other things, the quality of the work of the Auditors. It must pre-approve all services that the Auditors may render to the Corporation and its subsidiaries. On an annual basis, the Audit Committee examines and pre-approves the details of the services which may be provided by the Auditors and the fee levels in connection therewith. Any type of service that has not already been approved by the Audit Committee must specifically be pre-approved by the Audit Committee if it is to be provided by the Auditors. Same applies if the services offered exceed the pre-approved fee levels. The Audit Committee has delegated to its Chair the authority to pre-approve services that have not already been specifically approved. However, the Chair of the Audit Committee must report all such decisions at the following committee meeting.

On a quarterly basis, the Audit Committee examines the pre-approval status of any services other than audit services that the Auditors were asked to provide or could be asked to provide during the following quarter.

#### **Policy regarding complaints**

The Audit Committee approved a policy allowing anyone, including the employees of the Corporation, to submit an anonymous complaint regarding illegal acts (such as fraud, theft, vandalism, harassment, intimidation, questionable practices, including questionable practices regarding accounting, internal controls and auditing matters) in connection with the Corporation's activities. Complaints may be submitted over the telephone, by email, through an online platform or by mail. All complaints received that are related to questionable practices regarding accounting, internal controls and auditing matters are sent directly to the Senior Director, Internal Audit, who is responsible for reviewing such complaints and, if needed, making due inquiry. At each of its meetings, the Audit Committee is provided with a report of all complaints received together with the results of any investigation and, if applicable, any corrective measures to be implemented. Complaints that are not related to questionable practices regarding accounting, internal controls and auditing matters are reviewed by the Corporation's Senior Director, Corporate Security and Resiliency and, if needed, investigated. A report of all such complaints is made at every meeting of the Human Resources Committee.

The full text of the Corporation's policy regarding complaints can be found on the Corporation's corporate website ([corpo.metro.ca](http://corpo.metro.ca)).

#### **Policy regarding the hiring of partners or employees of the Auditors**

The Audit Committee has approved a policy governing the Corporation's hiring of certain candidates to key positions. This policy applies to any partner, employee or former partner or employee of the current or former external auditors of the Corporation who applies for a position which entitles the candidate to exercise decision-making authority or significantly influence decision-making regarding the presentation of financial information or auditing matters. More specifically, the candidate must not have been involved in the auditing of the Corporation's financial statements within the 12 months preceding the hiring date. Moreover, the eventual hiring of such candidate must not compromise the independence of the Auditors.

#### **Review of the quality of the work of the Auditors**

The Audit Committee has examined the qualifications, performance and independence of the Auditors and has ensured that the Auditors are

registered with the Canadian Public Accountability Board as compliant participants. The Audit Committee examines every year the quality of the work performed by the Auditors in order to make an informed recommendation concerning the appointment of the audit firm which will act as external auditors of the Corporation. In 2021, this evaluation, which was discussed with the Auditors, focused on:

- the quality of the Auditors' annual audit plan and team;
- the depth and breadth of relevant public company and industry experience of the Auditors' engagement partners responsible for the Corporation's audit, including the depth of experience and engagement of specialists partners for complex areas;

- the quality of the Auditors' quarterly review, annual audit examination and evaluation of internal controls;
- the transparency, timeliness and quality of the Auditors' communications to the Audit Committee and management;
- the Auditors' demonstration of professional skepticism, most particularly in its review of the Corporation's accounting estimates and areas involving significant auditor and management judgment;
- management feedback as to the timeliness and quality of the Auditors' work; and
- the reasonableness of the Auditors' audit and audit-related fees.

### 3.9 Risk management

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Management identifies the main risks to which the Corporation is exposed and also determines adequate measures to manage these risks in a proactive way. The Internal Audit Department has the mandate of monitoring the identification, evaluation and mitigation of all business risks, as well as all insurance activities that are carried out in connection with these risks. Every three (3) years, each major sector of activity is subject to a review or an audit to ensure that control measures have been put in place to address the business risks associated to such sector of activity.

Most of the identified risks fall into the following categories: operational risks, legal risks, financial risks, reputational risks, technological risks and security risks.

One of the responsibilities of the Audit Committee is to review all material risks identified by management and to examine the effectiveness of the measures put in place to manage these risks. In order to do so, the Audit Committee regularly receives from the Internal Audit Department risk assessments with respect to various business units of the Corporation. These assessments contain a description of the material risks that could affect any given business unit, and the measures put in place to manage such risks. In addition, the Audit Committee receives, at least once a year, a report from the Senior Director, Corporate Security and Resiliency. The Audit Committee regularly reports back to the Board of Directors regarding risk management. The Board of Directors also receives reports from management on material risks that could affect the Corporation. Periodically, the Audit Committee receives a presentation of all material risks affecting the Corporation and the measures put in place to manage such risks. A similar presentation is made to the Board at least once a year.

The Board of Directors and the Human Resources Committee also review the identification and management of risks arising from the Corporation's compensation policies and practices and the disclosure related thereto. More information about risks arising from the Corporation's compensation policies and practices may be found under the "Summary of the Corporation's compensation policies and practices and associated risks" section, on page 31 of this Circular.

Additional information on risk management can be found in the "Risk Management" section of the Management Discussion and Analysis, forming part of the Annual Report. The Annual Report is available on SEDAR (sedar.com) as well as on the Corporation's corporate website (corpo.metro.ca).

#### Information security

While management is responsible for the day-to-day management of information security, the Board of Directors maintains an oversight of the measures put in place to mitigate information security risks. This oversight is done both at the Board level and through the Audit Committee who is specifically tasked with risk oversight which includes information security risks. The Audit Committee and the Board of Directors receive formal cybersecurity presentations and information security updates on a regular basis.

Additional information on information security can be found in the "Risk Management" section of the Annual Report. The Annual Report is available on SEDAR (sedar.com) as well as on the Corporation's corporate website (corpo.metro.ca).

### 3.10 Strategic planning

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In conformity with the mandate of the Board of Directors, which can be found in Exhibit D to this Circular, the Board of Directors adopts a strategic planning process for the Corporation and its subsidiaries. Every year, the Board of Directors holds a one-day strategy session with the senior management team to discuss growth opportunities, competition, potential risks and key enablers. The outcome of those discussions forms the strategic priorities and goals of the Corporation for the coming three (3) to five (5) years. The Corporation

follows the same process for its financial strategic plan.

Senior management promptly reports back to the Board of Directors on any new development which may have a significant strategic impact. This allows the Board of Directors to ensure general oversight of the evolution of the strategic plan and to approve any new strategic measure proposed by senior management.

### 3.11 Environmental, social and governance matters

The Corporation adopted a corporate responsibility approach in 2010. Since then, it has implemented structuring programs pertaining to responsible procurement, the environment as well as equity, diversity and inclusion.

#### Disclosure

The Corporation published its first corporate responsibility report for fiscal year 2011 and has been reporting on its progress annually ever since. The reports disclose how value is created through corporate responsibility for the Corporation and its stakeholders – customers, employees, suppliers, shareholders and community partners. Sound management of environmental, social and governance (“ESG”) matters is central to the Corporation’s approach and enables it to be a responsible food and pharmacy leader who integrates a sustainable development perspective into its business model.

#### New 2022-2026 Corporate Responsibility Plan

During the course of 2021, the new 2022-2026 Corporate Responsibility Plan was developed through the leadership of senior management who was involved at each step with the teams engaged in the development of the plan. Each priority of the plan was assigned to a member of the executive committee. The executive committee received two (2) formal presentations on the new corporate responsibility plan, first to approve the guidelines and then

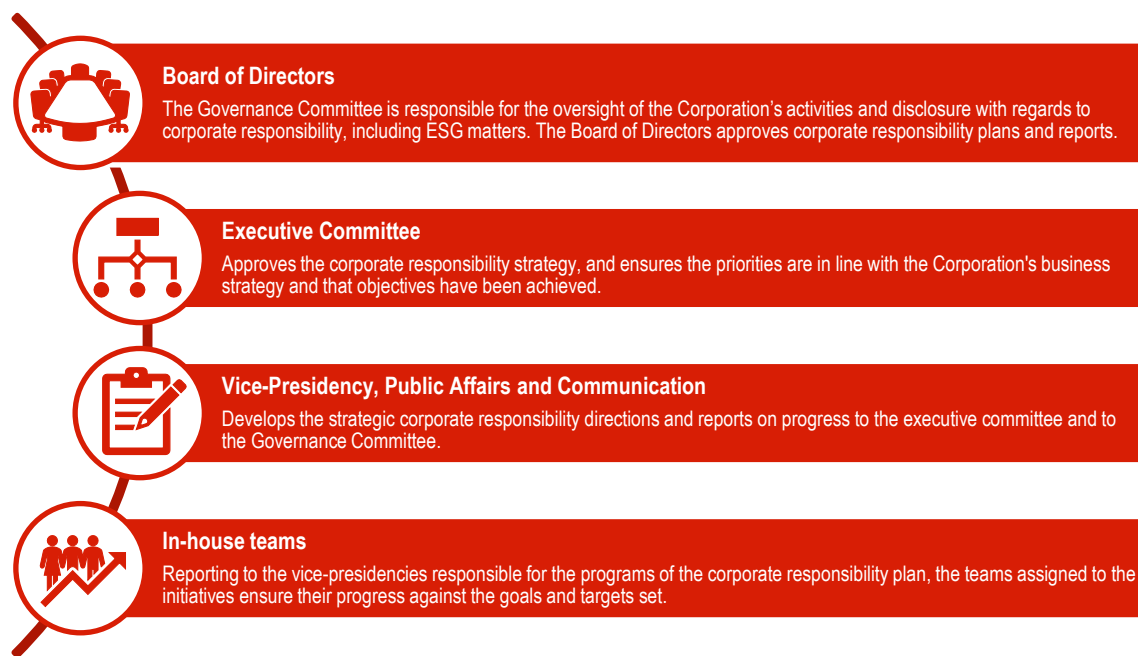
to approve the plan.

In developing the new plan, which will be released in January 2022, the Corporation focused its attention and efforts on major programs that will continue in the coming years. The new plan will be the Corporation’s third Corporate Responsibility Plan. Particular attention was paid to identifying priorities, objectives and targets, as well as solidifying processes and reporting tools.

The Governance Committee was involved throughout the development of the new plan as it received formal presentations from the executive officers responsible for the development of the new plan. The Governance Committee provided comments and input to management on the guidelines and the development of the plan. The Board of Directors also reviewed the new plan and, upon recommendation of the Governance Committee, approved the 2022-2026 Corporate Responsibility Plan.

#### Corporate responsibility governance

Corporate responsibility is part of the Corporation’s management structure and involves key individuals at each decision-making and implementation stage under the guidance of the Board of Directors.



## 4. Director compensation

Only directors who are not employees of the Corporation receive compensation for acting as members of the Board of Directors and any of its committees.

The Board of Directors’ policy is to offer its directors competitive compensation. In that respect, the Board of Directors compares on a yearly basis the compensation of the Corporation’s directors with that of Canadian public companies included in the same reference group as the Corporation. For more information about said reference group, including the criteria used

by the Corporation to select the companies included in the group, please refer to the section entitled “Reference Group” on page 33 of this Circular. During the 2021 financial year, the Governance Committee reviewed the compensation of directors and recommended that the following changes be made: an increase to the base annual retainer for the Chair of the Board and for directors, an increase to the Committee Chair retainers as well as providing a committee annual membership fee for all directors who are members of a committee (the fee is per committee membership). These changes were made in order to ensure that director compensation is substantially equivalent to the

median compensation for the reference group. The Board of Directors approved said changes, which came into effect on January 1, 2021.

Directors who are not employees or former employees of the Corporation are not eligible to receive pension plan benefits under the terms of any of the

Corporation's Pension Plans and are not entitled to any Option grants under the Corporation's Option Plan.

Director compensation for the financial year ended September 25, 2021 consisted of the following elements:

Elements of compensation	Director	Amount
Base annual retainer	Chair of the Board	\$300,000
	Director	\$125,000
Committee chair annual retainers	Chair of the Audit Committee	\$25,000
	Chair of the Governance Committee	\$15,000
	Chair of the Human Resources Committee	\$15,000
Committee annual membership fee	All directors who sit on a committee (fee is per committee membership)	\$10,000

#### 4.1 Director shareholding guidelines

In order to better align the interests of the directors with those of the shareholders, the Corporation has elaborated guidelines regarding non-employee directors' compensation and the number of securities of the Corporation that they are minimally required to hold. The director shareholding guidelines require that a director hold three (3) times his or her base annual retainer in DSUs and/or Shares. Each director has three (3) years to comply with this minimum shareholding requirement and, in the case of a newly appointed Chair of the Board, three (3) years after the appointment to comply with the minimum shareholding requirement.

Until each director holds three (3) times his or her base annual retainer in DSUs and/or in Shares each director must receive his or her base annual

retainer or, at such director's option, his or her total annual compensation in DSUs. Afterwards, each director will continue to receive at least 25% of his or her total compensation in DSUs. Based on the current base annual retainer of \$125,000 for directors who are not employees of the Corporation and \$300,000 for the Chair of the Board, the minimum shareholding requirement represents \$375,000 for non-employee directors and \$900,000 for the Chair of the Board.

The following table contains information on the achievement of the minimum shareholding guidelines by each director nominee who is not an employee of the Corporation:

Name	Shareholding requirement	Total value of DSUs and Shares held at the end of the financial year (\$)	Value of DSUs and Shares as a multiple of base annual retainer	Guidelines met or deadline to meet guidelines
Lori-Ann Beausoleil	3 x base annual retainer (\$375,000)	—	—	January 25, 2025 <sup>(1)</sup>
Maryse Bertrand	3 x base annual retainer (\$375,000)	830,129	6.64	✓
Pierre Boivin	3 x base annual retainer (\$900,000)	717,421	2.39	January 26, 2024
François J. Coutu <sup>(2)</sup>	3 x base annual retainer (\$375,000)	287,647	2.30	✓ <sup>(3)</sup>
Michel Coutu <sup>(2)</sup>	3 x base annual retainer (\$375,000)	447,626	3.58	✓
Stephanie Coyles	3 x base annual retainer (\$375,000)	1,245,005	9.96	✓
Russell Goodman	3 x base annual retainer (\$375,000)	1,405,612	11.24	✓
Marc Guay	3 x base annual retainer (\$375,000)	1,032,538	8.26	✓
Christian W. E. Haub	3 x base annual retainer (\$375,000)	4,733,987	37.87	✓
Christine Magee	3 x base annual retainer (\$375,000)	926,619	7.41	✓



Name	Shareholding requirement	Total value of DSUs and Shares held at the end of the financial year (\$)	Value of DSUs and Shares as a multiple of base annual retainer	Guidelines met or deadline to meet guidelines
Brian McManus	3 x base annual retainer (\$375,000)	1,005,760	8.05	✓

Notes:

- (1) If Ms. Beausoleil is elected at the Meeting, she will have until January 25, 2025 to comply with the minimum shareholding requirement.
- (2) At the closing of the Transaction, following the issuance of Shares of the Corporation as consideration, the Coutu family held approximately eight percent (8%) of the Corporation's issued and outstanding Shares.
- (3) Given the large number of shares of the Corporation held by the Coutu family, the Board of Directors considers that the shareholding guidelines have been met by Mr. François J. Coutu.

## 4.2 Deferred Share Unit Plan

The main terms of the Deferred Share Unit Plan (the "DSU Plan") are the following:

- the Corporation's DSU Plan came into effect on February 1, 2004;
- each director who participates in the DSU Plan has an account in his or her name into which the DSUs are credited and held until such director ceases to be a director of the Corporation. The number of DSUs credited to such director's account is calculated by dividing the amount of the eligible compensation by the average closing price of a Share of the Corporation on the Toronto Stock Exchange (the "TSX") for the five (5) trading days preceding the date of the credit (the "DSU Value");
- DSU holders are credited additional DSUs in an amount equal to the dividends paid on Shares of the Corporation. The number of DSUs credited is calculated by multiplying the amount of a declared dividend by the number of DSUs held by the DSU holder and then dividing this number by the DSU Value;
- DSUs can only be bought back from the moment their holder ceases to be a director for any reason whatsoever (the "Termination Date");
- from the Termination Date, the director whose functions have ceased may request a buyback of all DSUs credited to his or her account by providing a written notice no later than December 1<sup>st</sup> of the calendar year following the year of the applicable Termination Date (the "Notice"). The Corporation will then pay such director a lump sum in cash equal to the number of all DSUs credited to such director's account on the day the Notice is received (the "Unit Buyback Date") multiplied by the value of the DSUs on the Unit Buyback Date less tax withholdings. The value of each DSU on the Unit Buyback Date is equal to the closing price of a Share of the Corporation on the TSX for the trading day preceding the Unit Buyback Date; and
- DSUs are not considered Shares of the Corporation and, as such, they do not confer the rights to their holders to which shareholders of the Corporation are normally entitled to.

## 4.3 Director compensation table

The following table shows all components of the compensation earned by the non-employee directors in relation to the 2021 financial year of the Corporation.

Name	Retainer (\$) <sup>(1)</sup>	Other compensation (\$)	Total (\$)
Maryse Bertrand	149,743	—	149,743
Pierre Boivin	243,321	—	243,321
François J. Coutu	126,057	—	126,057
Michel Coutu	126,057	—	126,057
Stephanie Coyles	140,088	—	140,088
Claude Dussault	146,413	—	146,413
Russell Goodman	159,743	—	159,743
Marc Guay	146,758 <sup>(2)</sup>	—	146,758
Christian W.E. Haub	133,429	—	133,429
Christine Magee	140,088	—	140,088
Brian McManus <sup>(3)</sup>	61,263	—	61,263
Réal Raymond	91,014	—	91,014
Line Rivard	143,429	—	143,429

Notes:

- (1) The fees are paid in cash and/or DSUs as elected by the director. For further details, see the following table.

- (2) Mr. Guay became Chair of the Human Resources Committee on January 26, 2021 at which point he started receiving the committee Chair retainer.
- (3) Mr. McManus was appointed director of the Corporation by the Board of Directors effective April 20, 2021. Compensation declared in the table above reflects compensation earned by Mr. McManus between his appointment and the end of the financial year.

#### 4.4 Director compensation payment table

The following table illustrates how the fees earned for acting as directors of the Corporation in relation to the 2021 financial year have been paid.

Name	Payment in cash (\$)	Payment in cash (% of total compensation)	Payment in DSUs (\$)	Payment in DSUs (% of total compensation)	Fees (\$)
Maryse Bertrand	45,198	30%	104,545	70%	149,743
Pierre Boivin	—	—	243,321	100%	243,321
François J. Coutu	—	—	126,057	100%	126,057
Michel Coutu	14,950	12%	111,107	88%	126,057
Stephanie Coyles	—	—	140,088	100%	140,088
Claude Dussault	73,207	50%	73,207	50%	146,413
Russell Goodman	79,871	50%	79,871	50%	159,743
Marc Guay	—	—	146,758	100%	146,758
Christian W.E. Haub	—	—	133,429	100%	133,429
Christine Magee	—	—	140,088	100%	140,088
Brian McManus <sup>(1)</sup>	—	—	61,263	100%	61,263
Réal Raymond	45,507	50%	45,507	50%	91,014
Line Rivard	—	—	143,429	100%	143,429

Note:

- (1) Mr. McManus was appointed director of the Corporation by the Board of Directors effective April 20, 2021. Compensation declared in the table above reflects compensation earned by Mr. McManus between his appointment and the end of the financial year.



## 4.5 Share-based awards

The following table shows, as at December 3, 2021, the share-based awards under the DSU Plan held by each Director since his or her appointment, which have vested but have not yet been paid. There are no option-based awards

for directors. These DSU awards have been granted solely as payment for the fees earned by the directors. The DSU awards include, however, DSUs granted to cover dividends paid on Shares of the Corporation.

### Share-based awards

Name	Share-based awards that have vested (number) – DSUs <sup>(1)</sup>	Market or payout value of share-based awards that have vested but have not been paid (\$) <sup>(2)</sup>
Maryse Bertrand	11,406	716,981
Pierre Boivin	6,275	394,447
François J. Coutu	4,576	287,647
Michel Coutu	6,941	436,311
Stephanie Coyles	16,406	1,031,281
Claude Dussault	43,289	2,721,147
Russell Goodman	14,261	896,446
Marc Guay	12,213	767,709
Christian W.E. Haub	61,810	3,885,377
Christine Magee	13,616	855,902
Brian McManus <sup>(3)</sup>	976	61,351
Réal Raymond	43,417	2,729,193
Line Rivard	21,666	1,361,925

Notes:

- (1) The number of DSUs include DSUs granted as dividend payment on the DSUs held by each director.
- (2) Based on the closing price on December 3, 2021 (\$62.86).
- (3) Mr. McManus was appointed director of the Corporation effective April 20, 2021. Compensation declared in the table above reflects compensation earned by Mr. McManus between his appointment and the end of the financial year.

## 5. Executive compensation discussion and analysis

This section is intended to give shareholders of the Corporation a description of the policies, programs and decisions regarding compensation of the NEOs (as hereinafter defined) for the Corporation's financial year ended September 25, 2021. In this Circular, the term "NEO(s)" individually and collectively refers to the President and Chief Executive Officer, the Executive Vice-President, Chief Financial Officer and Treasurer and the Corporation's three (3) most highly paid executive officers at the end of the most recently completed financial year of the Corporation, namely: the Executive Vice-President,

Ontario Division Head and National Supply Chain, the Executive Vice-President, Québec Division Head and e-commerce and the President of the Jean Coutu Group. Although this section essentially aims to describe the compensation policies and programs for NEOs, these programs also apply to the other members of management of the Corporation. Unless otherwise indicated, the information disclosed in this section is up to date as at September 25, 2021.

### 5.1 Compensation governance

#### ROLE AND MANDATE OF THE HUMAN RESOURCES COMMITTEE

The Board of Directors has given the Human Resources Committee the mandate to, among other things, review and recommend senior executive compensation components and policies, to ensure that they are consistent

with best practices while also considering new compensation trends. The text of the mandate of the Human Resources Committee can be found in Exhibit E to this Circular.

#### HUMAN RESOURCES COMMITTEE

At the end of the 2021 financial year, the Human Resources Committee was comprised of the following independent directors: Claude Dussault, Marc Guay (Chair), Christian W.E. Haub, Christine Magee and Line Rivard.

On November 17, 2021, Ms. Rivard resigned as director of the Corporation to accept the position of Delegate General of Québec in London, United Kingdom.

Mr. Guay became Chair of the Human Resources Committee in January 2021 as part of the Board succession plan. Mr. Dussault, the past Chair of the Human Resources Committee, remained a member of the Human Resources Committee.

#### CONFLICTS OF INTEREST

None of the members of the Human Resources Committee is or has been indebted towards the Corporation or any of its subsidiaries or has or has had an interest in any material transaction involving the Corporation in the course of the 2021 financial year. None of the members of the Human Resources Committee is or has been an officer, employee or executive of the Corporation.

Each Human Resources Committee member has the relevant experience and competencies to perform his or her duties:

- Marc Guay (Chair) acquired his experience in human resources while acting as President of PepsiCo Foods Canada Inc. and of Frito Lay Canada Inc. for numerous years.
- Claude Dussault acquired his human resources experience while acting as President and Chief Executive Officer of ING Canada Inc. (now Intact Financial Corporation).
- Christian W.E. Haub acquired his experience while acting as President and Chief Executive Officer of The Great Atlantic and Pacific Tea Company, Inc., formerly a large American food retail chain, and as Chief Executive Officer of The Tengelmann Group, a large German Corporation operating in the retail sector.
- Christine Magee acquired her experience while acting as chair of the board of directors of Sleep Country Canada Holdings Inc. where she also assumed the role of President from 1994 to 2014. She also was a member of the Compensation Committee of Sirius XM Canada Holdings Inc. from 2014 to 2016.
- Line Rivard acquired her experience in human resources, from 1989 to 2009, as she held several management positions at BMO Capital Markets, including Vice-President and Managing Director, Corporate and Investment Banking – Montréal. She was also a member of the Human Resources Committee of Ivanhoe Cambridge Inc.

#### SUCCESSION PLANNING

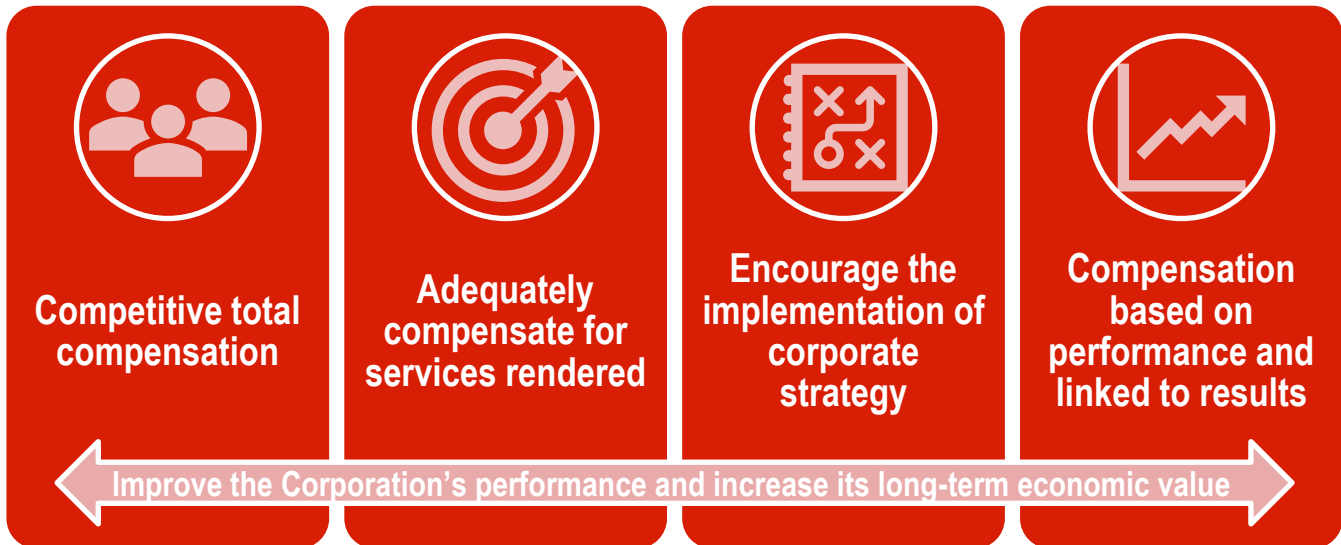
The Corporation considers executive succession planning to be a fundamental part of the sound management of the Corporation. Succession plans for the President and Chief Executive Officer and for other members of management are reviewed in detail on an annual basis by the Human Resources Committee and at regular intervals during the year. The Human Resources Committee then makes appropriate recommendations to the Board of Directors. Succession plans for senior management, including the President and Chief Executive Officer, are presented annually to the Board of Directors.

To ensure the long-term development of the leadership and talent within the Corporation, succession plans include, in particular: emergency plans in response to unforeseen events, identifying potential candidates and their readiness level to assume different types of positions and functions, succession planning on a continuous and integrated basis for the short term, middle term and long term, adjustments to succession plans when necessary, implementing and updating individual and organizational development programs, and regular reviews of the processes relating to succession planning and talent management. The process for succession planning and talent management also applies to all management and professional positions of the Corporation. Diversity is also an important element of succession planning. For information on how diversity is included in management succession planning, see the "Diversity" section on page 19 of this Circular.

## 5.2 Compensation objectives

In order to recruit, retain and motivate qualified senior executives who are devoted to improving the Corporation's performance on multiple levels and creating as well as protecting long-term value for its shareholders, the

Corporation has developed a compensation structure for executive officers based on the following objectives:



## 5.3 Overview of NEO compensation

The following table illustrates the elements of executive compensation for the 2021 financial year. Further information and details on each element of NEO

compensation is found in the section "NEO compensation components" at page 34 of this Circular.

Elements	Direct compensation				Indirect compensation	
	Base salary	Annual incentive plan ("AIP")	Long-term incentive plan ("LTIP")		Pension plan	Other benefits
			Performance share units ("PSU")	Options		
Purpose	Recruit and retain competent individuals	Reward personal and corporate performance achieved in the year	Reward achievement of longer-term corporate performance and align senior management's interests with shareholders'		Retain competent individuals and offer long-term financial security	
Performance evaluation period	Annual merit-based review	Annual	Three (3) years	Two (2) to seven (7) years		
	Payout at risk					

## 5.4 Summary of the Corporation's compensation policies and practices and associated risks

The Corporation's compensation policies and practices encourage and promote the alignment of senior management's interests with those of the shareholders while protecting the Corporation from excessive risk taking. The Human Resources Committee reviews risk identification and management

with regards to the Corporation's compensation policies and practices and related disclosure. As shown in the following table, many components of the Corporation's compensation policies and practices limit risk-taking by senior management in a number of ways.

### Pay for performance

#### What the Corporation does

- Executive officers are primarily compensated in relation to the Corporation's financial results, which are approved by the Board of Directors after having been reviewed by the Auditors and the Audit Committee.
- Executive compensation is determined in accordance with a reference group which is updated as needed and with market surveys of companies comparable to the Corporation, in order to ensure its competitiveness.
- Some AIP objectives are based on the Corporation's budget, which is approved by the Corporation's Board of Directors.
- Compensation payable to executive officers under the AIP in the event that certain performance objectives have been partially achieved may be adjusted when justified by the circumstances up to a total amount equal to five percent (5%) of the base salary of all executive officers and must be approved by the Human Resources Committee or, in the case of the President and Chief Executive Officer and the Chief Financial Officer, by the Board.

#### What the Corporation does not do

- The Corporation does not grant compensation to its executive officers that is solely based on fixed compensation.
- The Corporation does not offer variable compensation that is not predominantly linked to the Corporation's financial results.
- The Corporation does not allow the President and Chief Executive Officer to receive a portion of his compensation under the AIP if certain performance objectives have not been fully achieved, even if justified by the circumstances, without the approval of the Board of Directors.

### Promote sound risk taking

#### What the Corporation does

- The Human Resources Committee reviews the identification and management of risks arising from the Corporation's compensation policies and practices.
- The Human Resources Committee's external advisor evaluates the risks associated with the executive officers' compensation and advises the Human Resources Committee.
- The base salary for executive officers is fixed to provide regular income that is in no way connected to Share price and the overall operational performance of the Corporation, thus discouraging excessive risk-taking.
- Performance objectives are diversified and include absolute performance objectives, as well as performance objectives relative to a peer group.
- Amounts payable under the AIP are capped.
- Stock options ("Options") and PSUs vest over a long-term period therefore minimizing short-term risk-taking.
- The Corporation's Code of conduct (the "Code of Conduct") includes compensation clawback provisions for the recovery of compensation paid to the executive officers in the event of misappropriation and provisions prohibiting hedging transactions.

#### What the Corporation does not do

- The Corporation does not base performance objectives solely on absolute performance objectives.
- The Corporation does not pay compensation under the AIP without the approval of the Human Resources Committee and, with respect to the President and Chief Executive Officer and the Chief Financial Officer, of the Board of Directors.
- The Corporation does not allow hedging on its securities.

### Aligning with shareholders' interests

#### What the Corporation does

- Performance objectives for the executive officers under the AIP and the LTIP are diversified, realistic and coherent.
- Options and PSUs are awarded to encourage sustained, long-term performance.
- Option and PSU grants are limited to a set number following an established policy.
- The Human Resources Committee receives an annual presentation on the cost of the LTIP and on the potential dilution that could result from the exercise of Options awarded.
- Minimum shareholding (in Shares and PSUs) requirements have been established for executive officers and other members of management.

#### What the Corporation does not do

- The Corporation does not allow executive officers and other members of management to sell all of the Shares acquired upon exercise of Options or vesting of PSUs until the minimal shareholding requirement has been met.

## COMPENSATION RISKS

The Human Resources Committee has retained the services of an external compensation consultant, PCI Compensation Consulting (“PCI”), to review the risks arising from the Corporation’s compensation policies and practices. After conducting an in-depth review of the risks associated with compensation, the Corporation concluded that there were no risks that could have a material adverse effect on the Corporation. For more information on the Human Resources Committee’s external compensation consultant, please refer to the “External compensation consultant” section at page 33 of this Circular.

## EXECUTIVE COMPENSATION CLAWBACK

The provisions of the Code of Conduct relating to AIP and LTIP awards provide that the Board of Directors may, at its sole discretion, to the full extent permitted by law and to the extent it determines that it is in the Corporation’s best interest to do so: i) require reimbursement of all or a portion of any performance-based incentive compensation awarded to an executive after November 15, 2011 over a 24-month period preceding the triggering event; ii) require the reimbursement of any profit realized, over a 24-month period preceding the triggering event, by the executive from the exercise or following the vesting of performance-based incentive compensation awards granted after November 15, 2011; or iii) effect the cancellation of unvested performance based incentive compensation awards granted to the executive after November 15, 2011, if:

- a) the amount of the performance-based incentive compensation awarded to, or received by, or the profit realized by, the executive

was calculated based upon, or contingent upon, the achievement of certain financial results that were subsequently the subject of, or affected by, a material restatement of all or a portion of the Corporation’s financial statements (except where the cause of such restatement was beyond the reasonable control of the Corporation, such as in the case of a change in accounting or reporting standards), and the amount of the performance-based incentive compensation that would have been awarded to, or received by, or the profit realized by the executive would have been lower had the financial results been properly reported; or

- b) the executive committed a material breach of the Code of Conduct or the Corporation’s policies or engaged in inappropriate conduct resulting in significant losses, fines or penalties or any behaviour that could have a significant negative impact on the reputation, market performance or financial performance of the Corporation.

## NO HEDGING

Certain provisions of the Code of conduct prohibit employees of the Corporation from, directly or indirectly, short selling the Corporation’s Shares or Options, or trading in put or call options. These provisions apply as well to the directors of the Corporation by virtue of the Directors’ Code of Ethics. The purpose of these provisions is to avoid speculation by employees and directors on the Corporation’s Shares.

## 5.5 Decision-making process

The Corporation along with the Board of Directors has put in place a rigorous annual process to evaluate the Corporation’s executive officers’ performance and determine their compensation.

### President and Chief Executive Officer

- Recommendations regarding all compensation components for each of the executive officers other than himself and, in particular, regarding the targets to be met under the AIP and the LTIP

### Chair of the Board of Directors

- Recommendations regarding compensation and the targets to be met by the President and Chief Executive Officer under the AIP and the LTIP

### Human Resources Committee

- Review and approval of targets under the AIP and the LTIP, as well as the compensation components of the NEOs
- Evaluation of the performance of the President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Treasurer and recommendation of their compensation for approval by the Board of Directors
- Recommendations regarding Option and PSU grants under the LTIP

### Board of Directors

- Approval of the compensation of the President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Treasurer
- Approval of all Option and PSU grants under the LTIP
- Approval of compensation components and practices

## 5.6 External compensation consultant

Since April 2009, the Human Resources Committee has been retaining the services of PCI, an external compensation consultant, to obtain information and independent advice regarding NEO compensation programs. PCI reviews the recommendations of the Corporation and its consultants with respect to executive compensation trends, companies which should be part of the reference group, information relating to said companies and, generally, the NEOs compensation. PCI is hired directly by the Human Resources Committee and does not receive other mandates from the Corporation unless

said committee gives its prior consent. During the 2020 and 2021 financial years, PCI did not receive any mandates from management of the Corporation although the firm concluded a mandate given by the Jean Coutu Group's senior management prior to the acquisition by the Corporation, which was in compliance with corporate governance rules in force at the Jean Coutu Group at the time. For the 2020 and 2021 financial years, the Corporation paid PCI the following fees:

	2021	2020
Executive compensation – Related fees	\$59,879	\$83,765
Other fees	\$2,225	\$8,776
<b>Total</b>	<b>\$62,104</b>	<b>\$92,541</b>

## 5.7 Sources of information

In addition to the information provided by the external compensation consultant, the Human Resources Committee also takes into account compensation data publicly disclosed by various specialized organizations and by Canadian public companies included in the reference group described

in the "Reference Group" section below. The Corporation regularly commissions compensation surveys from other consulting firms which are then submitted to the Human Resources Committee which takes such surveys into consideration when making decisions relating to compensation.

## 5.8 Reference group

The reference group used by the Corporation to determine all aspects of NEO's compensation and to review its policies in such regard remained the same through 2021. The reference group is comprised of 11 publicly traded

Canadian companies. The following table shows the Corporation's position compared to the other companies of the reference group with respect to various financial measures:

	Sales <sup>(1)</sup>	Operating Income <sup>(2)</sup>	ROE <sup>(3)</sup>	Market Capitalization <sup>(4)</sup>
Alimentation Couche-Tard Inc.	\$58,024	\$6,417	24.3%	\$52,281
Maple Leaf Foods Inc.	\$4,304	\$386	5.8%	\$3,237
Loblaw Companies Limited	\$52,714	\$4,971	10.1%	\$28,856
Dollarama Inc.	\$4,026	\$1,128	465.1%	\$17,331
Empire Company Limited	\$28,268	\$2,144	16.9%	\$10,401
The North West Company Inc.	\$2,359	\$302	30.9%	\$1,669
Premium Brands Holdings Corporation	\$4,069	\$292	6.3%	\$5,886
Quebecor Inc.	\$4,318	\$1,914	58.1%	\$7,486
Restaurant Brands International Inc.	\$6,299	\$2,043	20.9%	\$27,442
Saputo Inc.	\$14,294	\$1,452	9.6%	\$13,310
Canadian Tire Corporation, Limited	\$14,871	\$2,124	17.3%	\$11,610
<i>Median of the reference group</i>	\$6,299	\$1,914	17.3%	\$11,610
<b>METRO INC.</b>	<b>\$17,998</b>	<b>\$1,684</b>	<b>13.2%</b>	<b>\$14,689</b>

Notes:

- (1) In millions of dollars. The financial data of the Corporation is for the 2020 financial year. The financial data of the companies that are part of the reference group is for the most recently completed financial year and has been obtained from annual reports and financial websites. Amounts that are not disclosed in Canadian dollars have been converted to Canadian dollars using the Bank of Canada daily rate on September 24, 2021 (\$1.2680).
- (2) Operating Income before depreciation and amortization and associate's earnings. In millions of dollars. The financial data of the Corporation is for the 2020 financial year. The financial data of the companies that are part of the reference group is for the most recently completed financial year and has been obtained from annual reports and financial websites. Amounts that are not disclosed in Canadian dollars have been converted to Canadian dollars using the Bank of Canada daily rate on September 24, 2021 (\$1.2680).
- (3) ROE: Return on Equity. The financial data of the Corporation is for the 2020 financial year. The financial data of the companies that are part of the reference group is for the most

recently completed financial year and has been obtained from annual reports and financial websites.

(4) In millions of dollars. The market capitalization data is dated September 24, 2021, and reflects the number of shares outstanding, obtained from the most recent annual and quarterly reports, multiplied by the closing price on that date.

The Corporation selected the above-mentioned companies on the basis of the following criteria:

- comparable sales and stock market capitalization;
- comparable industry sectors, namely: retail, distribution or Canadian food manufacturing;

- sale of consumer staples;
- operations carried out under various banners or trade names; and/or
- comparable geographical scope of operations.

## 5.9 Performance-based compensation

The compensation policies for executives are intended to adequately compensate their services while establishing a correlation between their compensation and the Corporation's financial performance. The NEOs' total compensation percentage under the AIP is shown in the column entitled "AIP" of the following table. The NEOs' total compensation percentage under the LTIP is shown in the column entitled "LTIP" of said table. The base salary of the NEOs is fixed whereas the portion of the compensation attributed under

the AIP and the LTIP varies in accordance with the performance of the Corporation and the results obtained. A significant part of the NEOs' compensation is therefore based on performance and includes a risk-based component, as further indicated in the following table. It should also be noted that the amount of at-risk compensation increases as the level of responsibility associated with a given position increases.

Percentage of total target direct compensation for the 2021 financial year<sup>(1)</sup>

Name and principal occupation	Base salary	AIP	LTIP <sup>(2)</sup>	At-risk compensation <sup>(3)</sup>
Eric R. La Flèche President and Chief Executive Officer	24%	24%	52%	76%
François Thibault Executive Vice-President, Chief Financial Officer and Treasurer	35%	26%	39%	65%
Carmine Fortino Executive Vice-President, Ontario Division Head and National Supply Chain	35%	26%	39%	65%
Marc Giroux Executive Vice-President, Québec Division Head and e-commerce	35%	26%	39%	65%
Alain Champagne President, Jean Coutu Group	35%	26%	39%	65%

Notes:

- (1) Target total direct compensation includes base salary as well as short-term and long-term compensation but excludes benefits and pension plans.
- (2) The LTIP includes the Stock Option Plan and the Performance Share Unit Plan. The target under the Performance Share Unit Plan is set at Level 2.
- (3) At risk compensation represents the sum of the AIP and the LTIP.

## 5.10 NEO compensation components

### BASE SALARY

Competitive salaries allow the Corporation to hire and retain competent individuals who will help improve the Corporation's performance and create value for its shareholders.

The median of the reference group and compensation surveys conducted by the Corporation or by consulting firms are used to establish the base salary of each NEO, which base salary is then adjusted to take into account specific

circumstances such as an individual's level of responsibility and experience.

The base salary is reviewed annually according to the individual's performance, the Corporation's performance, market data for the reference group and the annual compensation surveys performed by expert consulting firms.

### ANNUAL INCENTIVE PLAN ("AIP")

The AIP is intended to compensate the achievement and overachievement of performance goals for a given financial year. The AIP consists of a percentage of the Corporation's executives' base salary payable annually as a cash bonus in consideration for the executives' and the Corporation's achievement or overachievement of certain annual goals. Except with the approval of the Board of Directors, no amount is payable under the AIP with respect to any

given goal if the minimum threshold or the goal is not achieved. The President and Chief Executive Officer may grant executive officers (excluding himself) part of their compensation under the AIP even if certain performance goals have been partially achieved, when justified by the circumstances. All such adjustments made by the President and Chief Executive Officer are subject to the Human Resources Committee's prior approval, and in the case of the



Executive Vice-President, Chief Financial Officer and Treasurer, the Board's approval. The Board can also adjust in like manner the President and Chief Executive Officer's compensation under the AIP. All such adjustments are limited to an aggregate amount equal to five percent (5%) of all executive officers' base salaries.

The goals to be met under the AIP are threefold:

- i) corporate goals based on the budgeted annual adjusted net earnings\* as described in the "Highlights for the 2021 financial year" section on page 39 of this Circular;
- ii) divisional goals based on the budgeted market share and

contribution of the food divisions of the Corporation and on the budgeted sales and contribution of the pharmacy division; and

- iii) personal or sector-based financial, strategic or business goals relating to the specific sector for which the NEO is responsible.

Each goal provides for a bonus corresponding to a percentage of the annual base salary. The same rules apply to all management employees participating to the AIP.

The following table shows the maximum bonus as a percentage of the base salary that each NEO can earn for the achievement of all goals in each category as well as the maximum and target total bonuses.

Name and principal occupation	Percentage of the base salary paid if maximum threshold is achieved			Percentage of base salary paid if target is achieved	
	Corporate goals	Divisional goals	Personal or Sector-based goals	Total	Total
Eric R. La Flèche President and Chief Executive Officer	90%	30%	30%	150%	105%
François Thibault Executive Vice-President, Chief Financial Officer and Treasurer	50%	30%	20%	100%	75%
Carmine Fortino Executive Vice-President, Ontario Division Head and National Supply Chain	30%	50%	20%	100%	75%
Marc Giroux Executive Vice-President, Québec Division Head and e-commerce	30%	50%	20%	100%	75%
Alain Champagne President, Jean Coutu Group	30%	50%	20%	100%	75%

Each year, new performance goals (corporate, divisional and personal or sector-based) are established under the AIP at a high but attainable level. The goals are reviewed and approved on an annual basis by the Human Resources Committee. The Corporation believes that the AIP performance goals are established at a sufficiently high level to encourage NEOs to exceed

expectations, which, in the opinion of the Corporation, has a positive impact on its performance.

More information on bonuses paid under the AIP is available in the "Annual Incentive Plan for the 2021 Financial Year" section on page 39 of this Circular.

### LONG-TERM INCENTIVE PLAN ("LTIP")

The LTIP is comprised of the Stock Option Plan (the "Option Plan") and the Performance Share Unit Plan (the "PSU Plan"). The main goal of the LTIP is to motivate the Corporation's executives to create long-term economic value for the Corporation and its shareholders by associating a significant portion of their compensation to the creation of value. The LTIP is a factor that contributes to the retention of senior executives.

Prior grants are not taken into account in the determination of the number of Shares covered by any Options and PSUs to be granted, except in the case of special grants. The Board of Directors may, at its sole discretion, grant additional Options and PSUs to executives under specific circumstances, such as appointments, promotions or change of duties.

The Option and PSU grant policy for executives provides for annual grants. Any holder of Options awarded under the Option Plan must wait for a period of two (2) years from the grant, after which time the Options are exercisable in cumulative increments of 20% each year. In general, the Options granted have a total term of seven (7) years. The PSUs granted thus far vest three (3) years following their grant date, conditional upon the achievement of applicable performance levels.

\* These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by the IFRS and therefore may not be comparable to similar measurements presented by other public companies. For more details on the calculation of the adjusted net earnings, please refer to the 2021 Annual Report.

## Option Plan

The number of Shares underlying each Option grant is calculated according to the following formula: (salary class of the NEO, or the base salary in the case of the President and Chief Executive Officer X target compensation value) ÷ (closing price of the Shares on the trading day preceding the Option grant X 15% compensation value factor).

The target compensation value of NEOs is determined as follows:

- i) the number of underlying Shares for Options granted to the President and Chief Executive Officer is established using a target compensation value equal to 100% of his base salary; and
- ii) the number of underlying Shares for Options granted to other NEOs is established using a target compensation value equal to 35% of their salary class. The salary classes are revised from time to time.

## PSU Plan

PSUs entitle their holder to receive Shares of the Corporation or, at the discretion of the Corporation, a cash equivalent, in whole or in part, on the vesting date. Each grant includes three (3) levels of PSUs, in accordance with the achievement of certain financial performance goals determined annually by the Human Resources Committee and approved by the Board of Directors.

There are currently five (5) annual performance goals used to determine the PSU level reached for a total of 15 performance criteria over the performance period. They are based on the Corporation's return on shareholders' equity based on adjusted net earnings\* ("ROE") in comparison to three (3) preset target levels, and on the Corporation's adjusted net earnings per share\* growth ("EPSG") in comparison to its two (2) main competitors: Loblaw Companies Limited and Empire Company Limited.

The determination of the PSU level reached for payment purposes is made three (3) years after PSUs are granted on the basis of the above-mentioned five (5) annual performance criteria (i.e. based on a total of 15 performance criteria for their three-year term), and is calculated as follows at the end of the third year:

- i) Level 1 = achievement of at least four (4) of the 15 performance criteria;

2021	2020	2019
ROE higher than 12.25%	ROE higher than 11.5%	ROE higher than 11%
ROE higher than 12.75%	ROE higher than 12%	ROE higher than 11.5%
ROE higher than 13.25%	ROE higher than 12.5%	ROE higher than 12%
EPSG higher than Loblaw Companies Limited's EPSG	EPSG higher than Loblaw Companies Limited's EPSG	EPSG higher than Loblaw Companies Limited's EPSG
EPSG higher than Empire Company Limited's EPSG	EPSG higher than Empire Company Limited's EPSG	EPSG higher than Empire Company Limited's EPSG

The number of PSUs granted is calculated by dividing a percentage of the NEO's salary class by the closing price of the Share on the trading day preceding the PSUs grant, except for Mr. La Flèche, for whom the number of PSUs is calculated according to a percentage of his salary as determined in his employment contract (for more details on Mr. La Flèche's employment

To determine the estimated fair value of all standard Option grants for compensation purposes, the Corporation was using before 2021 a compensation value factor of 20% of the product obtained by multiplying the number of underlying Shares of the granted Options by the exercise price (which is equal to the closing price of the Shares on the trading day preceding the Option grant). In light of the evolution of the Share price in recent years and the decreasing Black-Scholes value used for accounting purposes, the compensation value factor has been revised from 20% to 15% for the 2021 grants. The Corporation considers that this valuation method for Options adequately reflects the evolution in NEO compensation and makes it easier to compare with the reference group even though it does not correspond exactly to the Black-Scholes value declared in note 18 of the Company's consolidated financial statements for fiscal year 2021.

- ii) Level 2 = achievement of at least eight (8) of the 15 performance criteria; and
- iii) Level 3 = achievement of at least 12 of the 15 performance criteria.

If Level 1 is not reached three (3) years after the PSUs are granted, PSU holders shall not receive any payment for such grant.

The Human Resources Committee reviews the goals and criteria of the PSU Plan on an annual basis to foster the highest level of performance while remaining realistic and reachable to avoid undue risk taking. In 2021, the Board of Directors of the Corporation, upon recommendation of the Human Resources Committee, increased the Corporation's ROE target levels from those set in 2020 to take into consideration the higher earnings budgeted (as described in the "Annual Incentive Plan for the 2021 financial year" section at page 39 of this Circular) and the number of Shares bought back by the Corporation.

The following table lists the performance criteria to be reached over the last three (3) fiscal years:

contract, please refer to the "Employment Contracts" section on page 37 of this Circular).

To determine the fair value of all PSUs standard grants for compensation purposes, the Corporation is using Level 2 of PSUs as the target level. The

\* These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by the IFRS and therefore may not be comparable to similar measurements presented by other public companies. For more details on the calculation of the adjusted net earnings, please refer to the 2021 Annual Report.

Corporation considers that using this target level more adequately reflects the value of PSUs.

### Other Information

The other terms and conditions of the Option Plan and the PSU Plan are more fully described in the “Stock Option Plan (Option Plan)” section on page 49 of this Circular and in the “Performance Share Unit Plan (PSU Plan)” section on page 51 of this Circular. More information on Option and PSU grants in 2021 is available in the “Long-Term Incentive Plan for the 2021 Financial Year” section on page 42 of this Circular.

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### PENSION PLANS

The Corporation’s pension plans are designed to offer executives a reasonable pension and compensate them for their years of service. Executives began contributing to the defined benefit base plan in the 2015 financial year.

Mr. La Flèche’s pension benefits are provided under a base plan and a supplemental plan, both of a defined benefit type. The base plan is contributory and the supplemental plan is non contributory. In 2018, pursuant to an amendment to his employment contract, Mr. La Flèche’s pension benefits were increased following a review of his total compensation by PCI. Both plans, combined, provide for a pension equal to two percent (2%) of final average earnings multiplied by the number of years of credited service. Final average earnings now consist of the average, determined for the 36 consecutive months that were the most highly compensated, of the base salary received by Mr. La Flèche and, for years of credited service as of April 15, 2008, the cash bonus (up to 100% of the base salary) received by Mr. La Flèche. The pension benefits are paid in addition to government pension benefits and the normal form of pension is a lifetime pension with a guarantee of 120 monthly payments. Mr. La Flèche can opt for early retirement as of now; the pension for the years of service prior to 2017 would then be reduced by 0.5% for each month between the date of retirement and the date at which Mr. La Flèche reaches age 60 and the pension for the years of service from January 1, 2017 would be reduced by 5/12 of one percent (1%) for each month between the retirement date and the date upon which Mr. La Flèche reaches age 62. Notwithstanding the foregoing, Mr. La Flèche’s pension is limited to a maximum total annual pension of \$1 million for a retirement at age 63 or after. If Mr. La Flèche retires before the age of 63, the maximum annual pension shall be reduced by 5/12 of one percent (1%) for each month between the date of retirement and the date Mr. La Flèche reaches age 63.

The pension benefits of Messrs. Thibault, Giroux and Champagne are provided under a base plan and a supplemental plan, both of a defined benefit type. The base plan is contributory whereas the supplemental plan is non-contributory. Both plans combined provide a pension equal to two percent (2%) of the final average salary multiplied by the number of years of credited service, the final average salary consisting of the annual average base salary received by each NEO during the 36 consecutive months that were the most highly compensated. The pension benefits are paid in addition to government pension benefits and the normal form of pension is a lifetime pension with a guarantee of 120 monthly payments. These NEOs may elect early retirement as of the age of 55; the pension related to years of service before 2017 is then reduced by 0.5% for each month between the date of retirement and age 60 and the pension related to years of service from January 1, 2017 is reduced by 5/12 of one percent (1%) for each month between the date of retirement and the date the NEO reaches age 62.

The pension benefits of Mr. Fortino are provided under a base plan as well as

a supplemental plan, both of a defined benefit type. The base plan is contributory whereas the supplemental plan is non-contributory. Both plans combined provide pension benefits equal to 1.6% of the final average salary less 1.5% of the pension benefit from the Canada Pension Plan, multiplied by the number of years of service credited, the final average salary consisting of the average annual base salary received by Mr. Fortino during the 60 consecutive months that were the most highly compensated. The pension benefits are paid in addition to government pension benefits and the normal form of pension is a lifetime pension with a guarantee of 120 monthly payments. However, in the case of the supplemental plan, the pension benefits are paid in five (5) annual payments of an equivalent value to the lifetime pension. Mr. Fortino may elect early retirement from the age of 55 and receive an adjusted reduced pension having an actuarial value equivalent to the normal pension.

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### BENEFITS AND PERQUISITES

NEOs are also entitled to benefits comparable to those offered to executives of a similar level including health care and dental coverage, short and long-term disability and life insurance. The costs of these benefits are at the expense of the Corporation, except for long-term disability and optional plan costs, which are at the expense of each NEO. The Corporation provides the NEOs with a company car, at the Corporation’s expense.

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### EMPLOYMENT CONTRACTS

The President and Chief Executive Officer, Mr. Eric R. La Flèche, and the Executive Vice-President, Ontario Division Head and National Supply Chain, Mr. Carmine Fortino, are the only NEOs who have a written employment contract with the Corporation.

Mr. La Flèche’s contract, as amended from time to time, came into effect on April 15, 2008 for an indefinite term, and sets out the terms and conditions of his compensation as President and Chief Executive Officer.

Mr. Fortino’s contract, which came into effect on September 2, 2014, also has an indefinite term and sets out the terms and conditions of his compensation as Executive Vice-President, Ontario Division Head and National Supply Chain.

According to his employment contract, Mr. La Flèche is eligible to the AIP up to a maximum of 150% of his base salary as President and Chief Executive Officer of the Corporation.

Mr. La Flèche’s employment contract was amended in 2018 following the Transaction to provide, amongst other things, an increased participation in the PSU Plan, as a percentage of his base salary: from 60% to 90% at Level 1, from 90% to 120% at Level 2 and from 120% to 150% at Level 3. No changes were made to the Option portion of the LTIP.

Mr. La Flèche’s employment contract was further amended in 2021 to clarify that, in the context of the change to the compensation value factor from 20% to 15% and to the formula to determine the number of Shares underlying each Option, his target compensation value under the Corporation’s Option Plan remains equal to 100% of his base salary. This modification did not change Mr. La Flèche’s Option-based compensation.

Under Mr. Fortino’s employment contract, all Options and PSUs granted to Mr. Fortino follow the standard grant policy of the Corporation.

The conditions of exercise of Mr. La Flèche’s and Mr. Fortino’s Options and PSUs are the same as those of Options and PSUs granted pursuant to the

Plans. The performance criteria for the PSUs granted to Mr. La Flèche and Mr. Fortino are the same as those described in the “Long-Term Incentive Plan (“LTIP”)” section on page 35 of this Circular.

For other specific conditions applicable to Messrs. La Flèche and Fortino, please refer to the “Termination of Employment or Change of Control Benefits” section on page 52 of this Circular.

## 5.11 Shareholding requirements for NEOs

NEOs and other executives are required to hold a certain number of Shares and PSUs of the Corporation.

The President and Chief Executive Officer is required to hold Shares and PSUs of a value equal to at least five (5) times his annual base salary. Executive Vice-Presidents and other officers who have an equivalent role are required to hold Shares and PSUs of a value equal to at least two (2) times their annual base salary. Senior Vice-Presidents are required to hold Shares and PSUs of a value equal to at least one and a half (1.5) times their annual base salary. The other executives are required to hold Shares and PSUs of a value at least equal to one (1) time their annual base salary. The minimum holding requirement must be met within seven (7) years of the date upon which executives received their first Option or PSU grant or within three (3) years of the appointment of the executives to their current position if said executives previously held a management position within the Corporation that had a lower shareholding requirement. All PSU and Option holders must keep

a portion of the Shares they receive on the vesting or exercise date, as the case may be, if they have not yet met this minimum holding requirement. The President and Chief Executive Officer is required to continuously hold Shares and PSUs in accordance with the minimum holding requirement herein above-mentioned for one (1) year following retirement or resignation. The other NEOs are required to comply with the minimum holding requirement for six (6) months following retirement or resignation.

The following table indicates, with respect to each NEO, the value of the Shares and PSUs held as well as a confirmation of compliance with the minimum holding requirement. In accordance with its policy, the Corporation considers the following two (2) elements in determining compliance with this requirement: i) Shares of the Corporation held by each NEO; and ii) half of the PSUs granted but not yet vested according to the level corresponding to the goals estimated to be achieved when such determination is made.

Name	Shareholding requirement	Value of securities held at the end of the financial year <sup>(1)</sup>	Value of securities as multiple of base salary <sup>(2)</sup>	Shareholding requirement met or deadline to meet the requirement
Eric R. La Flèche	5 x base salary	\$18,365,010	18.11	✓
François Thibault	2 x base salary	\$2,413,158	4.49	✓
Carmine Fortino	2 x base salary	\$2,314,402	3.86	✓
Marc Giroux	2 x base salary	\$1,429,877	2.81	✓
Alain Champagne	2 x base salary	\$704,407	1.37	May 13, 2026 <sup>(3)</sup>

Notes:

- (1) Value calculated using the closing price on September 24, 2021 (\$60.18).
- (2) The multiple of base salary is calculated using the base salary set out in the summary compensation table in the “Compensation for the 2021 financial year” section at page 45 of this Circular.
- (3) Mr. Champagne joined the Corporation on May 13, 2019.

The dollar value of each NEO’s equity-based holdings, based on the closing price of the Shares on September 24, 2021 (\$60.18), are set forth in the following table. More information on Options and PSUs held by NEOs is

available in the “Outstanding Share-Based Awards and Option-Based Awards” section on page 46 of this Circular.

Name	Value of Shares held (\$)	Value of unexercised in-the-money Options (\$)		Value of PSUs not vested (\$)	Total (\$)
		Vested	Not vested		
Eric R. La Flèche	16,279,171	7,112,518	4,414,056	4,171,678	31,977,423
François Thibault	1,692,502	1,397,509	859,196	1,441,311	5,390,518
Carmine Fortino	1,378,904	820,463	881,063	1,870,996	4,951,427
Marc Giroux	890,062	305,189	424,438	1,079,629	2,699,318
Alain Champagne	—	43,470	332,366	1,408,814	1,784,650

## 5.12 Compensation decisions for the 2021 financial year

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### HIGHLIGHTS OF THE 2021 FINANCIAL YEAR

The Corporation achieved strong financial and operational results in 2021.

Sales for fiscal 2021 totalled \$18,283.0 million versus \$17,997.5 million for fiscal 2020, an increase of 1.6%.

Net earnings for fiscal 2021 were \$825.7 million, an increase of 3.7% from fiscal 2020 net earnings, while fully diluted net earnings per Share were \$3.33, up 6.1%. Adjusted net earnings\* for fiscal 2021 stood at \$854.2 million, up 3.0% from fiscal 2020, and adjusted fully diluted net earnings per Share\* were \$3.44, up 5.2%.

The Corporation's financial results for the first half of the year were fueled in part by the strong increase in food sales due to the COVID-19 pandemic, which was declared at the end of the second quarter of fiscal 2020. Food sales grew at higher rates than normal during the first two quarters since part of restaurant and food service revenues transferred to grocery stores. Conversely, food sales for the third and fourth quarter of fiscal 2021 were down as they cycled exceptionally strong levels due to the pandemic. However, food sales growth over fiscal 2019 levels (pre-pandemic) remained strong.

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### BASE SALARY FOR THE 2021 FINANCIAL YEAR

The base salary of each NEO, including the President and Chief Executive Officer, was determined according to the factors referred to in the "Base Salary" section on page 34 of this Circular. The Human Resources Committee is satisfied that the base salaries are adequate compared to the reference group.

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### ANNUAL INCENTIVE PLAN FOR THE 2021 FINANCIAL YEAR

In setting its corporate goals for fiscal 2021 in the context of the pandemic, the Corporation prepared a baseline budget assuming a normal environment with no COVID-19, to which it incorporated additional sales and earnings it expected to generate from the pandemic. Earnings on these additional sales were set at a higher margin on the basis that the Corporation should benefit from stronger operating leverage given an overall higher-than-normal level of sales.

For its part, the structure of the AIP was modified slightly in fiscal 2021 by replacing the divisional sales objective for the Québec and Ontario divisions by a market share objective. In a context of uncertain sales, using market share was deemed a better indicator. The divisional sales objective was not modified for the pharmacy division.

Pharmacy front-store sales were negatively impacted by an eight-week labour conflict at the Jean Coutu distribution center in the first quarter, as well as government-imposed restrictions on sales of non-essential products in Quebec for a period of six (6) weeks in the second quarter. The Corporation ensured that the supply of medication was maintained during these challenging times.

The Corporation incurred higher operating expenses due to the pandemic, namely labour, prevention measures, maintenance and cleaning, as it remained fully dedicated to the safety of its employees and customers. Expenses related to the pandemic in fiscal 2021 totalled \$104 million, including \$24 million of gift cards to front-line employees.

Financial results are also the product of the Corporation's sustained investments in its network of stores and its supply chain, as well as in its merchandising and marketing programs. Capital investments in 2021 totalled just under \$600 million, a record level.

The Corporation has met or exceeded the target threshold for all its corporate and divisional goals in fiscal 2021, even with the Corporation's pharmacy division being impacted as a result of an eight-week labour conflict and unforeseen restrictions imposed by public health authorities on commercial sales during the fiscal year. Overall, the Corporation delivered superior performance without reaching the maximum threshold. Some minor adjustments to divisional and personal or sector-based goals were granted to NEOs by the Human Resources Committee, upon recommendation of the President and Chief Executive Officer, and by the Board of Directors with respect to the Executive Vice-President, Chief Financial Officer and Treasurer, given that the Human Resources Committee and the Board determined that these goals had been substantially achieved. No adjustments were made in relation to the President and Chief Executive Officer's objectives. More details on these adjustments can be found in the "Adjustments" section on page 41 of this Circular.

The following table shows the minimum and maximum thresholds, in percentage, to be achieved with regards to the following AIP objectives for the 2021 financial year:

- i) Corporate: budgeted adjusted net earnings\*;
- ii) Divisional: budgeted contribution for each of the three (3) divisions.

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\* These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by the IFRS and therefore may not be comparable to similar measurements presented by other public companies. For more details on the calculation of the adjusted net earnings, please refer to the 2021 Annual Report.

Name	Corporate Goals		Divisional Goals						Personal or Sector-based Goals
	Minimum	Maximum	Quebec Division		Ontario Division		Pharmacy Division		
			Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	
Eric R. La Flèche	96%	105%	96%	103%	96%	105%	96%	103%	Various key performance indicators, strategic or business goals relating to the specific sector for which the NEO is responsible, such as: achieving and exceeding sales, contribution, customer satisfaction and cost savings targets as well as achieving the successful implementation of digital strategy, succession planning and successful deployment of other significant operational initiatives.
François Thibault	96%	103%	96%	103%	96%	105%	96%	103%	
Carmine Fortino	96%	103%	—	—	96%	105%	—	—	
Marc Giroux	96%	103%	96%	103%	—	—	—	—	
Alain Champagne	96%	103%	—	—	—	—	96%	103%	

### Corporate goals

The following table shows the percentage of the base salary representing the bonus that each NEO would earn according to the level of achievement with

respect to the annual adjusted net earnings\* as well as the results achieved for the 2021 financial year.

Name	Minimum Threshold \$790.7M	Target \$823.6M	Maximum Threshold \$848.3M <sup>(1)</sup>	Results Achieved \$854.2M
Eric R. La Flèche	36%	60%	90%	80%
François Thibault	20%	38%	50%	50%
Carmine Fortino	12%	23%	30%	30%
Marc Giroux	12%	23%	30%	30%
Alain Champagne	12%	23%	30%	30%

Note:

- (1) This is the maximum threshold for all NEOs except for Mr. La Flèche. The maximum threshold for Mr. La Flèche is \$864.8M. If the maximum threshold is exceeded, the NEOs will receive a bonus representing the same percentage of their base salary as if the actual results were equal to the maximum threshold.

\* These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by the IFRS and therefore may not be comparable to similar measurements presented by other public companies. For more details on the calculation of the adjusted net earnings, please refer to the 2021 Annual Report.



## Divisional goals

The table below shows the percentage of base salary representing the bonus that each NEO would receive according to the level of achievement of certain thresholds of the divisional goals as well as the results achieved for the 2021

financial year. For confidentiality reasons more fully described at the end of this section, the Corporation will not disclose the amount of those targets.

Name	Minimum Threshold	Target	Maximum Threshold <sup>(1)</sup>	Results Achieved
Eric R. La Flèche	12%	23%	30%	23%
François Thibault	12%	23%	30%	26%
Carmine Fortino	20%	38%	50%	38%
Marc Giroux	20%	38%	50%	50%
Alain Champagne	20%	38%	50%	41%

Note:

(1) If the maximum threshold is exceeded, the NEOs will receive a bonus representing the same percentage of their base salary as if the actual results were equal to the maximum threshold.

## Personal or Sector-based goals

The NEOs may receive a bonus of up to a maximum of 20% to 30% of their base salary for achieving all of their personal or sector-based goals.

bonuses payable for the achievement of all personal goals for each of the NEOs and the bonus actually achieved, inclusive of minor adjustments as more fully described in the following section.

The table below shows, as a percentage of salary, the target and maximum

Name	Target	Maximum Threshold	Results Achieved
Eric R. La Flèche	23%	30%	23%
François Thibault	14%	20%	14%
Carmine Fortino	14%	20%	14%
Marc Giroux	14%	20%	19%
Alain Champagne	14%	20%	16%

## Adjustments

The Human Resources Committee, upon recommendation of the President and Chief Executive Officer, and the Board of Directors with respect to the Executive Vice-President, Chief Financial Officer and Treasurer, granted NEOs compensation adjustments amounting to \$91,208 under the AIP with respect to certain divisional and personal or sector-based goals given that the

Human Resources Committee and the Board determined that these goals had been substantially achieved taking into account the eight-week labour conflict in the pharmacy division as well as the operating conditions that prevailed for a portion of the year. No adjustment was made to the achievement of the President and Chief Executive Officer's divisional and personal goals.

## Bonus earned

The following table shows the target bonus, maximum bonus and bonus earned by each NEO for the 2021 financial year:

Name	Target bonus as % of base salary	Maximum bonus as % of base salary	Bonus earned as % of base salary	Bonus earned (\$) <sup>(1)</sup>
Eric R. La Flèche	105%	150%	126%	1,289,076
François Thibault	75%	100%	90%	487,881
Carmine Fortino	75%	100%	82%	495,538
Marc Giroux	75%	100%	99%	504,900
Alain Champagne	75%	100%	87%	450,476

Note:

(1) The bonus is calculated based on the base salary in effect on January 1, 2021 and thereafter if modified following adjustments to the base salary during the year.

## Undisclosed goals

The Corporation will not provide further details regarding the AIP goals as it believes that the disclosure of such information could seriously prejudice its interests, as same constitutes strategic confidential information. Since the Corporation does not publicly disclose its overall budgetary targets and does not wish to give forward-looking information, the Corporation believes that it is not desirable to disclose such information. Furthermore, the divisional and personal or sector-based goals are aligned with the divisions' main priorities and consist of financial targets and specific projects that are highly strategic and have yet to be completed; the disclosure of same could therefore greatly jeopardize their completion. Lastly, it is the Corporation's policy not to disclose

information on an unconsolidated basis. Consequently, the Corporation will not disclose additional information on divisional and personal or sectorial goals. The Corporation considers that the performance goals determined in accordance with the AIP which are not fully disclosed are established at a high yet reachable level, to encourage NEOs to exceed expectations which, in the opinion of the Corporation, has a positive impact on the Corporation's performance.

The percentage of total compensation associated with undisclosed goals for the 2021 financial year is as follows for each of the NEOs:

Name and principal occupation	Percentage of total compensation relating to undisclosed objectives
Eric R. La Flèche President and Chief Executive Officer	9.4%
François Thibault Executive Vice-President, Chief Financial Officer and Treasurer	11.8%
Carmine Fortino Executive Vice-President, Ontario Division Head and National Supply Chain	16.3%
Marc Giroux Executive Vice-President, Québec Division Head and e-commerce	17.1%
Alain Champagne President, Jean Coutu Group	16.4%

## LONG-TERM INCENTIVE PLAN FOR THE 2021 FINANCIAL YEAR

The Option and PSU awards granted during the 2021 financial year were determined according to the factors described in the "Long-Term Incentive Plan ("LTIP")" section on page 35 of this Circular.

The following table shows, for each NEO, the percentage of the salary class, or, in the case of the President and Chief Executive Officer, the salary that

was used to determine the number of PSUs granted per level as well as the number of PSUs granted per level and their value for the 2021 financial year. The PSUs were granted to each NEO on January 28, 2021, and the level reached will be determined in January 2024 at the time of payment.

Name	Level 1			Level 2			Level 3		
	% of salary <sup>(1)</sup>	Number of PSUs <sup>(2)</sup>	Value (\$) <sup>(3)</sup>	% of salary <sup>(1)</sup>	Number of PSUs <sup>(2)</sup>	Value (\$) <sup>(3)</sup>	% of salary <sup>(1)</sup>	Number of PSUs <sup>(2)</sup>	Value (\$) <sup>(3)</sup>
Eric R. La Flèche	90%	16,410	917,975	120%	21,880	1,223,967	150%	27,350	1,529,959
François Thibault	50%	5,360	299,838	75%	8,040	449,758	100%	10,730	600,236
Carmine Fortino	50%	5,360	299,838	75%	8,040	449,758	100%	10,730	600,236
Marc Giroux	50%	5,360	299,838	75%	8,040	449,758	100%	10,730	600,236
Alain Champagne	50%	5,360	299,838	75%	8,040	449,758	100%	10,730	600,236

Notes:

- (1) Percentage of the salary class or of the salary, as the case may be.
- (2) The number of PSUs indicated per level is not cumulative.
- (3) Value calculated using the closing price of the Share on the trading day preceding the January 2021 PSU grant (\$55.94).

Three (3) out of the five (5) performance criteria were met for the 2021 financial year for a total of 11 out of 15 for the three-year performance period ending in 2021. Therefore, Level 2 will be paid out in 2022 for the PSUs granted in 2019.

The following table provides details about the Options granted to each NEO for the 2021 financial year:

Name	Grant date	Underlying securities	Expiry date	Options value (\$) <sup>(1)</sup>
Eric R. La Flèche	January 28, 2021	121,600	January 27, 2028	1,020,346
François Thibault	January 28, 2021	25,000	January 27, 2028	209,775
Carmine Fortino	January 28, 2021	25,000	January 27, 2028	209,775
Marc Giroux	January 28, 2021	25,000	January 27, 2028	209,775
Alain Champagne	January 28, 2021	25,000	January 27, 2028	209,775

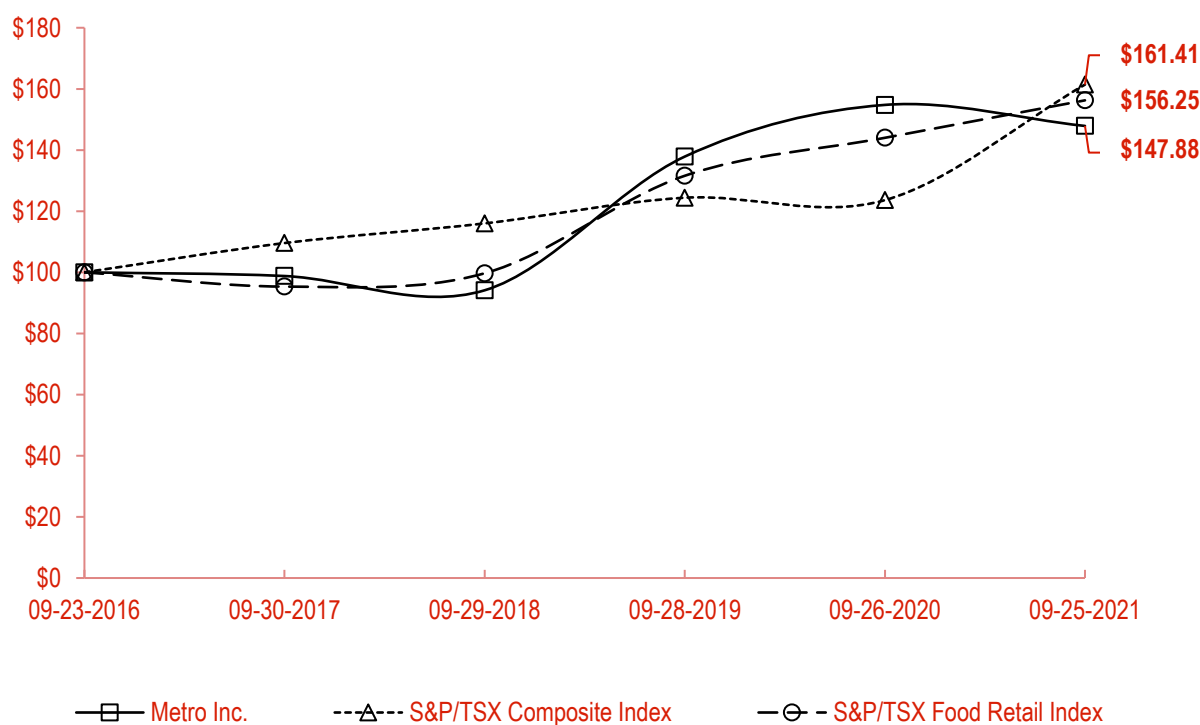
Note:

- (1) Value equal to 15% of the result obtained by multiplying the number of underlying Shares by the closing price of the Share on the trading day preceding the Option grant, namely \$55.94. For additional details on the calculation method, refer to the "Long-Term Incentive Plan ("LTIP")" section on page 35 of this Circular.

### 5.13 Stock performance graph

The following graph illustrates the cumulative total shareholder return on \$100 invested in Shares of the Corporation in comparison to an investment in the

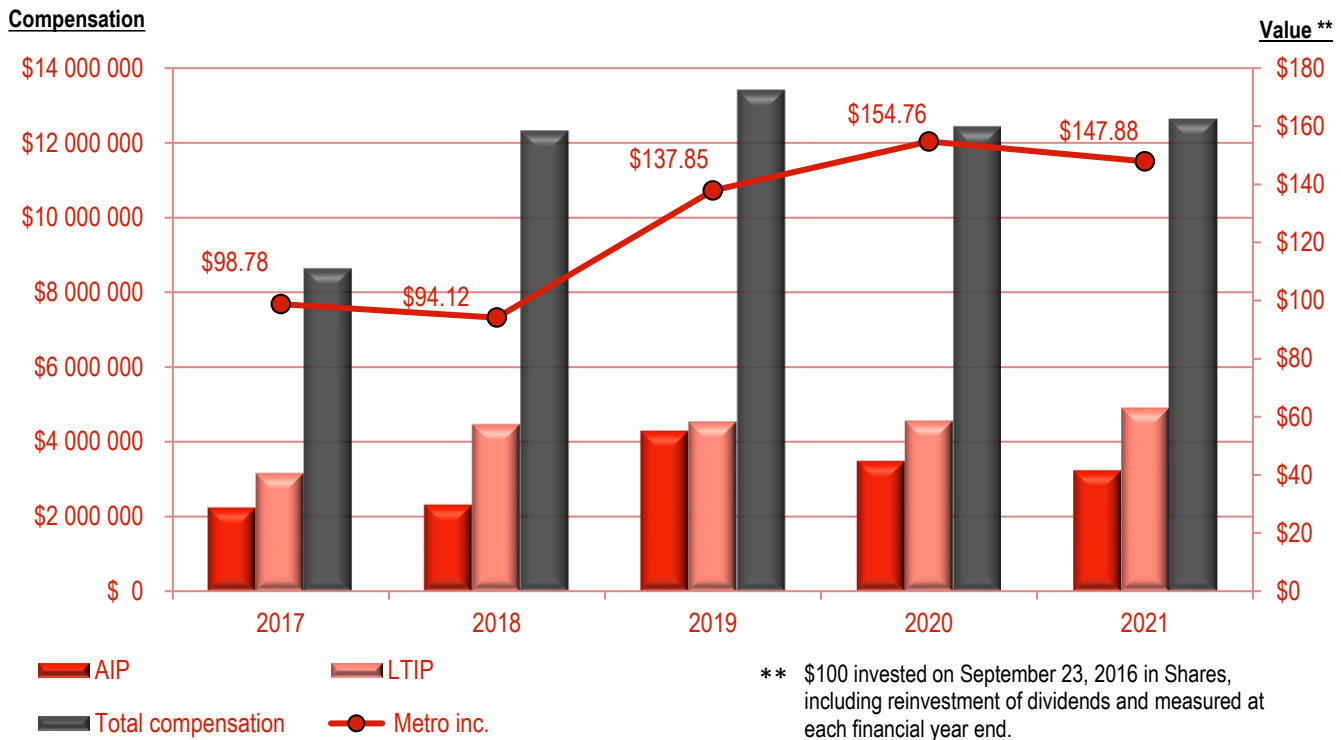
S&P/TSX Composite Index and in the S&P/TSX Food Retail Index for the period beginning September 23, 2016 and ending September 25, 2021.



	2016	2017	2018	2019	2020	2021
Metro Inc.	100.00	98.78	94.12	137.85	154.76	147.88
S&P/TSX Composite Index	100.00	109.56	116.00	124.40	123.61	161.41
S&P/TSX Food Retail Index	100.00	95.33	99.68	131.58	144.00	156.25

The following graph illustrates the cumulative total shareholder return on \$100 invested in Shares of the Corporation with dividend reinvestments compared

to the total annual NEO\* compensation for the 2017 to 2021 period.



In 2018, the total shareholder return decreased slightly while total compensation was up. The main reasons for this increase in compensation were the changes to the pension benefit of the President and Chief Executive Officer, which resulted in a one-time charge of \$1.976 million, as well as the one-time special PSUs grant relating to the Transaction. Without these one-time events, Mr. La Flèche's compensation would only have been slightly up in 2018 compared to 2017. In 2019, compensation charges grew at a similar rate than in 2018 if we exclude the one-time charges incurred in 2018. Total shareholder return increased by more than 45% during that period. In 2020, compared to 2019, compensation grew at a lower rate (7.9%) than shareholder return (12.3%). In 2021, shareholder return decreased slightly while NEO compensation remained essentially at the same level as in 2020. Between 2017 and 2021, the total annual NEO compensation increased from \$8.6

million to \$12.7 million. The Share price increased from \$42.91 in 2017 to \$60.18 in 2021.

The above graph is based on the summary compensation tables as they appear in each of the Corporation's management proxy circulars of years 2017 to 2021.

Further details regarding total annual NEO compensation components are available in the "Summary Compensation Table" section on page 45 of this Circular.

Aggregate compensation paid to the NEOs during the 2021 financial year represented 1.53% of net earnings and 0.09% of market capitalization.

\* Although, Mr. François J. Coutu was a NEO in fiscal 2019, his compensation is not reflected in the graph as he retired in 2019 and as his compensation during the 2017 – 2019 period is not representative of the compensation offered by the company to its NEOs for the following reasons:

- i) For most of that period his compensation came from the Jean Coutu Group prior to the Transaction; and
- ii) In 2019, in addition to his compensation as an employee, Mr. Coutu also received director and consulting fees.

## 6. Compensation for the 2021 financial year

### 6.1 Summary compensation table

The following table sets forth the NEO's compensation for the financial years ended September 25, 2021, September 26, 2020 and September 28, 2019.

Name and principal occupation	Financial year	Salary (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation / Annual incentive plans (\$)	Pension value (\$) <sup>(3)</sup>	Other compensation (\$) <sup>(4)</sup>	Total compensation (\$)
<b>Eric R. La Flèche</b> President and Chief Executive Officer	2021	1,014,231	1,223,967	1,020,346	1,289,076	466,000	5,287	5,018,908
	2020	1,000,000	1,200,160	999,515	1,430,000	433,000	4,729	5,067,404
	2019	1,000,000	1,200,103	999,610	1,393,800	359,000	5,525	4,958,038
<b>François Thibault</b> Executive Vice-President, Chief Financial Officer and Treasurer	2021	537,948	449,758	209,775	487,881	158,000	2,858	1,846,219
	2020	527,600	412,318	192,390	519,792	150,000	2,551	1,804,651
	2019	515,962	393,858	183,389	501,280	135,000	2,985	1,732,474
<b>Carmine Fortino</b> Executive Vice-President, Ontario Division Head and National Supply Chain	2021	600,247	449,758	209,775	495,538	169,000	3,126	1,927,443
	2020	565,501	431,257	201,497	591,600	115,000	2,782	1,907,637
	2019	542,278	716,451 <sup>(5)</sup>	201,442	563,539	97,000	3,111	2,123,821
<b>Marc Giroux<sup>(6)</sup></b> Executive Vice-President, Québec Division Head and e-commerce	2021	508,846	449,758	209,775	504,900	380,000	2,815	2,056,094
	2020	447,910	356,044	166,206	450,000	494,000	2,267	1,916,427
	2019	339,084	157,733	70,315	192,374	74,000	2,056	835,562
<b>Alain Champagne<sup>(7)</sup></b> President, Jean Coutu Group	2021	514,231	449,758	209,775	450,476	167,000	2,758	1,793,998
	2020	500,000	393,921	183,282	490,000	155,000	2,436	1,724,639
	2019	182,692	393,821	184,010	—	49,000	1,114	810,638

Notes:

- The value of PSUs does not constitute a cash amount received by the NEO. It is an at-risk value. Indeed, the number of PSUs may increase or decrease depending on the number of financial objectives reached and in certain cases, the value of such PSUs may even be null. The compensation value of PSUs granted was determined using Level 2, which constitutes the target level. The accounting value of the PSUs reflected in the Consolidated Financial Statements of the Corporation is different from the value on the grant date indicated in the table above. The difference is due to the fact that in the financial statements, the Corporation considers the maximum number of PSUs provided for at Level 3, given that the applicable accounting principles require it. More information on the determination of the accounting value of the PSUs can be found in note 18 to the 2021 Consolidated Financial Statements. The table in the "Long-term incentive plan for the 2021 financial year" section on page 42 of this Circular provides assistance in determining the accounting value of the PSUs for the 2021 financial year (Level 3) as well as the difference between the value on the grant date (Level 2) and the accounting value.
- The Option values are all estimated values and not cash amounts received by a NEO. In addition, these amounts are not guaranteed and are fully at-risk. The compensation value of Options appearing in the above table was determined using a 15% compensation value factor for 2021 and a 20% compensation value factor for 2020 and 2019 whereas the Corporation calculates the accounting value of Options using the Black-Scholes model. Additional information regarding the manner upon which the accounting value of Options was determined may be found in note 18 to the 2021 Consolidated Financial Statements. The accounting value of Options granted in 2021 as determined using the Black-Scholes model is \$6.18 per Option and the compensation value used in this Circular is \$8.39 per Option.
- The variations attributable to compensation components represent the value of the projected pension benefits earned during the periods beginning October 1, 2020 and ending September 30, 2021, for the 2021 financial year, beginning October 1, 2019 and ending September 30, 2020, for the 2020 financial year, and beginning October 1, 2018 and ending September 30, 2019, for the 2019 financial year, taking into account all gains and losses in connection with salary variations. The amounts shown above are in accordance with the information set forth in note 20 to the 2021 Consolidated Financial Statements.
- The amounts represent life insurance premiums paid by the Corporation to NEOs. The value of perquisites for each NEO does not exceed \$50,000 or 10% of the total annual base salary of each NEO.
- This amount includes a one-time special PSU grant in 2019 to reflect Mr. Fortino's additional responsibilities for the national supply chain.
- Mr. Giroux became Executive Vice-President, Québec Division Head and e-commerce on September 30, 2019. Prior to this date, he was Senior Vice-President – Metro Banner for the Québec division.
- Mr. Champagne joined the Corporation as President of the Jean Coutu Group on May 13, 2019. This table shows his compensation since that date.

## 6.2 Incentive plan awards

### OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table shows, as at September 25, 2021 and with respect to each NEO, the Option-based awards that have not been exercised, and the Share-

based awards (under the PSU Plan) that have not yet vested.

Name	Option-based awards							Share-based awards		
	Number of securities underlying unexercised Options		Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options at financial year-end (\$) <sup>(1)</sup>			Number of Share-based awards that have not vested <sup>(2)</sup>	Market or payout value of Share-based awards that have not vested (\$) <sup>(3)</sup>	Vesting date
	Vested	Not vested			Vested	Not vested	Total			
Eric R. La Flèche	120,700	—	35.42	April 23, 2022	2,988,532	—	2,988,532	25,260	1,520,147	Jan. 31, 2022
	86,800	21,700	40.31	Jan. 27, 2023	1,724,716	431,179	2,155,895	22,180	1,334,792	Jan. 30, 2023
	65,220	43,480	40.23	Jan. 25, 2024	1,301,139	867,426	2,168,565	21,880	1,316,738	Jan. 28, 2024
	43,720	65,580	41.16	Jan. 31, 2025	831,554	1,247,332	2,078,886	—	—	—
	21,040	84,160	47.51	Jan. 30, 2026	266,577	1,066,307	1,332,884	—	—	—
	—	87,800	56.92	Jan. 29, 2027	—	286,228	286,228	—	—	—
	—	121,600	55.94	Jan. 27, 2028	—	515,584	515,584	—	—	—
<b>Total</b>	<b>337,480</b>	<b>424,320</b>	<b>—</b>	<b>—</b>	<b>7,112,518</b>	<b>4,414,056</b>	<b>11,526,574</b>	<b>69,320</b>	<b>4,171,678</b>	<b>—</b>
François Thibault	23,500	—	35.42	Apr. 23, 2022	581,860	—	581,860	8,290	498,892	Jan. 31, 2022
	17,360	4,340	40.31	Jan. 27, 2023	344,943	86,236	431,179	7,620	458,572	Jan. 30, 2023
	13,020	8,680	40.23	Jan. 25, 2024	259,749	173,166	432,915	8,040	483,847	Jan. 28, 2024
	8,520	12,780	41.16	Jan. 31, 2025	162,050	243,076	405,126	—	—	—
	3,860	15,440	47.51	Jan. 30, 2026	48,906	195,625	244,531	—	—	—
	—	16,900	56.92	Jan. 29, 2027	—	55,094	55,094	—	—	—
	—	25,000	55.94	Jan. 27, 2028	—	106,000	106,000	—	—	—
<b>Total</b>	<b>66,260</b>	<b>83,140</b>	<b>—</b>	<b>—</b>	<b>1,397,509</b>	<b>859,196</b>	<b>2,256,705</b>	<b>23,950</b>	<b>1,441,311</b>	<b>—</b>
Carmine Fortino	—	—	35.42	Apr. 23, 2022	—	—	—	15,080	907,514	Jan. 31, 2022
	17,360	4,340	40.31	Jan. 27, 2023	344,943	86,236	431,179	7,970	479,635	Jan. 30, 2023
	13,020	8,680	40.23	Jan. 25, 2024	259,749	173,166	432,915	8,040	483,847	Jan. 28, 2024
	8,520	12,780	41.16	Jan. 31, 2025	162,050	243,076	405,126	—	—	—
	4,240	16,960	47.51	Jan. 30, 2026	53,721	214,883	268,604	—	—	—
	—	17,700	56.92	Jan. 29, 2027	—	57,702	57,702	—	—	—
	—	25,000	55.94	Jan. 27, 2028	—	106,000	106,000	—	—	—
<b>Total</b>	<b>43,140</b>	<b>85,460</b>	<b>—</b>	<b>—</b>	<b>820,463</b>	<b>881,063</b>	<b>1,701,526</b>	<b>31,090</b>	<b>1,870,996</b>	<b>—</b>
Marc Giroux	—	—	35.42	April 23, 2022	—	—	—	3,320	199,798	Jan. 31, 2022
	5,920	1,480	40.31	Jan. 27, 2023	117,630	29,408	147,038	6,580	395,984	Jan. 30, 2023
	5,220	3,480	40.23	Jan. 25, 2024	104,139	69,426	173,565	8,040	483,847	Jan. 28, 2024
	3,400	5,100	41.16	Jan. 31, 2025	64,668	97,002	161,670	—	—	—
	1,480	5,920	47.51	Jan. 30, 2026	18,752	75,006	93,758	—	—	—
	—	14,600	56.92	Jan. 29, 2027	—	47,596	47,596	—	—	—
	—	25,000	55.94	Jan. 27, 2028	—	106,000	106,000	—	—	—
<b>Total</b>	<b>16,020</b>	<b>55,580</b>	<b>—</b>	<b>—</b>	<b>305,189</b>	<b>424,438</b>	<b>729,627</b>	<b>17,940</b>	<b>1,079,629</b>	<b>—</b>
Alain Champagne	—	—	35.42	April 23, 2022	—	—	—	8,090	486,856	Jan. 31, 2022
	—	—	40.31	Jan. 27, 2023	—	—	—	7,280	438,110	Jan. 30, 2023
	—	—	40.23	Jan. 25, 2024	—	—	—	8,040	483,847	Jan. 28, 2024
	—	—	41.16	Jan. 31, 2025	—	—	—	—	—	—
	3,780	15,120	48.68	May 12, 2026	43,470	173,880	217,350	—	—	—



	—	16,100	56.92	Jan. 29, 2027	—	52,486	52,486	—	—	—
	—	25,000	55.94	Jan. 27, 2028	—	106,000	106,000	—	—	—
<b>Total</b>	<b>3,780</b>	<b>56,220</b>	<b>—</b>	<b>—</b>	<b>43,470</b>	<b>332,366</b>	<b>375,836</b>	<b>23,410</b>	<b>1,408,814</b>	<b>—</b>

Notes:

- (1) Based on the difference between the closing price of the Share on September 24, 2021 (\$60.18) and the Option exercise price.
- (2) PSUs vesting in January 2022 have reached Level 2. The number and value of PSUs vesting in January 2023 and January 2024 were determined using Level 2 which constitutes the target Level.
- (3) Based on the closing price on September 24, 2021 (\$60.18). See the “Long-Term Incentive Plan (“LTIP”)” and “Employment Contracts” sections on pages 35 and 37 respectively of this Circular.

### INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE FINANCIAL YEAR

The following table shows, for the financial year ended September 25, 2021, with respect to each NEO, the value of the Options which vested, whether or

not exercised, the value of the PSUs that vested during the year and the value of the compensation under the AIP earned during such financial year.

<b>Name</b>	<b>Option-based awards – Value vested during the financial year (\$)<sup>(1)</sup></b>	<b>Share-based awards – Value vested during the financial year (\$)<sup>(2)</sup></b>	<b>Non-equity incentive plan compensation – Value earned during the financial year (\$)<sup>(3)</sup></b>
Eric R. La Flèche	1,709,914	2,027,266	1,289,076
François Thibault	334,684	733,373	487,881
Carmine Fortino	337,636	509,613	495,538
Marc Giroux	131,485	214,250	504,900
Alain Champagne	36,364	—	450,476

Notes:

- (1) This amount represents the amount that would have been earned in 2021 if the Options that vested during the 2021 financial year had all been exercised on their vesting date. For further details, see the table entitled “Options - Value on vesting date” on page 48 of this Circular.
- (2) This amount represents the value of PSUs granted in 2018 that vested in 2021, based on the closing price on January 27, 2021 (\$55.94), which is the trading day preceding their settlement date. For further details, see the table below entitled “PSUs granted in February 2018 and paid in January 2021”.
- (3) This amount represents the amount earned in 2021 under the AIP.

Please refer to the “Long-Term Incentive Plan (“LTIP”)” and “Employment Contracts” sections on pages 35 and 37 respectively of this Circular for a description of the conditions for awarding Options and PSU grants. The values shown in the Option-based awards and Share-based awards columns of the

above table were calculated using the information found in the following two (2) tables. As Mr. Champagne was not an employee of the Corporation at the time of the 2018 PSU grants, he is not mentioned in the PSU table below.

#### PSUs granted in February 2018 and paid in January 2021

<b>Name</b>	<b>Number of PSUs<sup>(1)</sup></b>	<b>Value (\$)<sup>(2)</sup></b>
Eric R. La Flèche	36,240	2,027,266
François Thibault	13,110	733,373
Carmine Fortino	9,110	509,613
Marc Giroux	3,830	214,250

Notes:

- (1) Level 2 reached.
- (2) Based on the Share closing price on January 27, 2021 (\$55.94), which is the trading day preceding the settlement date.

**Options – Value on vesting date**

<b>Name</b>	<b>Grant date</b>	<b>Number of Options vested during the financial year</b>	<b>Share price (\$)<sup>(1)</sup></b>	<b>Exercise price (\$)</b>
Eric R. La Flèche	April 24, 2015	24,140	57.25	35.42
	January 28, 2016	21,700	56.24	40.31
	January 26, 2017	21,740	56.20	40.23
	February 1, 2018	21,860	56.10	41.16
	January 31, 2019	21,040	55.28	47.51
François Thibault	April 24, 2015	4,700	57.25	35.42
	January 28, 2016	4,340	56.24	40.31
	January 26, 2017	4,340	56.20	40.23
	February 1, 2018	4,260	56.10	41.16
	January 31, 2019	3,860	55.28	47.51
Carmine Fortino	April 24, 2015	4,700	57.25	35.42
	January 28, 2016	4,340	56.24	40.31
	January 26, 2017	4,340	56.20	40.23
	February 1, 2018	4,260	56.10	41.16
	January 31, 2019	4,240	55.28	47.51
Marc Giroux	April 24, 2015	1,980	57.25	35.42
	January 28, 2016	1,480	56.24	40.31
	January 26, 2017	1,740	56.20	40.23
	February 1, 2018	1,700	56.10	41.16
	January 31, 2019	1,480	55.28	47.51
Alain Champagne	May 13, 2019	3,780	58.30	48.68

Note:

(1) Based on the Share closing price on the trading day preceding the vesting date.

**EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth, as at December 3, 2021, information regarding equity compensation plans pursuant to which equity securities of the

Corporation may be issued. Only the Option Plan qualifies as such.

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of Options (a)</b>	<b>Number of securities to be issued upon exercise of Options as % of issued and outstanding Shares (b)</b>	<b>Weighted-average exercise price of Options \$(c)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (d)</b>
Equity compensation plans approved by security holders	2,262,060	0.94%	46.68	1,197,736
<b>Total</b>	<b>2,262,060</b>	<b>0.94%</b>	<b>46.68</b>	<b>1,197,736</b>

## 6.3 Additional information on the long-term incentive plans

### STOCK OPTION PLAN (OPTION PLAN)

The grant of Options is limited to all executives of the Corporation and of its subsidiaries as these persons have a direct influence on the decisions that may have an impact on the stock price.

The full text of the Option Plan can be found on the Corporation's corporate website (corpo.metro.ca).

#### Dilution impact of the Option Plan

To reduce the future dilutive effects of the Option Plan, the Board of Directors has imposed limits to the Options and Shares that can be issued during a year under the Option Plan.

Absolute maximum number of Shares issued after Options are exercised	30,000,000, which represents 12.4% of issued and outstanding Shares of the Corporation as at December 3, 2021
Annual maximum number of Shares that can be issued after Options are exercised or under any other compensation plan at all times	10% of issued and outstanding Shares of the Corporation
Maximum number of Shares that can be issued to insiders after Options are exercised or under any other compensation plan at all times	10% of issued and outstanding Shares of the Corporation
Maximum number of Options that can be held by an employee of the Corporation	Options representing not more than 5% of issued and outstanding Shares of the Corporation

#### Annual burn rate

The following table indicates key measures regarding the Option Plan and its dilution impact on the Corporation's share capital:

	December 3, 2021	December 4, 2020	December 4, 2019
<b>Shares that can be issued</b>			
Number of Shares of the Corporation that can be issued on account of Option grants already made pursuant to the Option Plan.	2,262,060	2,305,460	2,245,020
<b>Dilution</b>			
Number of Shares under granted but unexercised Options, expressed as a percentage of the total issued and outstanding Shares on the specified date.	0.9%	0.9%	0.9%
<b>Options that can be granted and Options that have not vested</b>			
Number of Shares available for already made (but not vested) and future grants of Options, expressed as a percentage of the total issued and outstanding Shares on the specified date.	1.4%	1.6%	1.6%
<b>Annual burn rate</b>			
Number of Options awarded under the Options Plan divided by the weighted average number of Shares issued and outstanding as at the end of the applicable financial year. <sup>(1)</sup>	0.2%	0.1%	0.2%

Note:

(1) The information on the annual burn rate in this table is presented for the financial year ended before the date of each column.

#### Terms of the Option Plan

All grants under the Option Plan must comply with the terms of the Option Plan. These terms and conditions are detailed in the following table. This table

is only a summary of the principal terms and conditions of the Option Plan.

Subscription price	May under no circumstances be less than the market price <sup>(1)</sup> of the Shares when the TSX closes on the trading day preceding the date of the grant, and is payable in full when the Option is exercised. The Corporation has historically been using the market price <sup>(1)</sup> of the Shares when market closes on the trading day preceding the date of the grant.
Maximum term	Generally, no Option may be exercised after the expiration of the fifth (5 <sup>th</sup> ) year following the date upon which such Option may be first exercised, in whole or in part, or following a period of ten (10) years from the date of the grant. The exercise period for Options that expire during a trading prohibition period, as determined in the Information Policy of the Corporation, is extended by a seven (7) business day period following the expiration of such trading prohibition period.
Expiry of Options	Options expire: <ul style="list-style-type: none"> <li>• 30 days following the resignation of the optionee or the date the Corporation or an affiliated entity terminates the optionee's employment without just cause;</li> <li>• on the date the Corporation or an affiliated entity terminates the optionee's employment for just cause;</li> <li>• two (2) years following the date of retirement or authorized leave of the optionee, it being understood that during said two-year period the Options continue to vest and the optionee is entitled to exercise Options. For</li> </ul>

	<p>a period of 364 days after said two-year period, the optionee will be entitled to exercise Options although such Options will not continue to vest; and</p> <ul style="list-style-type: none"> <li>• one (1) year after the optionee's death.</li> </ul>
Transfer/Assignment	No Option is transferable or assignable unless dictated by will or pursuant to succession laws and, during the lifetime of the optionee, only he or she may exercise any Option.
Change of control	All Options granted under the Option Plan will vest and may be exercised at the discretion of the optionees.
Financial assistance	The Option Plan does not allow financial assistance to optionees in relation to the exercise of their Options.
Plan changes – approval of Shareholders	<p>The approval of Shareholders is required in order to make the following changes:</p> <ul style="list-style-type: none"> <li>• any amendment to the number of securities issuable under the Option Plan (subject to any amendment resulting from a split, a consolidation or any other similar operation);</li> <li>• any amendment which would allow non-employee directors to participate to the Option Plan on a discretionary basis;</li> <li>• any amendment which would permit any Option granted under the Option Plan to be transferable or assignable other than by will or pursuant to succession laws;</li> <li>• the addition of a cashless exercise feature, payable in cash or securities, if the wording of such feature does not provide for a full deduction of the number of underlying securities from the Option Plan reserve;</li> <li>• the addition of a deferred or restricted share unit or any other provision which results in employees receiving securities while no cash consideration is received by the Corporation;</li> <li>• any reduction in the purchase price (subscription price or exercise price) of any underlying Shares after the Option has been granted or any cancellation of an Option and the substitution of such Option with a new Option with a reduced exercise price, subject to any amendment resulting from a split, a consolidation or any other similar operation;</li> <li>• any extension to the term of an Option beyond its original expiry date (subject to the initial term being extended by seven (7) business days when an Option exercise period expires during a trading prohibition period);</li> <li>• any amendment to the method of determining the purchase price (subscription price or exercise price) of each Share linked to an Option granted pursuant to the Option Plan; and</li> <li>• the addition of any form of financial assistance and any amendment to a financial assistance provision which is more favorable to employees.</li> </ul>
Plan changes by the Board of Directors	<p>The Board of Directors may, subject to its receipt of the required approvals of the regulatory authorities, and at its sole discretion, make any other amendments to the Option Plan that are not mentioned above. Without limiting the generality of the foregoing, the Board of Directors may, among other things:</p> <ul style="list-style-type: none"> <li>• make any amendment of a “housekeeping” or clerical nature or in order to clarify the Option Plan's provisions;</li> <li>• make any amendment regarding any vesting period;</li> <li>• make any amendment to the provisions regarding the termination of an Option or the Option Plan so long as it does not entail an extension beyond the original expiry date;</li> <li>• make any amendment resulting from a split, a consolidation, a reclassification, a Share dividend declaration or any other amendment pertaining to the Shares;</li> <li>• discontinue the Option Plan; and</li> <li>• grant an Option of an initial term exceeding five (5) years from the date it can be exercised for the first time as long as its term does not exceed ten (10) years from the date upon which the Option was granted.</li> </ul>
Termination of the rights of an optionee	<p>Immediately upon the occurrence of one (1) of the two (2) following events:</p> <ul style="list-style-type: none"> <li>• if, during the optionee's service with the Corporation or an affiliated entity, or during the two-year period following the termination of such optionee's service, the optionee participates in a business operating in the grocery or pharmacy industry in either the province of Québec or the province of Ontario, thereby competing with the Corporation; or</li> <li>• if, during or after the optionee's service with the Corporation or an affiliated entity, the optionee no longer complies with the provisions of the Code of conduct of the Corporation.</li> </ul>

Note:

(1) The expression “market price” means the closing price of a round lot of shares traded on the TSX on the trading day immediately preceding the date of the grant of the Option.

## PERFORMANCE SHARE UNIT PLAN (PSU PLAN)

The following table details the terms and conditions of the PSU Plan. This table is only a summary of the principal terms and conditions of the PSU Plan.

The full text of the PSU Plan can be found on the Corporation's corporate website (corpo.metro.ca).

Approval of grants	By the Board of Directors.
Management and changes to the PSU Plan	By the Human Resources Committee.
Establishment of goals	By approval of the Board of Directors after evaluation and recommendation of the Human Resources Committee.
Vesting date of PSUs	Determined on the grant date and shall not exceed three (3) years following said grant date.
Rights of PSU holders	<p>Each PSU entitles its holder, subject to the achievement of performance goals determined by the Board of Directors, to one (1) Share of the Corporation or, at the sole discretion of the Corporation, to a cash equivalent, or a combination of both.</p> <p>It is possible to postpone any payment of PSUs that become vested during a trading prohibition period, as those periods are determined in accordance with the Information Policy of the Corporation, for a period of 15 business days following the expiry of such trading prohibition period.</p>
Dilution	None; PSUs are settled in Shares purchased on the secondary market and/or paid in cash.
Transfer and cession	None, except in the case of death of the holder.
Expiry of PSUs	When the holder's employment is terminated for whatever reason.
Retirement or permanent disability	Entitled, on such vesting date, to a number of PSUs that is proportionate to the number of days between the grant date and the retirement date or the date at which the participant was declared permanently disabled and the total number of days between the grant date and the PSUs' vesting date, while taking into account the extent to which the performance goals have been met.
Long-term leave of absence	Entitled, on such vesting date, to a number of PSUs that is proportionate to the number of days between the grant date and the date at which the leave of absence started and the total number of days between the grant date and the PSUs' vesting date, while taking into account the extent to which the performance goals have been met.
Death	The Corporation will pay to the holder's estate, within 60 days of his or her death, a number of PSUs calculated in the same manner as if the holder had retired. The Human Resources Committee will thus have to determine whether the performance goals would have otherwise been achieved at the vesting date and to what extent.
Change of control	All PSUs will vest and will have to be paid within 120 days of the change of control, and the Human Resources Committee will thus have to determine whether the performance goals would have otherwise been achieved at the vesting date and to what extent.
Termination of rights of a PSU holder	<p>Immediately upon the occurrence of one (1) of the two (2) following events:</p> <ul style="list-style-type: none"> <li>• if, during the PSU holder's service with the Corporation or an affiliated entity, or during the two-year period following the termination of such PSU holder's service, the PSU holder participates in a business operating in the grocery or pharmacy industry in either the province of Québec or the province of Ontario, thereby competing with the Corporation; or</li> <li>• if, during or after the PSU holder's service with the Corporation or an affiliated entity, the PSU holder no longer complies with the provisions of the Code of conduct of the Corporation.</li> </ul>

## 6.4 Pension plan benefits

### DEFINED BENEFIT PLANS TABLE

The following table illustrates the annual benefits payable at the normal age of retirement (established at the age of 65) under the combined base and supplemental plans, according to the final average salary and years of

credited service under these plans. There is no defined contribution pension plan for the NEOs.

Name	Number of years of credited service <sup>(1)</sup>	Annual benefits payable (\$)		Accrued value at start of year (\$)	Compensatory change (\$) <sup>(2)</sup>	Non-Compensatory change (\$) <sup>(3)</sup>	Accrued value at year-end (\$)
		At year-end	At age 65				
Eric R. La Flèche	30.1 <sup>(4)</sup>	860,600	1,000,000	13,166,000	466,000	(771,000)	12,861,000
François Thibault	9.2	97,900	191,200	1,584,000	158,000	(83,000)	1,659,000
Carmine Fortino	7.1	62,100	82,100	793,000	169,000	(34,000)	928,000
Marc Giroux	12.3	107,700	247,200	1,962,000	380,000	(192,000)	2,150,000
Alain Champagne	2.4	24,500	127,100	236,000	167,000	(25,000)	378,000

Notes:

- (1) As at September 25, 2021, Messrs. Eric R. La Flèche, François Thibault, Carmine Fortino, Marc Giroux and Alain Champagne had 30.7, 9.2, 7.1, 12.3 and 2.4 years of service respectively with the Corporation. However, there is no increase in benefits as a result of the difference between the number of years of service and the number of years of credited service.
- (2) The variations attributable to compensatory elements represent the value of the projected retirement benefits earned during the period beginning September 26, 2020 and ending September 25, 2021, considering any gain or loss related to salary variation. The amounts indicated are consistent with the information presented in note 20 to the 2021 Consolidated Financial Statements.
- (3) The variations attributable to non-compensatory elements include accrued interests on obligations at the beginning of the financial year, other realized gains and losses incurred, the amendments to actuarial assumptions as well as the contributions paid by the NEO during the period beginning September 26, 2020 and ending September 25, 2021.
- (4) Including 1.3 year under the management and professional plan for Mr. Eric R. La Flèche which is considered for the purposes of the supplemental plan.

### TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL BENEFITS

This section describes the benefits for NEOs in the event of termination of employment or change of control. In addition to the standard provisions of the Option Plan and the PSU Plan applicable, Messrs. La Flèche and Fortino each have an employment contract providing for payments or specific benefits in the event of a change of control or termination of employment. The general terms of the Option Plan and the PSU Plan are described in the section

“Additional information on the long-term incentive plans” at page 49 of this Circular.

The following tables describe the applicable provisions under the employment contracts of Messrs. Eric R. La Flèche and Carmine Fortino respectively:

#### Eric R. La Flèche

Event	Severance		Options	PSUs
	Salary	AIP		
Termination with just and sufficient cause	—	—	As per Option Plan	As per PSU Plan
Termination without just and sufficient cause or constructive dismissal (other than following a change of control)	2X	2X Bonus of current financial year or 2X average of preceding 3 years <sup>(1)</sup>	Vesting and exercise continue for 2 years after event date <sup>(2)</sup>	Continued vesting of PSUs until end of performance period with settlement prorated to the number of days worked over the period <sup>(2)</sup>
Resignation (President and Chief Executive Officer must provide 120-day notice)	—	—	As per Option Plan <sup>(2)</sup>	As per PSU Plan <sup>(2)</sup>
Retirement	—	—	As per Option Plan <sup>(2)</sup>	As per PSU Plan <sup>(2)</sup>
Termination without just and sufficient cause or constructive dismissal within 24 months of change of control (double trigger)	2X	2X Bonus of current financial year or 2X average of preceding 3 years <sup>(1)</sup>	All Options granted become vested and exercisable	All PSUs granted become vested Achievement of Performance goals estimated by Human Resources Committee

Notes:

- (1) At the election of the President and Chief Executive Officer.
- (2) Subject to compliance with i) non-competition and non-solicitation provisions during employment and two (2) years after event date; and ii) the Code of conduct during employment and until Options and PSUs expire. All Options and PSUs granted under the Option Plan and PSU Plan, whether vested or unvested, expire in the event of non-compliance.



**Carmine Fortino**

Event	Severance		Options	PSUs	Other
	Salary	AIP			
Termination with just and sufficient cause	—	—	As per Option Plan	As per PSU Plan	—
Termination without just and sufficient cause or constructive dismissal	1X + 1 month per additional year of service after 3 years (max 1.5X)	Bonus of current financial year pro-rated and bonus during severance period	As per Option Plan <sup>(1)</sup>	As per PSU Plan <sup>(1)</sup>	All employee benefits continue during the indemnity period
Resignation (Mr. Fortino must provide 12-week notice)	—	—	As per Option Plan <sup>(1)</sup>	As per PSU Plan <sup>(1)</sup>	—
Retirement	—	—	As per Option Plan <sup>(1)</sup>	As per PSU Plan <sup>(1)</sup>	—
Change of control	1X + 1 month per additional year of service after 3 years (max 1.5X) <sup>(2)</sup>	Bonus of current financial year pro-rated and bonus during severance period <sup>(2)</sup>	As per Option Plan	As per PSU Plan	All employee benefits continue during the indemnity period <sup>(2)</sup>

Notes:

- (1) Subject to compliance with i) non-competition and non-solicitation provisions during employment and two (2) years after event date; and ii) the Code of conduct during employment and until Options and PSUs expire. All Options and PSUs granted under the Option Plan and PSU Plan, whether vested or unvested, expire in the event of non-compliance.
- (2) Only in the event of termination without just and sufficient cause or constructive dismissal (double trigger).

The following table is a summary of estimated incremental payments (in \$) to NEOs and the estimated value (in \$) of Share-based awards as well as Option-based awards the vesting of which is accelerated in the event of

termination of employment or change of control as if such event had occurred on September 25, 2021:

Name	Event	Severance					Total
		Salary	AIP	Options	PSUs <sup>(1)</sup>	Other	
Eric R. La Flèche	Termination with just and sufficient cause	—	—	—	—	—	—
	Termination without just and sufficient cause or constructive dismissal	2,040,000	2,690,624	2,880,921 <sup>(2)</sup>	2,331,510 <sup>(3)</sup>	—	9,943,055
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of control + termination within 24 months (double trigger)	2,040,000	2,690,624	4,414,056	4,171,678	—	13,316,357
François Thibault	Termination with just and sufficient cause	—	—	—	—	—	—
	Termination without just and sufficient cause or constructive dismissal	— <sup>(4)</sup>	— <sup>(4)</sup>	—	—	—	—
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of control	—	—	859,196	1,441,311	—	2,300,507
Carmine Fortino	Termination with just and sufficient cause	—	—	—	—	—	—
	Termination without just and sufficient cause or constructive dismissal	804,576	1,088,893	—	—	211,300	2,104,769
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of control	804,576 <sup>(5)</sup>	1,088,893 <sup>(5)</sup>	881,063	1,870,996	211,300 <sup>(5)</sup>	4,856,828
Marc Giroux	Termination with just and sufficient cause	—	—	—	—	—	—
	Termination without just and sufficient cause or constructive dismissal	— <sup>(4)</sup>	— <sup>(4)</sup>	—	—	—	—
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of control	—	—	424,438	1,079,629	—	1,504,067
Alain Champagne	Termination with just and sufficient cause	—	—	—	—	—	—
	Termination without just and sufficient cause or constructive dismissal	— <sup>(4)</sup>	— <sup>(4)</sup>	—	—	—	—
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of control	—	—	332,366	1,408,814	—	1,741,180

Notes:

- (1) Based on the closing price on September 24, 2021 (\$60.18).
- (2) The Options continue to vest for a period of two (2) years but we have used the value thereof as if accelerated on September 24, 2021.
- (3) Since the PSUs continue to vest until the end of the performance period prorated to the number of days worked, we have used the value thereof at Level 2, as if accelerated on September 24, 2021.
- (4) In accordance with applicable law.
- (5) Only in the event of termination without just and sufficient cause or constructive dismissal (double trigger).

All NEOs are subject to provisions of non-competition, non-solicitation, non-disparagement and confidentiality in accordance with the Option Plan, the PSU Plan, the Code of conduct as well as in the case of Messrs. La Flèche and Fortino, in accordance with their employment contract.

Change of control is defined in the Option Plan, PSU Plan and the employment contract of Mr. La Flèche, substantially as follows: i) the sale of the whole or a substantial part of the business of the Corporation to a person who is not an affiliate of the Corporation; ii) the merger or the consolidation of the Corporation or any other operation or transaction with a corporation or corporate entity which is not an affiliate of the Corporation, if the control of the

surviving or resulting entity is thereby passed to one or several shareholders who are not affiliates of the Corporation; or iii) any change in the Share ownership of the Corporation or any other transaction resulting in control of the Corporation being granted to a person, or a group of persons, or persons acting in concert, or corporate entity associated or affiliated with any such person or group of persons. Without limiting the generality of the foregoing, a person or a group of persons holding a number of Shares and/or other securities which, directly or following conversion thereof, entitles or would entitle the holders thereof to cast 50% or more of the votes attaching to all the Shares of the Corporation entitled to vote in the election of directors of the

Corporation, is deemed to be in a position to exercise control of the Corporation.

## 6.5 Other key policies of the Corporation

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The Corporation has adopted various policies in order to meet regulatory requirements it is subjected to. These policies apply to all of the employees of the Corporation.

### EMPLOYEE CODE OF CONDUCT

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The Corporation's Code of Conduct applies to all employees of the Corporation, including executives. The Code of Conduct:

- i) puts an emphasis on the duties of care, loyalty, confidentiality, non-solicitation of employees and duty to act in the best interest of the Corporation;
- ii) aims at fostering a safe and respectful work environment exempt from any form of harassment;
- iii) establishes rules regarding certain business practices, including gifts, invitations and solicitations; and
- iv) sets out rules of conduct with respect to conflicts of interest.

The Code of Conduct now integrates the compensation clawback policy and the no-hedging policy which are summarized in section "Summary of the Corporation's compensation policies and practices and associated risks" at page 31 of this Circular. The full text of the Code of Conduct can be found on SEDAR (sedar.com) and on the Corporation's corporate website (corpo.metro.ca).

## 7. Governance

The Board of Directors believes that good corporate governance is important and the Corporation imposes on its directors, officers and employees rigorous rules of ethics.

The Corporation intends to comply as much as possible with the guidelines adopted by the Canadian Securities Administrators and with the standards of other regulatory bodies. The statement of the Corporation's corporate governance practices is set forth in Exhibit I to this Circular.

### 7.1 Shareholder engagement

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The Board of Directors has adopted a written policy regarding shareholder engagement as it believes that constructive engagement with the Corporation's shareholders is important for good corporate governance and transparency. Under the terms of this policy, the Board welcomes shareholder inquiries and comments relating to the following matters ("Board Matters"):

- Corporate governance practices and disclosure;
- Corporate responsibility and environmental, social and governance matters;
- Board performance;
- Executive performance, compensation and succession planning; and
- Board and Committee composition and succession planning.

### INFORMATION POLICY

The purpose of the Information Policy is to ensure that all Company communications aimed at the general investing public are correct, timely and widely distributed in accordance with all applicable legal and regulatory requirements. A committee was established to, among other things, review the information and authorize its disclosure before it is released to the public. When the committee deems information to be important, it authorizes disclosure unless disclosure of that information can seriously harm the interests of the Company, in which case the information is kept confidential. A decision to keep the information confidential is reviewed periodically by the committee.

The Corporation's Information Policy provides that the employees and directors of the Corporation are subject to trading prohibition periods with respect to trading the securities of the Corporation when important information is not publicly disclosed. In addition, any director or officer of the Corporation shall continue to be bound by these trading prohibition periods during an additional period of three (3) months following termination of service.

The Information Policy also contains information on circumstances in which employees and directors of the Corporation may not trade on the Corporation's Shares even if they are not under a trading prohibition period.

Any employee of the Corporation who commits a breach of the Information Policy is subject to disciplinary measures, including dismissal without prior notice.

The Governance Committee chaired by Ms. Maryse Bertrand develops and monitors the Corporation's policy on corporate governance. A copy of the mandate of the Governance Committee can be found in Exhibit G to this Circular.

Additional information on the Board of Directors and its committees is set out in the "The Board of Directors and its Committees" section found on page 21 of this Circular.

Matters not directly related to the foregoing are most appropriately addressed by management through the Corporation's Investor Relations team. All shareholder inquiries and comments relating to Metro's business and operations, financial results, strategic direction and similar matters should be directed to the Corporation's Investor Relations team at [finance@metro.ca](mailto:finance@metro.ca).

The Board has designated the Corporate Secretary as its agent to receive communications addressed to the Board or any director. Shareholders or other stakeholders may communicate with the Board by writing to the Corporate Secretary at [secretaire.corpo@metro.ca](mailto:secretaire.corpo@metro.ca).

The Chair of the Board or the Chair of the Governance Committee will consider each request and determine how to proceed. Any subsequent communication or meeting will be limited to the predetermined topics identified

in the communication or meeting's agenda.

The Board, under the Shareholder Engagement Policy and through the Governance Committee, establishes annually a program to engage directly with key shareholders to discuss Board Matters. This program allows the Chair of the Board and the Chair of the Governance Committee, together with the Chair of any other relevant committee of the Board if necessary, to exchange views regularly with shareholders on relevant governance topics and trends, receive feedback on the performance of the Corporation and the Board with respect to Board Matters and discuss potential areas of

## 8. Other business

Management of the Corporation knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to management should properly come at

## 9. Shareholder proposals for the 2023 annual meeting

Proposals for any matters that persons entitled to vote at the 2023 annual general meeting of the Shareholders wish to raise at said meeting must be

## 10. Additional information

Financial information about the Corporation can be found in the Consolidated Financial Statements and in the Management's Discussion and Analysis for the most recent financial year of the Corporation forming part of the Annual Report. This Circular as well as the Annual Information Form and the Annual Report are available on SEDAR (sedar.com) as well as on the Corporation's corporate website (corpo.metro.ca).

## 11. Directors' approval

The content and transmission of this Circular have been approved by the directors of the Corporation.

Montréal, December 10, 2021



Simon Rivet  
Corporate Secretary

improvement, if any. In October and November 2021, the Chair of the Board and the Chair of the Governance Committee met with three (3) significant shareholders of the Corporation, in order to discuss certain governance matters. Various subjects were discussed during these meetings, including board renewal, governance matters, ESG matters, the Rights Plan, diversity, virtual meetings of shareholders and capital allocation.

The text of the policy is available on the Corporation's corporate Internet website (corpo.metro.ca).

the Meeting, the form of proxy or, as the case may be, the voting instruction form confers discretionary authority upon the Proxyholders to vote on such matters.

received by the Corporation by September 12, 2022, at the latest.

The Corporation will promptly provide a copy of any such document free of charge to shareholders of the Corporation who send a written request to the following address: 11011, Maurice-Duplessis Blvd, Montréal (Québec) H1C 1V6, to the attention of the Finance Department.

## Exhibit A – Summary of Principal Terms of the Amended and Restated Rights Plan Agreement

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The following is a summary of the Rights Plan, taking into account the proposed amendments contemplated by the Restated and Amended Rights Plan Agreement. This summary is qualified in its entirety by the full text of the Amended and Restated Rights Plan Agreement, a copy of which, together with a version of this document, showing the proposed amendments compared to the Original Rights Plan Agreement, is available on the Corporation's corporate website (corpo.metro.ca). Both the Original Rights Plan Agreement and the Amended and Restated Rights Plan Agreement are also available to any shareholder upon request. Shareholders wishing to receive a copy should contact the Corporation by email at [secretaire.corpo@metro.ca](mailto:secretaire.corpo@metro.ca), to the attention of the Corporate Secretary of the Corporation. Unless otherwise indicated, all capitalized terms used in this summary have the meanings set forth in the Amended and Restated Rights Plan Agreement.

### Effective Date and Term

If the reconfirmation and amendment and restatement of the Rights Plan is approved by the shareholders at the Meeting, the Corporation will enter into the Amended and Restated Rights Plan Agreement, the Rights Plan will be reconfirmed, and the Rights Plan will continue to be effective, with such amendments as set out in the Amended and Restated Rights Plan Agreement. The effective date of the Rights Plan will remain the date on which the Rights Plan was initially adopted, namely January 29, 2019 (the "Effective Date").

Thereafter, the Rights Plan will have to be reconfirmed at every third annual meeting of shareholders of the Corporation following the Meeting by resolution passed by a majority of the votes cast by the holders of Common Shares except those holders who do not qualify as Independent Shareholders (as defined below). The Corporation has determined that there is no shareholder who would not qualify as Independent Shareholder for the purpose of the Meeting.

If the Rights Plan Resolution is not approved, the Rights Plan and the Rights will terminate at the close of business on the date of the Meeting, unless terminated earlier in accordance with the terms of the Rights Plan, provided that termination will not occur if a Flip-in Event has occurred, and has not been waived, before that time.

### Issue of Rights

The Corporation has issued one right (a "Right") in respect of each Common Share outstanding at 5:00 p.m. (Montréal time) on January 30, 2019 (the "Record Time"). The Rights Plan provides for the issuance by the Corporation of Rights on the same basis for each Common Share issued after the Record Time but prior to the earlier of the Separation Time (as defined below) and the Expiration Time.

The Rights are not exercisable prior to the Separation Time. After the Separation Time, each Right entitles the registered holder thereof to purchase from the Corporation one Common Share at an exercise price equal to three (3) times the market price of a Common Share determined as at the Separation Time, subject to adjustment and certain anti-dilution provisions (the "Exercise Price"). If a Flip-in Event occurs (as described below), each Right will be adjusted and, except as described under "Flip-in Event" below, will entitle the registered holder to receive from the Corporation, upon payment of the Exercise Price, Common Shares having an aggregate market value equal to twice the Exercise Price.

### Rights Certificates and Transferability

Before the Separation Time, the Rights will be evidenced by the certificates for the Common Shares (or by the book entry form registration for the associated Common Share if issued in book entry form) and will be transferable only together with, and will be transferred by a transfer of, the associated Common Shares and will not be transferable separate from such shares. At the Separation Time, the Rights will separate from the associated Common Shares and, from and after such time, the Rights will be evidenced by separate Rights Certificates (or separate book entry registration) which will be transferable and traded separately from the shares.

### Separation Time

The "Separation Time" is the close of business on the tenth (10<sup>e</sup>) trading day after the earliest to occur of: (i) the "Stock Acquisition Date", which is the first date of public announcement of facts indicating that a person has become an Acquiring Person (as defined below), (ii) the date of the commencement of, or first public announcement of the intent of any person (other than the Corporation or a subsidiary thereof) to make, a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, as each such term is defined below), and (iii) the date on which a Permitted Bid or Competing Permitted Bid fails to qualify as such. In any case, the Separation Time can be such later date determined by the Board of Directors. A "Take-over Bid" is an offer to acquire Voting Shares (as defined below) of the Corporation or securities convertible into or exercisable or exchangeable for Voting Shares ("Convertible Securities") or both, where the securities subject to the offer, together with the securities "Beneficially Owned" (as defined below) by the person making the Take-over Bid (the "Offeror"), constitute 20% or more of the Corporation's outstanding Voting Shares.

### Acquiring Person

In general, an "Acquiring Person" is a person who is the Beneficial Owner of 20% or more of the Corporation's outstanding Common Shares and any other shares of the Corporation entitled to vote generally in the election of directors ("Voting Shares"). Excluded from the definition of "Acquiring Person" are the Corporation and its subsidiaries, and any person who becomes the Beneficial Owner of 20% or more of the Voting Shares as a result of one or more, or any combination, of the following:

- i) an acquisition or redemption by the Corporation which reduces the outstanding number of Voting Shares;
- ii) an “Exempt Acquisition”, meaning a share acquisition in respect of which the Board of Directors has waived the application of the Rights Plan where permitted by the Rights Plan (see “Redemption, Waiver and Termination” below), or which is only a temporary step in an acquisition transaction by the Corporation or subsidiary thereof, or is made pursuant to a distribution by the Corporation by way of a prospectus as long as the person does not thereby increase its percentage ownership of the outstanding Voting Shares, or is made pursuant to a distribution by the Corporation by way of a private placement as long as the person does not thereby become the Beneficial Owner of more than 25% of the Voting Shares outstanding immediately prior to such private placement and all necessary stock exchange approvals are obtained and complied with, or which is made pursuant to an amalgamation, merger, reorganization, arrangement, business combination or similar transaction (but not including a Take-over Bid) requiring shareholder approval;
- iii) a “Permitted Bid Acquisition”, meaning an acquisition made pursuant to a Permitted Bid or Competing Permitted Bid;
- iv) a “Pro Rata Acquisition”, meaning an acquisition as a result of a stock dividend, stock split or other event in respect of which securities are acquired on the same pro rata basis as all other holders of Voting Shares, or pursuant to a dividend reinvestment plan of the Corporation, or as a result of any other event pursuant to which all holders of Voting Shares or Convertible Securities are entitled to receive Voting Shares or Convertible Securities of the same class or series (including as a result of a rights offering made to all holders of such securities on a pro rata basis); and
- v) a “Convertible Security Acquisition”, meaning an acquisition of Voting Shares on the exercise of Convertible Securities acquired by such person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition.

Also excluded from the definition of “Acquiring Person” are underwriters or members of banking or selling groups acting in connection with a distribution of securities by way of a prospectus or private placement.

### **Beneficial Ownership**

In general, a person is deemed to “Beneficially Own” Voting Shares actually held by it and, in certain circumstances, Voting Shares held by others. Included are holdings of a person’s “Affiliates” (generally, a person that controls, is controlled by, or is under common control with another person) and “Associates” (generally, a spouse or relatives that share the same residence). Also included are securities which the person or any of the person’s Affiliates or Associates has the right to acquire within 60 days (other than customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities by way of a prospectus or private placement, and other than pledges or hypothecations of securities granted as security in the ordinary course of business of the pledgee or hypothecatee), as well as securities which are subject to a lock-up agreement or similar commitment to deposit or tender such securities to a Take-over Bid made by the person or any of the person’s Affiliates, Associates or Joint Actors (as defined below).

A person is also deemed to Beneficially Own any securities Beneficially Owned (as described above) by any other person with whom the person is acting jointly or in concert (a “Joint Actor”). A person is a Joint Actor with anyone who is party to an agreement, arrangement or understanding with the first person, or an Affiliate or Associate thereof, for the purpose of acquiring or offering to acquire Voting Shares or Convertible Securities (subject to the same exclusions mentioned in the immediately preceding paragraph for underwriters, banking and selling group members, pledgees and hypothecatees).

### **Institutional Shareholder Exemption**

The definition of “Beneficial Ownership” contains several exclusions whereby a person is not considered to “Beneficially Own” a security. There are exemptions from the deemed Beneficial Ownership provisions for institutional shareholders acting in the ordinary course of business. These exemptions apply to:

- i) an investment manager (“Investment Manager”) holding securities in the ordinary course of business in the performance of its duties for the account of any other person (a “Client”), including the acquisition or holding of securities for non-discretionary accounts held on behalf of the Client by a broker or dealer registered under applicable securities law;
- ii) a licensed trust company (“Trust Company”) acting as trustee or administrator or in a similar capacity in relation to estates of deceased or incompetent persons (an “Estate Account”) or in relation to other accounts (“Other Accounts”) and which holds the security in the ordinary course of its duties for such accounts;
- iii) a person established by statute (“Statutory Body”) whose ordinary business or activity includes the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies;
- iv) the administrator or the trustee (“Administrator”) of one or more pension plans (a “Plan”) registered under applicable law, or the Plan itself; and
- v) a Crown agent or agency (“Crown Agent”).

The foregoing exemptions only apply so long as the Investment Manager, Trust Company, Statutory Body, Administrator, Plan or Crown Agent is not making or has not announced an intention to make a Take-over Bid and is not a Joint Actor of any other person who is making or has announced an intention to make a Take-over Bid, other than an offer to acquire Voting Shares or Convertible Securities pursuant to a distribution by the Corporation or by means of ordinary market transactions through the facilities of a stock exchange or over-the-counter market.

Furthermore, a person will not be deemed to “Beneficially Own” a security because: (i) the person is a Client of the same Investment Manager, an Estate Account or an Other Account of the same Trust Company, or Plan with the same Administrator as another person or Plan on whose account the Investment Manager, Trust Company or Administrator, as the case may be, holds such security, or (ii) the person is the Client of an Investment Manager, Estate Account, Other Account or



Plan and the security is owned at law or in equity by the Investment Manager, Trust Company or Plan, as the case may be.

### **Permitted Lock-up Agreement Exemption**

A person will not be deemed to “Beneficially Own” any security where the holder of such security has agreed to deposit or tender such security pursuant to a Permitted Lock-up Agreement (as defined below) to a Take-over Bid made by such person or such person’s Affiliates or Associates or a Joint Actor, or such security has been deposited or tendered pursuant to a Take-over Bid made by such person or such person’s Affiliates, Associates or Joint Actors until the earliest time at which any such tendered security is accepted unconditionally for payment or is taken up or paid for.

A “Permitted Lock-up Agreement” is essentially an agreement between a person and a holder of Voting Shares and/or Convertible Securities who is not an Affiliate, Associate or Joint Actor of such person (the terms of which are publicly disclosed and a copy of the agreement is made available to the public within the time frames set forth in the definition of Permitted Lock-up Agreement), pursuant to which the holder (a “Locked-up Person”) agrees to deposit or tender Voting Shares and/or Convertible Securities to a Take-over Bid (the “Lock-up Bid”) made or to be made by such person or any of its Affiliates, Associates or Joint Actors and which further provides that such agreement permits the Locked-up Person to withdraw its Voting Shares and/or Convertible Securities in order to deposit or tender them to another Take-over Bid or support another transaction:

- A) i) at a price or value that exceeds the price under the Lock-up Bid, or ii) that contains an offering price that exceeds the offering price in the Lock-up Bid by as much as or more than a specified amount not greater than seven percent (7%) of the offering price in the Lock-up Bid; or
- B) if the Lock-up Bid is for less than 100% of the Voting Shares or Convertible Securities held by Independent Shareholders, and the price or value of the consideration offered under the other Take-over Bid or transaction is not less than that offered under the Lock-up Bid, the number of Voting Shares or Convertible Securities to be purchased under such other Take-over Bid or transaction i) exceeds the number of Voting Shares and/or Convertible Securities the Offeror has offered to purchase under the Lock-up Bid, or ii) exceeds by as much as or more than a specified number not greater than seven percent (7%) of the number of Voting Shares or Convertible Securities offered to be purchased by the Offeror under the Lock-up Bid.

A Permitted Lock-up Agreement may contain a right of first refusal or require a period of delay to give the person who made the Lock-up Bid an opportunity to match a higher price in another Take-over Bid or transaction or other similar limitation on a Locked-up Person’s right to withdraw Voting Shares and/or Convertible Securities so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares and/or Convertible Securities during the period of the other Take-over Bid or transaction. Finally, under a Permitted Lock-up Agreement no “break up” fees, “top up” fees, penalties, expenses or other amounts that exceed in aggregate the greater of (i) 2.5% of the price or value of the consideration payable under the Lock-up Bid; and (ii) 50% of the amount by which the price or value of the consideration received by a Locked-up Person under another Take-over Bid or transaction exceeds what such Locked-up Person would have received under the Lock-up Bid; can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender Voting Shares and/or Convertible Securities to the Lock-up Bid or withdraws Voting Shares and/or Convertible Securities previously tendered thereto in order to deposit such Voting Shares and/or Convertible Securities to another Take-over Bid or support another transaction.

The Rights Plan therefore requires that a person making a Take-over Bid, in order to avoid being deemed the Beneficial Owner of the securities subject to a lock-up agreement and potentially triggering the provisions of the Rights Plan, structure any lock-up agreement to meet the criteria of a Permitted Lock-up Agreement.

### **Flip-in Event**

A “Flip-in Event” occurs when any person becomes an Acquiring Person. In the event that, prior to the Expiration Time, a Flip-in Event which has not been waived by the Board of Directors occurs (see “Redemption, Waiver and Termination” below), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person or a transferee of such a person, which Rights will become null and void) shall constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms of the Rights Plan, that number of Common Shares having an aggregate market value on the date of the Flip-in Event equal to twice the Exercise Price, on payment of the Exercise Price (subject to anti-dilution adjustments set forth in the Rights Plan).

For example, if at the time of the Flip-in Event the Exercise Price is \$150 and the market price of the Common Shares is \$50, the holder of each Right would be entitled to purchase Common Shares having an aggregate market price of \$300 (that is, 6 Common Shares) for \$150 (that is, a 50% discount from the market price). Thus, the potential exercise of the Rights following a Flip-in Event creates the threat of substantial economic and voting dilution to the Acquiring Person’s Beneficial Ownership of Voting Shares.

### **Permitted Bid and Competing Permitted Bid**

A Take-over Bid that qualifies as a Permitted Bid or Competing Permitted Bid will not trigger the exercise of the Rights.

A “Permitted Bid” is a Take-over Bid made by way of a Take-over Bid circular and which complies with the following additional provisions:

- A) the Take-over Bid is made to all holders of record of Voting Shares, other than the Offeror;
- B) the Take-over Bid contains irrevocable and unqualified conditions that:
  - i) no Voting Shares shall be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date which is not less than 105 days following the date of the Take-over Bid;
  - ii) unless the Take-over Bid is withdrawn, Voting Shares may be deposited under the Take-over Bid at any time prior to the close of business on the

date of first take-up or payment for Voting Shares and all Voting Shares deposited thereunder may be withdrawn at any time prior to the close of business on such date;

- iii) more than 50% of the aggregate of the outstanding Voting Shares held by Independent Shareholders must be deposited under the Take-over Bid and not withdrawn at the close of business on the date of first take-up or payment for Voting Shares; and
- iv) in the event that more than 50% of the aggregate of the outstanding Voting Shares held by Independent Shareholders have been deposited under the Take-over Bid and not withdrawn as at the close of business on the date of first take-up or payment for Voting Shares thereunder, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits of Voting Shares for not less than ten (10) days from the date of such public announcement.

“Independent Shareholders” generally means holders of Voting Shares other than any Acquiring Person, any Offeror, any Affiliate, Associate or Joint Actor of an Acquiring Person or Offeror, or any employee benefit plan, stock purchase plan, deferred profit sharing plan or similar plan or trust for the benefit of employees of the Corporation or its subsidiaries so long as the beneficiaries of the plan or trust direct how Voting Shares will be voted and whether such shares will be tendered to a Take-over Bid.

A “Competing Permitted Bid” is a Take-over Bid that is made after a Permitted Bid or another Competing Permitted Bid has been made but prior to its expiry, and satisfies all the requirements of a Permitted Bid as described above.

### **Redemption, Waiver and Termination**

- i) *Redemption of Rights on Approval of Holders of Voting Shares or Rights.* The Board of Directors may, after having obtained the prior approval of the holders of Voting Shares or Rights, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right, appropriately adjusted for anti-dilution as provided in the Rights Plan (the “Redemption Price”).
- ii) *Waiver of Inadvertent Acquisition.* The Board of Directors may waive the application of the Rights Plan in respect of the occurrence of any Flip-in Event if the Board of Directors has determined that a person became an Acquiring Person under the Rights Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person, but the waiver must be on the condition that the Acquiring Person reduces its Beneficial Ownership of Voting Shares within 30 days, or such earlier or later date as the Board of Directors may determine, such that the person is no longer an Acquiring Person.
- iii) *Deemed Redemption.* In the event that a person who has made a Permitted Bid, Competing Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived or has deemed to have waived the application of the Rights Plan consummates the acquisition of the Voting Shares, the Board of Directors shall be deemed to have elected to redeem the Rights for the Redemption Price.
- iv) *Discretionary Waiver with Mandatory Waiver for Concurrent Bids.* The Board of Directors may, prior to the occurrence of a Flip-in Event that would occur by reason of a Take-over Bid made by means of a take-over bid circular to all holders of record of Voting Shares (a “qualified bid”), waive the application of the Rights Plan to such Flip-in Event upon prior written notice to the Rights Agent. However, if the Board of Directors waives the application of the Rights Plan for any such qualified bid, the Board of Directors shall be deemed to have waived the application of the Rights Plan in respect of any other Flip-in Event occurring by reason of any other qualified bid made prior to the expiry of any bid for which the waiver is, or is deemed to have been, granted.
- v) *Discretionary Waiver respecting Acquisition not by Take-over Bid Circular.* The Board of Directors may, with the prior consent of the holders of Voting Shares, determine, at any time prior to the occurrence of a Flip-in Event as to which the application of the Rights Plan has not been waived, if such Flip-in Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a take-over bid circular to holders of Voting Shares and otherwise than by inadvertence in the circumstances described in (ii) above, to waive the application of the Rights Plan to such Flip-In Event. However, if the Board of Directors waives the application of the Rights Plan, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than ten (10) business days following the meeting of shareholders called to approve such a waiver.
- vi) *Redemption of Rights on Withdrawal or Termination of Bid.* Where a Take-over Bid that is not a Permitted Bid or Competing Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price. In such event, the Rights Plan will continue to apply as if the Separation Time had not occurred and one Right will remain attached to each Common Share as provided for in the Rights Plan.
- vii) *Waiver with Divestiture Arrangement.* The Board of Directors may, before the 10th trading day after a Stock Acquisition Date or such later trading day as the Board of Directors may determine, by written notice to the Rights Agent, waive the application of the Rights Plan to the related Flip-in Event provided the Acquiring Person has reduced its Beneficial Ownership of Voting Shares (or entered into a contractual arrangement with the Corporation to do so within 15 days or such earlier or later date as the Board of Directors may determine) such that at the time the waiver becomes effective the person is no longer an Acquiring Person. In such event, the Flip-in Event shall be deemed not to have occurred.

If the Board of Directors is deemed to have elected or elects to redeem the Rights as described above, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights is to receive the Redemption Price. Within ten (10) business days of any such election or deemed election to redeem the Rights, the Corporation will notify the holders of the Voting Shares or, after the Separation Time, the holders of the Rights.

### **Anti-dilution Adjustments**

The Exercise Price of a Right, the number and kind of shares subject to purchase upon exercise of a Right, and the number of Rights outstanding, will be adjusted in certain events, including:

- i) if there is a dividend payable in Common Shares or Convertible Securities or other securities of the Corporation (other than pursuant to any optional stock dividend program or dividend reinvestment plan or a dividend payable in Common Shares in lieu of a regular periodic cash dividend) on the Common Shares, or a subdivision or consolidation of the Common Shares, or an issuance of Common Shares or Convertible Securities or other securities of the Corporation in respect of, in lieu of or in exchange for Common Shares; or
- ii) if the Corporation fixes a record date for the distribution to all holders of Common Shares of certain rights or warrants to acquire Common Shares or Convertible Securities, or for the making of a distribution to all holders of Common Shares of evidences of indebtedness or assets (other than regular periodic cash dividends or stock dividends payable in Common Shares) or rights or warrants.

### **Supplements and Amendments**

Subject to the exceptions described below, the Corporation may supplement, amend, delete, vary, restate or rescind any provision of the Rights Plan and the Rights at any time, and from time to time, prior to the Separation Time with the prior approval by majority vote of the holders of Common Shares (other than those shareholders who do not qualify as Independent Shareholders), or, after the Separation Time, with the prior approval by majority vote of the holders of Rights (other than those holders whose Rights have become null and void as described under "Flip-in Event" above).

The Corporation may, without the consent of the holders of Common Shares or Rights, make amendments to the Rights Plan (i) to correct any clerical or typographical error, or (ii) as required to maintain the validity or effectiveness of the Rights Plan as a result of any change in any applicable legislation, rules or regulation. However, in the case of an amendment required in the circumstances referred to in (ii) above, for such amendment to remain in effect the amendment must be submitted for confirmation:

- i) if made prior to the Separation Time, by the holders of Common Shares at the next shareholders' meeting called by the Board of Directors and approved by an affirmative vote of a majority of the votes cast by holders of Common Shares (other than those shareholders who do not qualify as Independent Shareholders) at such meeting; or
- ii) if made after the Separation Time, by the holders of Rights at a meeting called by the Board of Directors to be held not later than the date of the next meeting of the holders of Common Shares called by the Board of Directors and approved by the affirmative vote of a majority of the votes cast by holders of Rights (other than those holders whose Rights have become null and void as described under "Flip-in Event" above) at such meeting.

### **Rights Agent**

The Rights Plan contains customary provisions concerning the duties, liabilities, indemnification and replacement of the Rights Agent.

**In the event of a contradiction between the English version and the French translation of the Rights Plan, the English version shall prevail.**

## Exhibit B – Resolution approving the reconfirmation and the amendment and restatement of the Corporation’s shareholder rights plan

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### RESOLUTION APPROVING THE RECONFIRMATION AND AMENDMENT AND RESTATEMENT OF THE CORPORATION’S SHAREHOLDER RIGHTS PLAN

#### BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF THE CORPORATION THAT:

1. the shareholder rights plan of the Corporation be reconfirmed and amended and restated, and that the Corporation be and is hereby authorized to enter into an amended and restated shareholder rights plan agreement between the Corporation and TSX Trust Company evidencing such amendment and restatement, a summary of which is provided in Exhibit A to this Circular and the full text of which is made available on the Corporation’s corporate website, which reconfirmation and entering into was authorized by the Board of Directors subject to the approval thereof by the shareholders of the Corporation pursuant to this resolution;
2. any two (2) of the Chair of the Board of Directors, the President and Chief Executive Officer, the Executive Vice President, Chief Financial Officer and Treasurer and the Vice-President, General Counsel and Corporate Secretary, acting together, be, and each of them is hereby, authorized and directed, for and on behalf and in the name of the Corporation, to sign and execute all documents, to conclude any agreements and to do and perform all acts and things deemed necessary or advisable in order to give effect to this resolution, including compliance with all applicable securities laws and regulations; and
3. the Board of Directors be, and it is hereby, authorized to cause all measures to be taken, such further agreements to be entered into and such further documents to be executed as may be deemed necessary or advisable to give effect to and fully carry out the intent of this resolution.

## Exhibit C – Shareholder proposals

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The proposals below were submitted by the Mouvement d'éducation et de défense des actionnaires ("MÉDAC"), 82, Sherbrooke Street West, Montréal (Québec) H2X 1X3, a holder of Shares of the Corporation, for consideration at the Meeting. The proposals were submitted in French by the MÉDAC and translated into English by the Corporation for the purposes of this English version of the Circular. On the date the MÉDAC submitted its proposal, it held 58 Shares. These Shares had been held since June 9, 2016.

### **Proposal #1: Increasing formal employee representation in highly strategic decision-making:**

*MÉDAC's proposal (as translated by the Corporation):*

**It is proposed that the Board of Directors evaluate ways to increase employee participation in Board decision-making. It is suggested that the fruit of this reflection be reported at the next annual meeting in 2023.**

*MÉDAC's arguments in support of its proposal (as translated by the Corporation):*

The health and economic crisis has reminded us of the importance of employee health and well-being within an organization. There is no need to reiterate some of the benefits: a higher level of job satisfaction, a better sense of belonging, a higher rate of engagement, increased productivity, reduced absenteeism, lower insurance costs and reduced risk of work-related accidents or illnesses. Over the next few years, boards of directors will be faced with several challenges related to talent management and development.

In recent years, boards of directors have made a point of increasing the quality of their decision-making by drawing on a variety of experiences and skills and by involving as many people of all genders, ages, cultural backgrounds, and religions as possible. While our boards are comprised of a majority of independent directors, they lack the employee perspective that could provide an alternative view of the organization's operational and strategic issues, better oversight of senior management decisions, and a better balance of short- and long-term perspectives in decision making, as employees tend to favour the long term.<sup>1</sup>

The most recent edition (2018) of the U.K. Corporate Governance Code,<sup>2</sup> invited corporations to consider various initiatives to increase employee participation in organizations' highly strategic decisions, including the following: the creation of a statutory workforce advisory committee, the designation of a board member to liaise with workers, or the appointment of at least one employee other than the CEO as a board member.

We are convinced of the great value of direct and formal employee input into strategic decision-making processes, particularly those with significant talent management and development components, and we are putting forward this proposal with the confidence that you will be able to propose ways to ensure employee input and participation at the next annual meeting in 2023.

### **The Board and management recommend voting "AGAINST" the proposal for the following reasons:**

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The Corporation is of the opinion that it has good relationships with its employees, the majority of whom are unionized. It engages with employees and gives them an opportunity to voice their concerns, opinions and ideas on matters that are relevant and impactful for them.

As such, the Corporation has a decentralized human resources department that is well connected to all parts of the business, including its employees. It also provides different forums for employees to receive and provide information (ex.: town hall meetings, annual management meeting, store operations meetings, etc.). The Corporation also interacts with various unions and their representatives on a regular basis to present and discuss a number of decisions and initiatives that are important for unionized employees, who represent the vast majority of METRO's workforce, including through labour relations committees that foster discussions between unions and management on collective agreements as well as any other relevant matter. The Corporation therefore considers that employees already have channels to provide input on decision-making.

Furthermore, the Corporation considers that the independence of the Board of Directors is a best practice of corporate governance and takes measures to safeguard the independence of its Board of Directors. Adding an employee representative to the Board of Directors would work against Board independence. This would challenge the Board's delicate balance between independence and Board size as the Board must be large enough to fill committee positions with independent directors, but not too large so as to lose its agility and flexibility. The Corporation believes that the option proposed by the MÉDAC would not be in its best interests and would go against corporate governance best practices.

**In light of the foregoing, the Corporation recommends that the shareholders vote "AGAINST" this proposal.**

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<sup>1</sup> Andreas KOKKINIS and Konstantinos SERGAKIS, "A flexible model for efficient employee participation in UK companies", (2020) 20-2 J. Corp. Law Stud. 453-493, DOI : 10.1080/14735970.2020.1735161.

<sup>2</sup> Financial Reporting Council - 2018 - The UK Corporate Governance Code <https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.PDF>

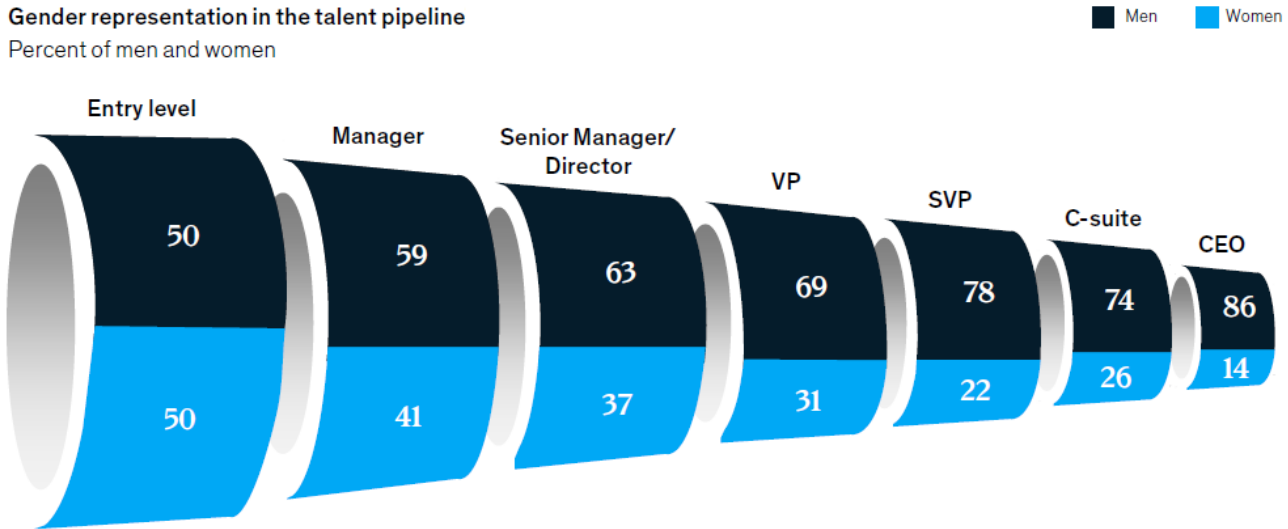
## **Proposal #2: Women managers: promotions, advancement and rising in the ranks:**

*MÉDAC's proposal (as translated by the Corporation):*

It is proposed that the Corporation publish annually, in a format of its choosing, a report on the representation of women in management from the first level to the last level immediately below the President and Chief Executive Officer.

*MÉDAC's arguments in support of its proposal (as translated by the Corporation):*

The pandemic has completely disrupted our economy and our various workplaces. The crisis has hit women particularly hard, with millions of women having to leave their jobs, work part-time or be laid off altogether because of the nature of their work or the economic sector in which they worked. This leaves companies with far fewer women in management or in the process of becoming future leaders. This will only exacerbate a situation that already existed. According to a [McKinsey] study,<sup>1</sup> while women made up 50% of entry-level employees in the Canadian organizations surveyed by the firm, they make up only 31% of vice-president positions and 14% of CEO positions as illustrated in this chart.



In particular, there are measures to “mitigate the impact that unpaid parental leave and part-time employment has on the career and income of female employees,”<sup>2</sup> as women are still more likely than men to experience these employment situations, which are barriers to their advancement.

Companies cannot risk losing more women in management positions. The report proposed here will provide an overview of the situation at these different levels, encourage senior management to set gender targets for each level, and inform all stakeholders of the strategies that will be put in place to ensure a strong recovery, especially after the health crisis.

## **The Board and management recommend voting “AGAINST” the proposal for the following reasons:**

The Corporation recognizes the importance of ensuring representation of women in its workforce in its food stores, pharmacies, distribution centers and offices as well as among management and executive officers. In that respect, the Corporation adopted, in 2015, a written policy on diversity among its employees, including its senior management. This policy provides that the Corporation reviews the competence, experience and skills of each of the candidates for each management position and endeavours to foster diversity among its employees by taking into account personal attributes, including the representation of men and women. To ensure to have women as candidates to management positions, the policy on diversity provides, among other things, that, whenever possible, at least one (1) woman candidate shall be among the group of identified candidates for each such position.

The Corporation also chose diversity, equity and inclusion as a priority for the roll-out of the 2016-2020 Corporate Responsibility Plan. One of the priorities of the “Empowered employees” pillar is “offering a work environment focused on positive relations” in which we include diversity, meaning women, people with disabilities, ethnic groups, First Nations, Inuits and others.

In addition, the Corporation already reports on the representation of women on its Board of directors and among management and senior management in its Information Circular published each year (see page 19 of this Circular). A more detailed report on the representation of women in the Corporation is also included in

<sup>1</sup> *Les femmes et le travail au Canada : d'aujourd'hui à demain* <https://www.mckinsey.com/~/media/mckinsey/featured%20insights/gender%20equality/the%20present%20and%20future%20of%20women%20at%20work%20in%20canada/20190602-women-matter-2019-vf.pdf>

<sup>2</sup> *Ibid.*, see the program *Shared Care*, from the Australian company Aurizon in particular, amongst others.



the annual Corporate Responsibility Report. This report includes, in particular, information on the representation of women among employees, management, senior management and the Board of Directors (for more information, see page 15 of the 2020 Corporate Responsibility Report available on the Corporation's corporate website (corpo.metro.ca).

To continue to foster diversity, equity and inclusion, a position of diversity, equity and inclusion advisor was created and filled in the Fall of 2020. The advisor, in close collaboration with senior members of the management team, supports our approach through the implementation of measures and initiatives that will help make the Corporation an even more inclusive workplace that stands out for its capacity to bring together a diverse group of employees focused on fulfilling our corporate purpose, mission and vision.

**In light of the foregoing, the Corporation recommends that the shareholders vote "AGAINST" this proposal.**

### **Proposal #3: French as the official language:**

*MÉDAC's proposal (as translated by the Corporation):*

**It is proposed that the language of the corporation be French, including the language of business in Quebec, as well as the language at annual meetings. Its official status must be formally recorded, in writing, in the by-laws of the corporation.**

*MÉDAC's arguments in support of its proposal (as translated by the Corporation):*

The head office of the Corporation is in the Province of Québec, a French-speaking state.

The state of Québec has existed for over 400 years. Also, the official language of Québec is French.

The state of Québec is the only French-speaking State in America.

The language of a people is its most essential fundamental attribute, an existential attribute.

The diversity of the world cannot in any way be reduced to questions strictly related to the biological nature of individuals or to the arbitration of individual privileges.

The diversity of the world is first and foremost a collective issue based essentially on the culture of peoples.

The people of Québec, through its territorial state and its public institutions, beginning with its national assembly, constitution, and charters, ensure the protection of linguistic diversity in the world by rigorously protecting the collective and public nature of its language. The spirit of the Law is clear,<sup>1</sup> including the spirit of the reforms to the federal<sup>2</sup> and Québec<sup>3</sup> laws.

Respecting and promoting this attribute of global diversity is a matter of social responsibility for all companies.

It is in the interest of all stakeholders, starting with the entire community, regardless of origin.

Sustainable development and long-term performance cannot be conceived otherwise. It is the company's duty to act in full respect of these sacred principles.

It is perfectly possible to do business anywhere in the world with a headquarters that operates in the language of the State where it is located.<sup>4</sup>

For example, the annual shareholders' meeting of Samsung<sup>5</sup> (Suwon) is in Korean, Heineken<sup>6</sup> (Amsterdam) in Dutch, Nissan<sup>7</sup> (Yokohama) in Japanese, Foxconn<sup>8</sup> (Taiwan) in Mandarin, Volkswagen<sup>9</sup> (Wolfsburg) in German, and L'Oréal<sup>10</sup> (Clichy), Danone<sup>11</sup> (Paris), Christian Dior<sup>12</sup> (Paris) and LVMH<sup>13</sup> (Paris) in French. The content is translated into other languages. The principle is simple and clear.

<sup>1</sup> La Charte de la langue française : une entrave [...] <http://hdl.handle.net/11143/10216>

<sup>2</sup> Bill C-32 <https://parl.ca/DocumentViewer/fr/43-2/projet-loi/C-32/premiere-lecture>

*Français et anglais : Vers une égalité [...] https://www.canada.ca/fr/patrimoine-canadien/organisation/publications/publications-generales/egalite-langues-officielles.html*

<sup>3</sup> Bill 96 <http://assnat.qc.ca/fr/travaux-parlementaires/projets-loi/projet-loi-96-42-1.html>

<sup>4</sup> Comment se conclut un « deal » en français? [...] <http://collections.banq.qc.ca/ark:/52327/1832243>

<sup>5</sup> AAA 2021 Samsung <https://www.youtube.com/watch?v=v8l9lOOv58A>

<sup>6</sup> AAA 2021 Heineken <https://www.theheinekencompany.com/sites/theheinekencompany/files/Downloads/PDF/AGM%202021/20210609%20Heineken%20N.V.%20Notulen%20AvA.pdf>

<sup>7</sup> AAA 2021 Nissan <https://www.youtube.com/watch?v=OS9Sm3Rgt9k>

<sup>8</sup> AAA 2021 Foxconn <https://www.youtube.com/watch?v=pPNJ37Ri3Q0>

<sup>9</sup> AAA 2021 Volkswagen <https://www.volkswagenag.com/de/InvestorRelations/annual-general-meeting.html>

<sup>10</sup> AAA 2021 L'ORÉAL <https://www.loreal-finance.com/fr/assemblee-generale-2021>

<sup>11</sup> AAA 2021 DANONE <https://www.danone.com/fr/investor-relations/shareholders/shareholders-meeting.html>

<sup>12</sup> AAA 2021 Christian DIOR [https://voda.akamaized.net/dior/1520614\\_605ded3e38389/](https://voda.akamaized.net/dior/1520614_605ded3e38389/)

<sup>13</sup> AAA 2021 LVMH <https://www.lvmh.fr/actionnaires/agenda/assemblee-generale-2021/>

The French language is not a choice. It is the collective instrument for communication. Besides, for foreign languages, there is translation, simultaneous or not.

French is the language of all of us.

It is a collective issue of equity, justice, and dignity. A national issue.

### **The Board and management recommend voting “AGAINST” the proposal for the following reasons:**

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All of the Corporation’s meetings of shareholders have been held in French in the past and it is the Corporation’s intent to continue to do so given its strong ties with the Québec community. Its employees also work in French all over Québec and the Corporation will continue to respect any and all legislation and regulations on French language.

The Corporation does not believe that it would be necessary to amend its by-laws or its Charter to include French as the official language of the Corporation given that it is a corporation governed by the Québec *Business Corporations Act* and the Québec *Securities Act* with a head office located in Montréal, Québec and, as such, is subject to Québec French language legislation.

**In light of the foregoing, the Corporation recommends that the shareholders vote “AGAINST” this proposal.**

### **Proposal #4: Zero plastic waste by 2030:**

*MÉDAC’s proposal (as translated by the Corporation):*

**It is proposed that Metro Inc. propose an action plan to achieve zero plastic waste by 2030.**

*MÉDAC’s arguments in support of its proposal (as translated by the Corporation):*

Your corporate responsibility report indicates that you plan to reduce the number of single-use plastic shopping bags in your food and drugstore banners by 50% by 2023 compared to 2018, as well as reduce over-packaging and plastic in your fresh produce section.

As mentioned in your corporate responsibility report, the pandemic will have impacted your efforts to educate customers on the issues of single-use plastic bags, which may have an impact on your goals. Given the importance of such an environmental issue, we suggest that you revisit your objectives in this regard while aiming for the Canadian goal of zero plastic waste by 2030.

### **The Board and management recommend voting “AGAINST” the proposal for the following reasons:**

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After nearly a decade of implementing initiatives to improve its packaging footprint, the Corporation adopted a Packaging and Print Management Policy in May 2019. It is a framework to guide its teams and suppliers in the effective management of its packaging and printed materials, encompassing both their reduction and optimization. The goal of this important initiative is to enable the Corporation to adopt practices that reduce resource use, minimize product loss, and reduce waste generation, while participating in the global movement to eliminate single-use plastics.

Based on the recognized concepts of the life cycle approach and the circular economy, the policy is based on the following four principles:

- Reduce the use of packaging and printed materials;
- Design optimally;
- Choose environmentally responsible materials; and
- Facilitate recovery and recycling.

In addition to implementing the principles of the policy, we have made specific commitments to reduce the use of single-use plastic, such as reducing the number of single-use plastic shopping bags by 50% in our food and pharmacy banners by the end of fiscal 2023 compared to fiscal 2018, reducing over-packaging and single-use plastics in the fresh produce sections of our food stores, including a 10% reduction in the number of single-use plastic bags for fruits and vegetables. We are also aiming to reduce the amount of plastic used in disposable utensils and straws in our in-store bistros by eliminating individual plastic wrap on utensils; eliminating cutlery sets and offering single utensils instead; and replacing plastic straws and stir sticks with more environmentally friendly materials. These are just a few examples of our commitments. The complete list of our commitments can be found in the Packaging and Printed Materials Management Policy.

As indicated in our 2020 Corporate Responsibility report, the pandemic has slowed the rollout of the policy implementation plan. The implementation of health measures and disruptions in our supply chain resulted in changes in practices as well as delays in the execution of certain in-store initiatives and in the delivery of selected packaging.

Despite the challenges encountered during 2020, the goals outlined in our policy remain a priority. We continue to work towards our targets and implement the principles of reducing plastic and other materials such as cardboard and paper. We believe that our 2023 objective of reducing the use of single-plastic shopping

bags by 50% is appropriate. An objective of zero plastic waste by 2030 is not achievable by the Corporation given the current use of plastics in the industry. We believe that goal setting should be transparent and realistic while also being sufficiently ambitious so that concrete actions can be taken. Setting a completely unattainable objective would be nothing more than a public relations exercise. The Corporation intends to review its plastic objective in 2023 and determine if a new objective would be appropriate and what this objective should be at that time.

**In light of the foregoing, the Corporation recommends that the shareholders vote “AGAINST” this proposal.**

### **Proposal #5: Preservation of biodiversity:**

*MÉDAC’s proposal (as translated by the Corporation):*

**It is proposed that Metro Inc. specify in a Code of conduct with its suppliers its requirements regarding the commitments it wishes to see from its suppliers to preserve biodiversity.**

*MÉDAC’s arguments in support of its proposal (as translated by the Corporation):*

In a recent article,<sup>1</sup> you mentioned that you were working on a Code of Conduct to properly manage your relationships with your suppliers. As shareholders, we believe that the loss of biodiversity represents significant risks. In addition, we believe that taking it into account can be an important asset for its development and growth. Moreover, this is the main conclusion of a report published last September by the Boston Consulting Group (BCG) on the agri-food sector. According to its authors, who point out that agriculture is responsible for 80% of global deforestation, the current system is no longer sustainable: “the quest for high yields (...) has led to a global standardization of commodities at the expense of sustainability and resilience. Agriculture has become a major contributor to global biodiversity and environmental degradation.”<sup>2</sup>

The use of regenerative agriculture by Metro Inc.’s suppliers may be one way to meet this preservation goal. According to The Carbon Underground, this type of agriculture can be defined as follows: “crop and pasture practices that, among other things, reverse climate change by rebuilding soil organic matter and restoring degraded soil biodiversity, resulting in reduced carbon concentrations in the atmosphere and improvement of the water cycle.”<sup>3</sup>

Furthermore, BCG states, in the article cited above: “Companies that fail to promote biodiversity could see investors lose confidence over the long term and pull out in favor of more sustainable investments”, not to mention the “reputational risks that could lead to reduced demand or boycotts”. This is a trend that the health crisis — which acted as a “vital reminder of what can happen when we ignore or fail to effectively address existential threats” — has further exacerbated, with 70% of BCG respondents saying they are more concerned about the environment than they were before the COVID-19 pandemic.<sup>4</sup>

### **The Board and management recommend voting “AGAINST” the proposal for the following reasons:**

The Corporation recognizes the importance of protecting biodiversity and has been addressing this issue through its corporate responsibility approach for many years. We have outlined initiatives in this regard ever since the publication of our first Corporate Responsibility Roadmap in 2010.

Given that biodiversity loss is caused by multiple factors, it is addressed in several of our corporate responsibility programs.

As a first step, the preservation of biodiversity is integrated into our overarching responsible sourcing documents:

- Supplier Code of Conduct
- Responsible sourcing framework
- Sustainable Fisheries and Aquaculture Policy
- Packaging and Printed Materials Management Policy

As outlined in the Supplier Code of Conduct, the Corporation seeks to purchase goods and services from suppliers who have environmentally responsible practices at all stages of the life cycle. We encourage our suppliers, particularly in the food industry, to adopt practices that maintain soil quality, biodiversity, and ecosystems.

The Corporation also considers the health of the oceans and the preservation of natural resources to be vital. We know that the fishing and aquaculture industries face challenges that include the sustainability of fish and seafood stocks and the protection of biodiversity and ecosystems. That is why our Sustainable Fisheries and Aquaculture Policy guides our purchasing practices on fish products and is based on principles that allow for responsible and ethical sourcing, including the marketing of healthy species, sustainable harvesting methods and product traceability.

We have also established criteria in certain areas based on specific issues. For example, to combat deforestation, one of the issues related to biodiversity loss, we

<sup>1</sup> <https://www.lapresse.ca/affaires/entreprises/2021-04-22/rerelations-avec-les-fournisseurs/metro-travaille-sur-un-guide-de-bonnes-pratiques.php>

<sup>2</sup> <https://www.bcg.com/publications/2020/business-benefits-of-biodiversity-in-agriculture>

<sup>3</sup> <https://www.laterre.ca/du-secteur/formation/abc-de-lagriculture-regeneratrice>

<sup>4</sup> <https://www.confluences.fr/2020/11/preserver-la-biodiversite-latout-strategique-des-entreprises-danone/>

have taken steps to reduce the use of palm oil in our private brand products. We are also committed to selecting environmentally responsible materials for our packaging and printing; when we must use virgin fibers, we give preference to certified fibers that attest to the fact that the forests from which the resources originate are managed in a responsible and sustainable manner. With respect to pesticides, which are considered a threat to biodiversity, we are steadily increasing the number of organic products available in our grocery stores, both in our *Life Smart* private brand and in the produce department.

In addition to these procurement initiatives, we are also working to reduce our greenhouse gas emissions, considering the effects of climate change on biodiversity.

As demonstrated by these examples, we are working to take concrete actions to optimally protect biodiversity in our operations. In addition, we continue to monitor environmental news to identify emerging issues and levers in this area.

**In light of the foregoing, the Corporation recommends that the shareholders vote “AGAINST” this proposal.**

## Exhibit D – Mandate of the Board of Directors

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The Board of Directors is elected by the shareholders and is responsible for the management of the affairs of the Corporation in all respects.

**Corporate Governance** / The Board of Directors is responsible for ensuring that the Corporation is properly governed and that the relevant corporate governance guidelines are complied with. Among other matters, consistent with the corporate governance guidelines of the Canadian Securities Administrators, the Board of Directors assumes special responsibility for the following five matters, either directly or through one of its committees: the adoption of a strategic planning process for the Corporation and its subsidiaries at least once a year which takes into consideration, if need be, any opportunities and risks of the Corporation; the identification of the principal risks associated with the Corporation's activities and the implementation of appropriate systems to manage these risks; the appointment, training, evaluation, supervision and compensation of senior management as well as succession planning; a communications policy with shareholders and the public at large; oversight of major labor relations issues and the integrity of the Corporation's internal control and management information systems.

**Important Decisions** / In addition to decisions requiring the Board's approval pursuant to the law or the Corporation's articles and by-laws, the Board makes all important decisions with regard to, among other matters, major investments and divestitures of significant assets.

**Rules of Ethics** / The Board of Directors sees that rules of ethics are established for the directors, officers and employees of the Corporation and that adequate procedures are put in place in order to ensure compliance with such rules of ethics.

**Internal Governance** / The Board of Directors recommends to the shareholders the nominees proposed to be elected as directors, approves the compensation and indemnities of directors and is responsible for succession planning at the Board level. The Board determines the expectations and responsibilities of directors. The Board of Directors reviews its own effectiveness as well as that of the committees of the Board and of individual directors.

**Committees** / The Board of Directors creates the committees which are considered advisable for the performance of the Board's duties and responsibilities.

**Management** / Management is responsible for the day-to-day management of the Corporation's operations. The Board approves the general goals for the Corporation which management is responsible for meeting.

The Board's main expectations of management are the protection of the Corporation's interests and the long term maximization of the shareholders' investment, while striking a proper balance between the short and medium term goals, as well as the interests of the employees, the customers and the stakeholders of the Corporation.

## Exhibit E – Mandate of the Human Resources Committee

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### 1. Mandate

The Committee's mandate is to:

- approve or, as the case may be, recommend to the Board of Directors (the "Board") policies regarding human resources management, compensation and ethics;
- review risk identification and management relating to compensation policies and practices and review disclosure in this respect;
- review and recommend to the Board policies and practices on Management compensation including base salary, Short Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP);
- make recommendations to the Board as to the appointment of the President and Chief Executive Officer and senior executives (Metro Inc.'s vice-presidents, including the executive and senior vice-presidents);
- review and approve corporate objectives relevant to the President and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer, and the Executive Vice-President and Chief Operating Officer;
- evaluate the performance of the President and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer, and the Executive Vice-President and Chief Operating Officer with respect to such corporate objectives and make recommendations to the Board regarding their compensation;
- evaluate the performance of the other NEOs and of the other Senior and Executive Vice-Presidents, approve their compensation (base salary and STIP) and make recommendations to the Board with respect to LTIP grants;
- annually review the succession plans for the President and Chief Executive Officer, senior officers and other executives, ensure the follow-up of the action plans and make appropriate recommendations to the Board;
- ensure that the policies and procedures regarding ethical standards governing various transactions and operations conducted by senior executives and managers in general are being applied;
- receive and examine reports regarding pension funds from management and the Corporation's pension committees and, in turn, report on a yearly basis to the Corporation's Board;
- review and approve the executive compensation information to be included in the annual disclosure documents prescribed by legal and regulatory authorities.

### 2. Outside advisor

The Committee has the authority to engage and compensate any outside advisor or consultant that it determines to be necessary to assist the Committee in carrying out its duties. The Committee must pre-approve services, other than services the consultant or outside advisor provides to the Committee, to be rendered by the consultant or outside advisor to the Corporation at the request of management. The Committee may delegate to its Chair the power to pre-approve all services to be provided by the consultant or advisor to the Corporation at the request of management. Nevertheless, the Chair, if this power is delegated to him, must disclose to the Committee, on an informational basis, all such pre-approved decisions at the next Committee meeting.

### 3. Composition

The Committee is made up of at least three (3) members and at most five (5) independent directors. A member of the Audit Committee sits as a member of the Committee.

Each member of the Committee has direct experience that is relevant with human resources and senior management compensation matters.



## Exhibit F – Mandate of the Audit Committee

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### 1. Objectives of the Committee and general scope of responsibilities of the parties:

- 1.1. The objectives of the Committee are to review the adequacy and effectiveness of the actions taken by the various parties herein involved to discharge themselves of their responsibilities herein described and to assist the Board in its oversight of:
  - 1.1.1 the integrity of the Company's financial statements;
  - 1.1.2 the internal and external auditor qualifications and independence;
  - 1.1.3 the performance of the Company's internal audit function and external auditor;
  - 1.1.4 the effectiveness of internal controls;
  - 1.1.5 the Company's compliance with legal and regulatory requirements; and
  - 1.1.6 the identification of the material risks that may affect the Company and the implementation of appropriate measures to manage such risks.
- 1.2. Management is responsible for:
  - 1.2.1 the preparation, presentation and integrity of the Company's financial statements and for maintaining appropriate accounting policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations; and
  - 1.2.2 identifying the material risks and putting in place appropriate measures allowing to manage such risks.
- 1.3. The external auditor is responsible for auditing the Company's annual financial statements and reviewing the Company's interim financial statements.
- 1.4. The internal auditor is responsible, by bringing a systematic and disciplined approach, for evaluating and improving the effectiveness of the Company's risk management and control processes.

### 2. Scope of mandate

The responsibilities of the Committee extend to Metro Inc., its subsidiaries and their divisions. In this mandate, the word «Company» refers to Metro inc., its subsidiaries and their divisions.

### 3. Composition and Organization

- 3.1 The Committee is composed of a minimum of 3 and a maximum of 6 members of the Board of Directors who are all independent directors. All members must be financially literate.
- 3.2 At any time, the Committee may communicate directly with the external auditor, the internal auditor or the management of the Company.

### 4. Specific responsibilities

The Audit Committee must periodically inform the Board about its work and advise it about its recommendation.

#### 4.1 Financial Information

- 4.1.1 The Committee reviews, before their public disclosure, the audited annual and interim financial statements, the MD&A, and all press releases relating to the financial statements and/or financial outlook information.
- 4.1.2 The Committee reviews with the management of the Company and the external auditor the choice of accounting policies and its justification as well as the various estimates made by management which may have a significant impact on the financial position.
- 4.1.3 The Committee ensures that adequate procedures are in place for the review of the Company's disclosure to the public of information extracted or derived from the Company's financial statements, other than the information covered by paragraph 4.1.1 hereof, and periodically assesses the adequacy of such procedures.
- 4.1.4 The Committee reviews, before they are released, any prospectus relating to the issuance of securities by the Company, the Annual Information Form and the Management Proxy Circular.

#### 4.2 Internal Control

- 4.2.1. The Committee verifies that Company Management has implemented mechanisms in order to comply with regulations on internal controls and financial reporting.

- 4.2.2. Every quarter and every fiscal year, the Committee reviews with Company Management the conclusions of the work supporting the certification letters to be filed with the authorities.
- 4.2.3. The Committee reviews with the Company Management all material weaknesses and significant deficiencies identified pertaining to internal controls and financial reporting, as well as any fraud, and the corrective measures implemented.
- 4.3. Internal Audit
- 4.3.1. The Committee oversees and approves the appointment, replacement, reassignment or dismissal of the Senior Director of the Internal Audit Department and reviews the mandate, annual audit plan, and resources of the internal audit function.
- 4.3.2. The Committee meets the Senior Director of the Internal Audit Department to review the results of the internal audit activities, including all material risk assessments and audit reporting as well as any significant issues reported to management by the internal audit function and management's responses and/or corrective actions.
- 4.3.3. The Committee reviews the performance, degree of independence and objectivity of the internal audit function and adequacy of the internal audit process.
- 4.3.4. The Committee reviews with the Senior Director of the Internal Audit Department any issues that may be brought forward by him, including any difficulties encountered by the internal audit function, such as audit scope, access to information and staffing restrictions.
- 4.3.5. The Committee ensures the effectiveness of the coordination between the internal audit and the external audit.
- 4.4. External Audit
- 4.4.1. The Committee has the authority and the responsibility to recommend to the Board of directors:
- i) the appointment and the revocation of any public accounting firm engaged for the purpose of preparing or issuing an audit report, or performing other audit, review or certification services (collectively the «external auditor»); and
  - ii) the compensation of the external auditor.
- 4.4.2. The external auditor communicates directly with the Committee. The Committee reviews the reports of the external auditors which are sent to it directly which include reports on its auditing of the Company's annual financial statements, on its review of the Company's interim financial statements and on its review of the Non-IFRS financial measures found in the quarterly or annual financial disclosure of the Company to determine if such measures are in line with the Company's Policy on Non-IFRS Financial Measures. The Committee also monitors all the work performed by the external auditors, its audit plans and the results of its audits.
- 4.4.3. The Committee discusses with the external auditors, by means of meetings, problems encountered during the audit, including the existence, if applicable, of restrictions imposed by the management of the Company or areas of disagreement with the latter about the financial information and ensures that such disagreements are resolved.
- 4.4.4. The Committee, or one or more of its members to whom it has delegated authority, pre-approves non-audit services that are assigned to the external auditors. The Committee may also adopt policies and procedures concerning the pre-approval of non-audit services that are assigned to the external auditors. It monitors the fees paid with respect to such mandates.
- 4.4.5. The Committee makes sure that the external auditor has obtained the cooperation of the employees and officers of the Company.
- 4.4.6. The Committee examines the post-audit letter or the recommendation letter of the external auditor as well as the reactions of management and management's response to the deficiencies observed.
- 4.4.7. The Committee examines the qualifications, performance and independence of the external auditor and ensures that the audit report accompanying the financial statements is issued by an audit firm that is a participant in the program of the Canadian Public Accountability Board ("CPAB") and that the firm respects any sanctions and restrictions imposed by this Board. The Committee takes into account the opinions of management and the Company's internal auditor in assessing the qualifications, performance and independence of the external auditor. In particular, the Committee examines each year the quality of the work performed by the external auditor in order to facilitate an informed recommendation concerning the appointment of the audit firm which will act as external auditor of the Company.
- 4.4.8. At least, once a year, or at any other time indicated below, the external auditor i) reports to the Committee on the external auditor's internal quality-control procedures in place; ii) reports to the Committee as to its internal evaluation of the quality of work of the members of the audit firm involved in the audit of the Company; iii) reports to the Committee as to its inscription as a duly registered participant of the CPAB and whether it holds proper authority to audit Canadian issuers; iv) provides the members of the Committee, in a timely fashion, with a copy of any report, notice, information and findings of the CPAB which the external auditor may or must provide copy of to the Committee, including any annual public report on the quality of audits performed by public accounting firms as well as any significant findings emerging from any inspection of the audit file of the Company, the content of which the external auditor must discuss with the members of the Committee.
- 4.4.9. The Committee reviews and approves the Company's hiring policy concerning (current and former) partners and (current and former) employees of the (current and former) external auditor.
- 4.5. Miscellaneous
- 4.5.1. The Committee establishes procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and to preserve confidentiality and the protection of the anonymity of persons who may file such complaints.

- 4.5.2. The Committee has the authority to engage any advisor it deems necessary in order to help it in the performance of its duties, and to set the compensation of such advisor as well as to obtain from the Company the funds necessary to pay such compensation.
- 4.5.3. The Committee analyses the conditions surrounding the departure or appointment of the officer responsible for finance and any other key financial executive who participates in the financial information process.
- 4.6. Compliance with legal and regulatory requirements
  - The Committee reviews the reports received from time to time regarding any material legal or regulatory issues that could have a significant impact over the Company's business.
- 4.7. Risk Management
  - 4.7.1. The Committee reviews the material risks identified by Company Management. The Committee examines the effectiveness of the measures put in place to manage these risks by questioning the management of the Company regarding how risks are managed as well as obtaining opinions from management regarding the degree of integrity of the risk mitigation systems and acceptable thresholds;
  - 4.7.2. The Committee reviews on a regular basis the management policies regarding material risks recommended by Company Management and obtains from the management of the Company on a regular basis reasonable assurance that the Company's risk management policies for material risks are being adhered to. The Committee also reviews reports on material risks, including financial hedging activities and environment;

# Exhibit G – Mandate of the Governance and Corporate Responsibility Committee

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## 1. Purpose of the Committee

The primary objective of the Committee is to assist the Board of Directors of Metro Inc. (the “Board”) in fulfilling its oversight responsibilities by:

- 1.1. developing and recommending to the Board corporate governance guidelines for the Corporation and making recommendations to the Board with respect to corporate governance practices;
- 1.2. overseeing the Company’s activities and disclosure on corporate responsibility and environmental, social and governance (“ESG”) matters;
- 1.3. establishing processes and criteria to ensure Board renewal; and
- 1.4. developing processes to evaluate Board performance.

## 2. Scope

The responsibilities of the Committee extend to Metro Inc., its subsidiaries and their divisions. In this mandate, the word “Company” refers to Metro Inc., its subsidiaries and their divisions.

## 3. Composition and Organization

The Committee is composed of a minimum of 3 members of the Board who are all independent directors.

## 4. Corporate Governance

With regards to general governance matters, the Committee:

- 4.1. develops and monitors Company policy on corporate governance and ensures the Company’s compliance with the corporate governance guidelines and standards of the legislative and regulatory authorities;
- 4.2. oversees the preparation of the Company’s Statement of Corporate Governance Practices for annual disclosure as required by the legislative and regulatory authorities;
- 4.3. regularly reviews the indemnification procedure regarding directors’ liability and directors’ liability insurance coverage;
- 4.4. develops and provides an orientation and education program for new directors as well as a continuing education program for all directors. The program covers, among other things, the nature of the Company’s operations, its strategies and what it expects from the directors;
- 4.5. oversees the application of the Code of ethics of the Directors, including whether conflicts of interest are properly identified, reviewed and resolved;
- 4.6. monitors, reviews and provides guidance in respect of potential conflicts of interest and makes recommendations to the Board as to the actions to be taken, if necessary, with respect to any situation giving rise to a conflict of interest;
- 4.7. reviews the committee and Board mandates as well as Committee Chair and Board Chair mandates and makes recommendations on any changes deemed appropriate;
- 4.8. ensures that the policies relating to communications with shareholders and communication of material information to the public in general are updated as needed and that Company discharges its responsibilities under these policies; and
- 4.9. receives and rules on requests of directors seeking to engage outside advisors at the Company’s expense.

## 5. Corporate responsibility

With regards to corporate responsibility, the Committee:

- 5.1. oversees the Company’s activities with respect to the Company’s corporate purpose and corporate responsibility which includes environmental, social and governance matters (ESG);
- 5.2. reviews the Company’s disclosure on these matters; and
- 5.3. reviews the Company’s corporate responsibility plans and reports.

## 6. Board renewal, composition and succession planning

With respect to Board renewal, composition and succession planning, the Committee:

- 6.1. is responsible for succession planning of the Board and elaborates the selection process for new directors;
- 6.2. establishes processes to identify and recommend candidates to the Board for election as directors of Metro Inc. by seeking persons who have the required knowledge, experience, integrity and availability and who meet the selection criteria set from time to time by the Committee to fill the position of director;

- 6.3. considers each candidate's profile in light of the competencies and skills that each current director possesses, the competencies and skills that the Board, as a whole, should possess and finally the requirements that the Board considers relevant such as independence, absence of conflicts of interest, diversity and others;
- 6.4. maintains an up-to-date directors' skills matrix;
- 6.5. makes recommendations to the Board with respect to the appropriate number of directors to compose the Board;
- 6.6. proposes to the Board the nomination of committee members and committee Chairs, upon recommendation from the Chair of the Board;
- 6.7. establishes processes and criteria for the selection of the director who will serve as Chair of the Board; and
- 6.8. makes recommendations to the Board on the directors' compensation based on their involvement, duties, the risks they assume and on best Canadian practices.

## **7. Board performance**

With regards to Board performance, the Committee:

- 7.1. supports the Chair of the Board in the conduct of an assessment of the effectiveness of the Board, its committees and its committee Chairs with respect to their mandate;
- 7.2. reviews and recommends approval by the Board of the questionnaire on Board and director effectiveness on a yearly basis;
- 7.3. reviews the results of the Board and director effectiveness questionnaire;
- 7.4. submits a report and the analysis of the themes from said report to the Board; and
- 7.5. assesses the process, the effectiveness and/or the need for change in the composition of the Board, its committees or their Chairs.

## **8. Reporting**

The Chair of the Committee reports regularly to the Board on the business of the Committee at such time and in such manner as the Board may otherwise require.

## **9. Outside advisor**

The Committee has the authority to retain, at the expense of the Company, any outside advisor necessary to allow it to carry out its duties.

## Exhibit H – List of competencies and expectations of directors

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The directors of Metro Inc., who represent a variety of business sectors, must each have the necessary competencies to promote the interests of all the shareholders of the Corporation and ensure that the Board of Directors works effectively and productively. This document constitutes a non-exhaustive list of the personal competencies and values which the directors of the Corporation should demonstrate as well as of the expectations with respect to such directors.

1. **BACKGROUND AND EXPERIENCE** The directors of the Corporation must have superior experience, knowledge, competencies and a background which will allow them to make a significant contribution to the Corporation's Board of Directors and its committees.
2. **INTEGRITY AND ACCOUNTABILITY** The directors of the Corporation must show integrity and respect the highest ethical and fiduciary standards, in particular those set forth in the code of ethics of the Corporation's directors.
3. **KNOWLEDGE** The directors of the Corporation must have the appropriate knowledge to fulfill their duties well. Specifically, they must fully understand their role and duties and be able to read financial statements as well as understand the use of financial ratios and other measures of the Corporation's performance. They must also continually expand their knowledge of the Corporation's operations and the major trends in the business sector in which the Corporation operates.
4. **CONTRIBUTION** The directors of the Corporation must significantly contribute to the proceedings and work of the Board and its committees including by expressing their point of view in an objective, logical and persuasive manner. They must be able to propose new ideas while keeping in mind the strategies of the Corporation and objectives that it must achieve.
5. **TEAMWORK** The directors of the Corporation must work as a team in an effective and productive manner. They must show respect for others, specifically by listening to and taking the points of view of others into consideration.
6. **AVAILABILITY, PREPARATION AND ATTENDANCE AT MEETINGS** The directors of the Corporation must be sufficiently available to fulfill their role properly. They must also adequately prepare themselves for all meetings of the Board and its committees and attend such meetings, except in exceptional circumstances.
7. **ADVICE** The directors of the Corporation must exercise judgment based on sound information and solid reasoning as well as be able to provide wise and thoughtful advice on a wide range of issues.
8. **VISION AND STRATEGY** The directors of the Corporation must always act in the best interests of the Corporation, of all its shareholders and all its stakeholders. To do so, they must have perspective and be able to think strategically. They must be able to anticipate future consequences and trends.



## Exhibit I – Statement of corporate governance practices

Canadian Securities Administrators Corporate Governance Guidelines and Disclosure Requirements	Observations
<b>Board of Directors</b>	<p>1. At the end of the 2021 financial year, the Board of Directors was comprised of a majority of independent directors, in that out of the 13 directors who served on the Board of Directors at one time or another during the 2021 financial year, ten (10) were considered independent directors. In order to determine if a director is independent, the Board of Directors reviews information provided by the directors or the nominees in a questionnaire which is annually completed by them. During the 2021 financial year, the independent directors serving on the Board at one time or another were: Mses. Maryse Bertrand, Stephanie Coyles, Christine Magee and Line Rivard and Messrs. Pierre Boivin, Claude Dussault, Russell Goodman, Marc Guay, Christian W.E. Haub, Brian McManus and Réal Raymond. Mr. Eric R. La Flèche cannot be considered independent because he holds a senior executive position with the Corporation. Mr. François J. Coutu cannot be considered independent because he held a senior executive position with the Jean Coutu Group, a subsidiary of the Corporation, within the last three (3) years and is a shareholder and an executive of companies which own drugstores operating under the Jean Coutu Group banners and therefore carries a business relationship with the Corporation. Mr. Michel Coutu also cannot be considered independent as one of his family members, his brother Mr. François J. Coutu, was, within the last three (3) years, a senior executive of the Jean Coutu Group, a wholly-owned subsidiary of the Corporation and his son holds a senior executive position with the Jean Coutu Group.</p> <p>If, following the Meeting on January 25, 2022, the nominees proposed by the Corporation are elected, the Board of Directors will continue to be comprised of a majority of independent directors, in that nine (9) of the 12 proposed nominees will be independent directors, namely the following director nominees: Mses. Lori-Ann Beausoleil, Maryse Bertrand, Stephanie Coyles and Christine Magee and Messrs. Pierre Boivin, Russell Goodman, Marc Guay, Christian W.E. Haub and Brian McManus.</p>
<p>2. If a director is presently a director of any other reporting issuer, identify both the director and the other issuer.</p>	<p>2. The information pertaining to the directors who serve on the board of another reporting issuer can be found on pages 10 to 17 of this Circular. The Board of Directors has adopted a policy limiting the number of directorships of its directors to a maximum of four (4) public companies, including the Corporation. In addition, no more than two (2) directors of the Corporation shall hold a director seat at the same board of another public company at the same time. Therefore, the Governance Committee of the Corporation takes into consideration the external directorships of potential director nominees and does not propose a slate of directors for election by shareholders if the election of those directors would result in more than two (2) simultaneous situations where two (2) directors hold a director seat at the same board of another public company. A director of the Corporation must obtain the prior approval of the Governance Committee before submitting his or her candidacy as director of another public company.</p>
<p>3. The chair of the board should be an independent director.</p>	<p>3. The role and responsibilities of the Chair of the Board of Directors are described in Exhibit J to this Circular. Mr. Pierre Boivin, Chair of the Board of Directors, is an independent director.</p>
<p>4. The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.</p>	<p>4. A meeting of the directors without management present, chaired by the Chair of the Board, takes place at the end of each regular meeting of the Board of Directors.</p>

<p><b>Board Mandate</b></p> <p>5. The board should adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the issuer.</p>	<p>5. The Board of Directors has adopted a mandate in which it acknowledges its stewardship responsibility. The text of said mandate can be found in Exhibit D to this Circular. Every year, the Governance Committee reviews the mandate of the Board of Directors to determine if it requires updating, and in such case, makes the recommendations to this effect to the Board of Directors.</p>
<p><b>Position descriptions</b></p> <p>6. The board should develop clear position descriptions for the chair of the board and the chair of each board committee. In addition, the board should develop a clear position description for the president and CEO. The board should also develop or approve the goals and objectives that the president and CEO must meet.</p>	<p>6. The Board of Directors has adopted a written mandate for the position of Chair of the Board of Directors, the text of which is included in Exhibit J to this Circular. The Board of Directors has also adopted a mandate for the position of Chair of each Board committee, the text of which is included in Exhibit K to this Circular.</p> <p>The mandate of the President and Chief Executive Officer is described in the Corporation's By-Laws. The President and Chief Executive Officer reports to the Board of Directors and his responsibilities include: i) directing and managing all of the Corporation's business, subject however to the powers vested exclusively to the Board of Directors or its shareholders; ii) without limiting the generality of the foregoing, establishing the objectives, action plans, policies and strategies of the Corporation and its subsidiaries and, with the approval of the Board of Directors, implementing same; and iii) performing all other tasks which may be assigned to him from time to time by the Board of Directors of the Corporation.</p> <p>At the beginning of each financial year, the President and Chief Executive Officer's objectives are approved by the Board of Directors, upon recommendation of the Human Resources Committee.</p>
<p><b>Orientation and continuing education</b></p> <p>7. The board should ensure that all new directors receive a comprehensive orientation. All new directors should understand the nature and operation of the issuer's business. The board should provide continuing education opportunities for all directors.</p>	<p>7. There is a training and orientation program intended for new members of the Board of Directors. Pursuant to this program, new directors are provided with reports on the Corporation's business operations and internal affairs. New directors meet with the Chair of the Board of Directors and the President and Chief Executive Officer to discuss the operations of the Corporation and the Corporation's expectations towards each director. The Chair of the Board of Directors also informs new directors about the Corporation's corporate governance practices and, in particular, the role of the Board of Directors, its committees and each director. This program also allows new directors to meet with the committee chairs, to visit the Corporation's distribution centers, food stores and pharmacies and to meet key management team members. Once this training and orientation program is completed, the Chair of the Governance Committee checks in with the new directors to ensure they feel adequately prepared to carry on their duty as directors of the Corporation.</p> <p>The Corporation acknowledges that a board of directors' good performance stems from directors who are well informed. As such, the Corporation provides each director with a handbook that contains relevant documentation and information about the Corporation, including the Information Policy and the Directors' Code of Ethics.</p> <p>At each meeting of the Board of Directors, the directors have the opportunity to hear presentations given by executive officers on various topics regarding the Corporation's operations. The directors also take part, periodically, in organized visits of the Corporation's facilities, including distribution centers as well as its retail network. The Governance Committee reviews and suggests matters upon which information sessions for Board members would be appropriate. Board members also have the opportunity to share their interest in that regard. This year, directors received educational and informational briefings on various operational, financial and strategic topics including retail innovation, marketing, real estate, customer loyalty and the COVID-19 pandemic.</p> <p>In addition, two (2) formal educational sessions took place and focused on consumer preferences and needs, and the state of the Canadian food retail market, which allowed Board members to keep themselves up to date on these fast-changing aspects of the business. All of the directors attended these</p>

	<p>sessions.</p> <p>These briefings and sessions were presented by internal speakers and renowned experts in the applicable fields.</p> <p>Board members and executives also attended a strategic planning session which took place this year.</p> <p>The Corporation ensures that all directors are members of the Institute of Corporate Directors (ICD) and pays their ICD membership fees.</p>
<p><b>Business Ethics</b></p> <p>8. The board should adopt a written code of business conduct and ethics. The code should be applicable to directors, officers and employees of the issuer.</p>	<p>8. The Board of Directors has adopted a code of ethics for directors (the “Directors’ Code of Ethics”) and a Code of Conduct for executives and employees. These codes are available on SEDAR (sedar.com) and on the Corporation’s corporate website (corpo.metro.ca). These codes address the elements recommended in Policy Statement 58-201 of Corporate Governance Guidelines of the Canadian Securities Administrators (“Policy Statement 58-201”). These codes also have provisions prohibiting employees and directors of the Corporation from short selling, directly or indirectly, the Corporation’s securities or Options or trading in put or call options, as well as provisions providing for the clawback of executives’ compensation (for further details on these provisions, please refer to the “Summary of the Corporation’s compensation policies and practices and associated risks” section on page 31 of this Circular). The Board has also adopted a “Director Resignation Policy” which requires a director to offer his or her resignation to the Chair of the Board of Directors, same being subject to the approval of the Board of Directors, in the event that: i) such director no longer meets the legal requirements or those set forth by the Board of Directors; ii) there is a material change in the director’s function, employment or assignment; or iii) such director has breached or noted a potential breach to the Directors’ Code of Ethics.</p>
<p>9. The board should be responsible for monitoring compliance with the code of ethics. Any waivers from the code that are granted for the benefit of the issuer’s directors or executive officers should be granted by the board (or a board committee) only.</p>	<p>9. The Governance Committee is responsible for overseeing compliance with the Directors’ Code of Ethics. This committee is also responsible for reviewing the Directors’ Code of Ethics to make sure that it is up to date and that it covers all regulatory requirements and corporate governance matters. The Human Resources Committee is responsible for overseeing compliance with the Code of Conduct applicable to senior executives and employees of the Corporation. The Corporation’s Vice-President, Human Resources, makes recommendations to the Human Resources Committee whenever the Corporation’s senior management deems that amendments need to be made to the Code of Conduct. Furthermore, every year, or otherwise when needed, she reports to the Human Resources Committee on any non-compliance with the Code of Conduct by senior executives of the Corporation. No waivers have been sought for directors or senior executives and there are no breaches to report in this respect.</p>
<p>10. The board must ensure that directors exercise independent judgment in considering transactions and agreements in which a director or executive officer has a material interest.</p>	<p>10. The Directors’ Code of Ethics provides a definition of a conflict of interest that includes a non-exhaustive list of situations, real or apparent, where directors may be inclined to favour their interests over the interests of the Corporation, or where their loyalty or judgement may be affected. Directors must report to the Chair of the Board and to the Chair of the Governance Committee any real or apprehended situation that could give rise to a conflict of interest as soon as they become aware of the situation. The Governance Committee shall review any situation involving a conflict of interest or situation that could give rise to a conflict of interest and make recommendations to the Board. If a member of the Governance Committee is involved in the situation potentially giving rise to a conflict of interest, such member must be excluded from the Governance Committee’s proceedings and the discussions relating to the matter. In addition, the Code of conduct specifies, among other things, that executives and employees must avoid situations of conflict of interests. Moreover, the Code of conduct specifies that: “Employees shall avoid situations where they may become involved, directly or indirectly, in a business similar to, or in competition with, METRO’s or in any entity that does or seeks to do business with METRO”. Every year, the directors and senior executives of the Corporation must declare all conflicts of interest in a questionnaire, and must furthermore notify the</p>

	<p>Corporation of any subsequent change in their situation. The Corporation's Vice-President, General Counsel and Corporate Secretary, reviews the directors' questionnaires and reports back to the Governance Committee about all actual or potential breaches of the Directors' Code of Ethics regarding conflicts of interest. The Corporation's Vice-President, Human Resources, executes the same duties with respect to actual or potential conflicts of interest of any senior executives by informing, whenever necessary, the Human Resources Committee.</p>
<p>11. The board must take steps to encourage and promote a culture of ethical business conduct.</p>	<p>11. The rules of conduct applicable to employees found in the Code of Conduct specify, among other things, that all executives and employees must act with care, honesty, diligence, efficiency, commitment, loyalty and fidelity in order to ensure that the Corporation maintains a reputation of quality, dependability and integrity. The Code of Conduct also requires that employees perform their duties in the best interest of the Corporation and its shareholders while respecting human rights and the law. In addition, not only does the Code of Conduct requires employees to avoid all conflicts of interest throughout their work but it also requires them not to accept gifts unless same qualifies as a business practice defined in the Code of Conduct.</p> <p>When hired, all employees must sign a form pursuant to which they acknowledge having read the Code of Conduct and undertake to comply with same. They must also sign a disclosure of private interests form, which is updated on a regular basis.</p> <p>All new candidates to the position of director receive a copy of the Directors' Code of Ethics, acknowledge in writing that they have read and understood said Code of Ethics and undertake to respect same. The list of competencies and expectations of directors provides that the directors of the Corporation must act with integrity and respect the highest ethical and fiduciary standards.</p>
<p><b>Nomination of Directors</b></p> <p>12. The board should appoint a nominating committee composed entirely of independent directors.</p>	<p>12. The Governance Committee is responsible for succession planning of the Board of Directors and recommending nominees to the Board of Directors for the position of directors of the Corporation. The Governance Committee is comprised of five (5) directors, all of whom are independent.</p>
<p>13. The nominating committee should have a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure, operations and manner of reporting to the board. In addition, the nominating committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.</p>	<p>13. The Board of Directors has adopted a mandate for the Governance Committee as well as an administrative resolution governing the procedure of all committees. The Governance Committee, pursuant to these documents, carries all of the responsibilities recommended in Policy Statement 58-201, and its mandate further provides that it has the authority to retain the services of an external advisor, if need be. Every year, the Governance Committee reviews its mandate to determine if it requires updating and in such case, makes recommendations to this effect to the Board of Directors.</p> <p>For further details, the text of the Governance Committee's mandate is included in Exhibit G to this Circular.</p>
<p>14. Prior to nominating or appointing individuals as directors, the board should adopt a process involving the following steps: consider what competencies and skills the board, as a whole, should possess and assess what competencies and skills each existing director possesses.</p>	<p>14. The Board of Directors has established and adopted the "List of competencies and expectations of Directors", the text of which is included in Exhibit H to this Circular. In addition, the Governance Committee has also established a skills and experience matrix of the directors currently serving on the Board of Directors. This matrix showing the skills and experience of the nominees for the positions of director can be found on page 18 of this Circular. The Governance Committee ensures that the choice of nominees takes into account the competencies, experience and skills that the Board of Directors should overall possess, and reports back to the Board of Directors accordingly.</p>
<p>15. The board should also consider the appropriate size of the board, with a view to facilitating effective decision-making by the board.</p>	<p>15. The Board of Directors examines its size on a yearly basis. Regarding the upcoming year, the Board of Directors has concluded that it would remain efficient with 12 members. The Board of Directors considers that its composition allows a diversity of point of views without hindering its efficiency.</p>

<p>16. The nominating committee should be responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees for the next annual meeting of shareholders.</p>	<p>16. The Board of Directors recognizes the importance of ensuring proper succession planning for its directors.</p> <p>Both the Chair of the Board and the Governance Committee are in charge of Board succession planning. The Governance Committee reviews the experience and expertise needs of the Board on an annual basis. The Chairs of the Board and the Governance Committee review annually the retirement dates of all directors according to the Board Retirement Policy to ensure succession is planned accordingly both at the Board and at the Committee levels.</p> <p>The Governance Committee establishes processes for Board succession planning, including the use of the services of recruitment specialists who identify possible director candidates for vacancies on the Board. These recruitment specialists can focus on particular skills and profile, including diversity, identified by the Governance Committee.</p> <p>The Governance Committee reviews the competence, experience and skills of each of the nominees for the position of director and recommends to the Board of Directors the nominees who best meet the required profile at the time of nomination.</p> <p>The Chair of the Board and the Chair of the Governance Committee meet with potential director nominees together to discuss their interest and the contributions they could bring to the Board of Directors. The Chairs of the Audit and Human Resources Committees also meet with the potential director nominees. After these first meetings, if found suitable, potential director nominees will meet with the President and Chief Executive Officer of the Corporation. These discussions are reported to the Governance Committee which decides whether to recommend or not the potential director nominee.</p> <p>The Governance Committee and the Chair of the Board make their recommendations to the Board of Directors which then chooses a nominee while taking into account, among other things, the list of competencies and expectations of directors that can be found in Exhibit H to this Circular and the availability of the candidates. The Board of Directors also takes into consideration the profiles of each director already serving on the Board of Directors, the needs of the Board in certain expertise, and aims to foster diversity, particularly in terms of competence, experience, skills, geographical representation and personal attributes, including gender diversity.</p>
<p>17. In making its recommendations, the nominating committee should consider the competencies and skills that the board considers to be necessary for the board, as a whole, to possess and those that the board considers each existing director and new nominee to possess.</p>	<p>17. The Governance Committee ensures that the Board of Directors possesses all the required competencies, experience and skills. It also ensures that all nominees for the position of director possess all required competencies, experience and skills to complete the Board's team and carry out the Board's mandate efficiently.</p>
<p><b>Compensation</b></p> <p>18. The board should appoint a compensation committee composed entirely of independent directors.</p>	<p>18. The Human Resources Committee is comprised of five (5) directors, all of whom are independent.</p>
<p>19. The compensation committee should have a written charter that establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure, operations and the manner of reporting to the board. In addition, the compensation committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.</p>	<p>19. The Board of Directors has adopted a mandate for the Human Resources Committee as well as an administrative resolution governing the procedure of all committees. The Human Resources Committee, pursuant to these documents, carries all of the responsibilities recommended in Policy Statement 58-201, and its mandate further provides that it has the authority to retain the services of an external advisor, if need be. Every year, the Human Resources Committee reviews its mandate to determine if it requires updating and in such case, makes recommendations to this effect to the Board of Directors.</p> <p>For further details, the text of the Human Resources Committee's mandate is included in Exhibit E to this Circular.</p>

<p>20. The compensation committee should be responsible for: reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the board with respect to) the CEO's compensation level based on this evaluation; making recommendations to the board with respect to non-CEO officer compensation, incentive-compensation plans and equity-based plans and reviewing executive compensation disclosure before the issuer publicly discloses this information.</p>	<p>20. These responsibilities are specified in the Human Resources Committee's mandate. The "Executive Compensation Discussion and Analysis" section, which can be found on pages 29 to 44 of this Circular, indicates the manner in which the Human Resources Committee performs its tasks.</p>
<p><b>Operations of the Board of Directors</b></p> <p>21. Identify the standing committees of the board other than the audit, nominating and compensation committees, and describe their function.</p>	<p>21. The standing committees of the Board of Directors are: the Human Resources Committee, the Audit Committee and the Governance Committee. The texts of these committees' mandates are included in Exhibits E, F and G to this Circular.</p>
<p>22. The board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution.</p>	<p>22. The Board of Directors has designed a comprehensive effectiveness assessment for itself, the committees and the directors under the supervision of the Governance Committee. This assessment occurs on an annual basis using questionnaires that are reviewed every year by the Governance Committee. These questionnaires cover a variety of subjects, including but not limited to corporate governance, and include both quantitative and qualitative questions.</p> <p>The regular assessment consists of a six-part questionnaire completed by each director. The first part consists of an evaluation of the corporate governance practices of the Board of Directors as a whole and of the effectiveness and performance of the Board and the Board committees. The second, third and fourth parts are more open-ended and seek additional comments that may not have been addressed in the first part. The fifth part consists of an assessment by each director of the other directors' performance. Finally, the sixth part is a self-assessment of the performance of the director.</p> <p>Every three (3) years, a detailed questionnaire replaces the regular questionnaire and only includes qualitative questions.</p> <p>During the assessment process, the Governance Committee also ensures that the mandate of each committee of the Board of Directors is carried out and assesses the manner in which the Chair of the Board of Directors and the Chairs of each committee fulfill their duties.</p> <p>The Chair of the Board meets with each director individually on an annual basis to discuss the performance and contributions of the director to the Board and its committees. These individual discussions are also an opportunity to address the Board's effectiveness and possible improvements. These meetings also allow the Chair of the Board to obtain feedback from directors on his performance as Chair of the Board and on the performance of the other directors. The Chair reports on the progress of these discussions to the Governance Committee.</p> <p>Performance evaluation results are reviewed by the Governance Committee. The Chair of the Governance Committee submits a complete report of this analysis to the Board of Directors.</p> <p>In light of the foregoing, the Chair of the Board of Directors, with the help of the Governance Committee, assesses the process, the effectiveness and/or the need for change in the composition of the Board of Directors, its committees or their Chairs. Following this analysis, management is advised of the relevant recommendations for improvements, in particular with respect to training and development programs for directors, which require its involvement.</p>



## Exhibit J – Mandate of the Chair of the Board of Directors

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The mandate of the Chair of the Board of Metro Inc. (the “Corporation”) sets out the responsibilities of the Chair of the Board and what is expected of him or her. These responsibilities and expectations are in addition to the Chair of the Board’s responsibilities pursuant to applicable legislation, the responsibilities and powers assigned to the Chair of the Board pursuant to the Corporation’s articles and by-laws as well as those which may be specifically assigned to the Chair of the Board from time to time by the Board of Directors.

The Chair of the Board of the Corporation is responsible for the overall leadership of the Board of Directors and has the following responsibilities:

### Effectiveness of the Board

- Ensuring that the members of the Board of Directors work as a team, in an effective and productive manner, and demonstrating the necessary leadership to achieve this objective;
- Ensuring that the Board of Directors has the administrative support necessary to perform its work;
- Ensuring that directors receive accurate, timely, complete, relevant, honest and clear information to perform their duties;
- Upholding rigorous standards of preparation for Board meetings so that all directors have read the materials in advance to ensure effective discussions and decision-making.

### Management of the Board

- Ensuring that the Board of Directors fulfills its mandate;
- Chairing the meetings of the Board of Directors and the meeting of directors without management being present;
- Establishing with the President and Chief Executive Officer the agenda for each meeting of the Board of Directors;
- Taking the necessary measures so that the meetings of the Board of Directors are effective and productive and that an appropriate period of time is set aside to study and consider each item on the agenda;
- Once potential nominees for the position of director of the Corporation have been identified by the Governance and Corporate Responsibility Committee, meeting with such potential nominees to explore their interest and aptitude to sit on the Corporation’s Board of Directors;
- Meeting at least once a year with Board members to seek their feedback on Board and committee effectiveness and other matters;
- Attending the meetings of Board committees and providing comments and advice to members of these committees, as needed
- Recommending Committee members and Chairs for their appointment.

### Senior executives, shareholders and other stakeholders of the Corporation

- Fostering a strong working relationship between the Board of Directors and senior management. Specifically, the Chair periodically meets with the President and Chief Executive Officer to discuss issues relating to governance and the Corporation’s operations and results, and keeps the President and Chief Executive Officer informed of any comments and advice from directors;
- Chairing meetings of shareholders;
- Together with the President and Chief Executive Officer, fostering effective communications and strong relationships between the Corporation and key stakeholders including investors and shareholders;
- Ensuring that the Board participates in the Corporation’s strategic planning process.

## Exhibit K – Mandate of committee chairs

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The mandate of the chairs of Metro Inc.'s Board committees sets out the responsibilities of each committee chair and what is expected of him. The chair of a committee has the following responsibilities:

### **EFFICIENCY OF THE COMMITTEE**

- the Chair ensures that the members of the committee work as a team, in an effective and productive manner, and demonstrates the necessary leadership to achieve this objective;
- the Chair ensures that the committee has the administrative support necessary to perform its work;
- the Chair ensures that the directors receive the appropriate information to perform their duties.

### **MANAGEMENT OF THE COMMITTEE**

- the Chair ensures that the committee fulfills its mandate;
- the Chair chairs the meetings of the committee;
- the Chair establishes with the Chair of the Board and the President and Chief Executive Officer the agenda for each meeting of the committee;
- the Chair takes the necessary measures so that the meetings of the committee are effective and productive and an appropriate period of time is set aside to study and consider each item on the agenda;
- each committee Chair periodically provides the Board with a report on the work and all the decisions or recommendations of the committee.

***metro***