Notice of 2012 annual general and special meeting of shareholders and management proxy circular

Our Annual General and Special Meeting of Shareholders will be held at 11:00 a.m. (Montréal time) on Tuesday, January 31, 2012 at the Centre Mont-Royal, 2200 Mansfield Street, Montréal, Quebec.

As a shareholder of METRO INC., you may vote your shares, either by proxy or in person at the meeting.

Your vote is important.

This document tells you who can vote, what you will be voting on and how to exercise your right to vote your shares. Please read it carefully.

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Notice of annual general and special meeting of shareholders

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of Shareholders of METRO INC. (the "Corporation") will be held at the Centre Mont-Royal, 2200 Mansfield Street, Montréal, Quebec, on January 31, 2012 at 11:00 a.m. (Montréal time), for the purposes of:

1. receiving the consolidated financial statements of the Corporation for the financial year ended September 24, 2011, and the report of the independent auditors thereon;

2. electing directors;

3. appointing auditors;

4. reviewing and, if deemed appropriate, passing a special resolution, the full text of which is reproduced as Exhibit A to the Management Proxy Circular and incorporated by reference in this Notice of Meeting, to ratify the reorganization of the Corporation's share capital, as further described in the Management Proxy Circular;

5. reviewing and, if deemed appropriate, passing a special resolution, the full text of which is reproduced as Exhibit C to the Management Proxy Circular and incorporated by reference in this Notice of Meeting, to amend the Articles dealing in particular with the minimum number of directors, the possibility of appointing additional directors, the place of the shareholders' meeting, and the harmonization and compliance with the new *Business Corporations Act* (Quebec), as further described in the Management Proxy Circular;

6. reviewing and, if deemed appropriate, (i) ratifying the amendments to the general By-Laws, the full text of which, as amended, is reproduced as Exhibit D to the Management Proxy Circular dealing in particular with the harmonization and compliance with the new *Business Corporations Act* (Quebec), the removal of the reference to Class B Shares and the redesignation of the Class A Subordinate Shares as Common Shares and (ii) ratifying the repeal of the "General Borrowing By-Law No.2", as further described in the Management Proxy Circular;

7. reviewing and, if deemed appropriate, ratifying the amendments to the By-Law with respect to the Company's Business with its Shareholders as Clients (By-Law No.3), the full text of which, as amended, is reproduced as Exhibit E to the Management Proxy Circular, dealing in particular with the removal of the reference to Class B Shares and the redesignation of the Class A Subordinate Shares as Common Shares, as further described in the Management Proxy Circular;

8. transacting such other business as may properly be brought before the meeting.

The holders of Class A Subordinate Shares and the holders of Class B Shares of record at the close of business on December 9, 2011, are entitled to receive notice of, to attend and to vote at this meeting.

DATED at Montréal, this 9th day of December 2011

By order of the Board of Directors

Simon Rivet
Secretary

Notes: Pursuant to Section 373 of the *Business Corporations Act* (Quebec), a Registered Shareholder (as such term is defined in the Management Proxy Circular) may, in connection with the Special Resolution with respect to the Share Capital Reorganization (see point four (4) in the above Notice of Meeting), exercise the right to demand that the Corporation repurchase its Class A Subordinate Shares and/or Class B Shares of the Corporation, as described in the Management Proxy Circular in the "Repurchase Rights" section on page 23 of this Management Proxy Circular.

The holders of Class A Subordinate Shares and the holders of Class B Shares who are unable to attend this meeting in person are requested to proceed according to the instructions provided in this Management Proxy Circular, and to return the form of proxy at their earliest convenience, but before 5:00 p.m. (Montréal time), on January 30, 2012.

Management Proxy Circular

This Management Proxy Circular is provided in connection with the solicitation of proxies for use at the Annual General and Special Meeting of Shareholders of Metro Inc. (the "Corporation") to be held on Tuesday, January 31, 2012, at the place and time and for the purposes set forth in the accompanying notice of said meeting, and all adjournments thereof.

SOLICITATION OF PROXIES

The enclosed proxy is being solicited by the management of the Corporation. The solicitation will be made primarily by mail, but the directors, officers and regular employees of the Corporation may also solicit proxies by telephone, by fax, through the Internet, through advertisements or in person. Messrs. Yves Lebel and Gaétan Riendeau, both Shareholder-Retailers (as defined hereinafter) operating food stores under the Metro banner, have also solicited, and will solicit proxies on behalf of management, without remuneration. The Corporation will also hire the services of other parties to solicit proxies, and in particular Phoenix Advisory Partners. The solicitation costs will be assumed by the Corporation, including any costs in connection with the services provided by the latter firm, which costs are estimated at approximately $31,000.

In addition, the Corporation, upon request, will reimburse brokers and nominees for their reasonable expenses in forwarding voting instruction forms and accompanying material to beneficial owners of Class A Subordinate Shares and beneficial owners of Class B Shares of the Corporation.

INFORMATION REGARDING THE VOTING OF SHARES

REGISTERED SHAREHOLDERS

A registered shareholder is a shareholder whose shares are registered directly in his name in the Corporation's register of shareholders. Holders of shares of record as of the close of business in Montréal, Quebec, on December 9, 2011 (the "Record Date") will be entitled to attend the meeting and any adjournments thereof, and exercise the voting rights attached to their shares at the meeting. Shareholders entitled to vote their shares in person may appoint another person to attend the meeting (a "proxyholder") and exercise their voting rights.

VOTING OF SHARES BY PROXY The persons named in the enclosed proxy will vote the shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them. **Unless otherwise indicated, the voting rights attached to such shares will be voted "FOR" in respect of all matters described herein.**

The enclosed proxy confers discretionary authority upon the persons named therein with respect to all amendments to matters identified in the Notice of Annual General and Special Meeting of Shareholders and any other matter which may properly come before the meeting. As of the date of this Circular, the management of the Corporation knows of no such amendments, variations or other matters to be brought before the meeting.

APPOINTMENT OF PROXYHOLDERS A shareholder has the right to appoint a proxyholder to represent him at the meeting other than the persons whose names are printed as proxyholders in the accompanying form of proxy, by inserting the name of the shareholder's chosen proxyholder in the blank space provided for that purpose in the form of proxy. The person so named as proxyholder need not be a shareholder of the Corporation. If the shareholder is a corporation, the form of proxy must be executed by a duly authorized officer or attorney thereof.

You may indicate how you wish your shares to be voted by following the instructions set out on the front and back of the form of proxy.

REVOCATION OF PROXIES A shareholder who executes and returns the accompanying form of proxy has the power to revoke it in any manner permitted by law, including by an instrument in writing executed by him or by his attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited with the transfer agent of the Corporation, Computershare Trust Company of Canada, before it is acted upon at the meeting at which the proxy is to be used or any adjournment thereof.

If you have any questions with respect to the foregoing or wish to receive an additional copy of the Management Proxy Circular or need help to vote, we invite you to contact Phoenix Advisory Partners at 1-800-246-2916.

NON-REGISTERED SHAREHOLDERS

A non-registered shareholder is a shareholder whose shares are registered in the name of a representative such as a securities dealer or other intermediary rather than in the shareholder's name.

Applicable securities laws and regulations require representatives of non-registered shareholders to seek the latters' voting instructions prior to the meeting. Non-registered shareholders will receive from their representative a request for voting instructions for the number of shares held on their behalf. The representative's request for voting instructions will contain instructions relating to the signature and return of the document and these instructions should be carefully read and followed by non-registered shareholders to ensure that their shares are voted accordingly at the meeting.

Non-registered shareholders who cannot attend the meeting but who would like their shares to be voted on their behalf by a proxyholder must therefore follow the voting instructions provided by their representative.

Non-registered shareholders who wish to vote their shares in person at the meeting must insert their own name in the space provided on the request for voting instructions in order to appoint themselves as proxyholders, and follow the signature and return instructions provided by their representative.

If you have any questions with respect to the foregoing, wish to receive an additional copy of the Management Proxy Circular or need help to vote, we invite you to contact Phoenix Advisory Partners at 1-800-246-2916.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Class A Subordinate Shares and the Class B Shares of the Corporation are restricted shares (within the meaning of the applicable Canadian securities regulations) in that they do not carry the same voting rights. Each Class A Subordinate Share entitles its holder to one vote and each Class B Share entitles its holder to 16 votes. Subject to the restrictions hereinafter provided, if a take-over bid for the Class B Shares is made to the holders of Class B Shares without being made simultaneously and on the same terms and conditions to the holders of Class A Subordinate Shares, each Class A Subordinate Share becomes convertible into one Class B Share at the holder's option in order to entitle the holder to accept the take-over bid, from the date the take-over bid is made. However, such right of conversion is deemed not to have become effective if the holders of Class B Shares who hold, directly or indirectly, more than 50% of the Class B Shares outstanding on the date of the take-over bid have refused the bid prior to its expiry. In addition, such right of conversion is deemed not to have become effective if the take-over bid is not completed by the offeror. The Articles of the Corporation contain a definition of a take-over bid which triggers such right of conversion, provide for certain procedures to be followed in order to exercise such right of conversion and stipulate that, upon the making of any such take-over bid, the Corporation or the transfer agent will communicate in writing with the holders of the Class A Subordinate Shares in order to provide them with the particulars of the manner in which they may exercise their right of conversion.

Each holder of Class A Subordinate Shares is entitled, at the meeting or any adjournment thereof, to one vote for each Class A Subordinate Share registered in his name as of the close of business on the Record Date and each holder of Class B Shares is entitled, at the meeting or any adjournment thereof, to 16 votes for each Class B Share registered in his name as of the close of business on the Record Date.

As of December 2, 2011, there were 100,455,371 Class A Subordinate Shares and 577,440 Class B Shares of the Corporation issued and outstanding. As of December 2, 2011, the Class A Subordinate Shares issued and outstanding represented in the aggregate 91.6% of the votes attached to all shares of the Corporation and the Class B Shares issued and outstanding represented in the aggregate 8.4% of the votes attached to all shares of the Corporation.

To the knowledge of the directors and officers of the Corporation, the only persons who, as of December 2, 2011, exercised or claimed to exercise beneficial ownership, control or direction over more than 10% of the shares of any class of outstanding voting securities of the Corporation were:

Name	Approximate number of Class A Subordinate Shares	Approximate percentage of Class A Subordinate Shares	Approximate number of Class B Shares	Approximate percentage of Class B Shares
Jarislowsky, Fraser Limited[(1)]	17,957,119	17.88%	—	—
Fidelity Management & Research Company[(1)]	17,880,233	17.80%	—	—

[(1)]On the basis of the information available on SEDAR (www.sedar.com).

FINANCIAL STATEMENTS

The consolidated financial statements of the Corporation for the financial year ended September 24, 2011 and the report of the independent auditors thereon will be submitted at the Annual General and Special Meeting of Shareholders. These consolidated financial statements are reproduced in the Corporation's 2011 Annual Report which was sent to shareholders who requested it with the Notice of Annual General and Special Meeting of Shareholders and this Management Proxy Circular. The Corporation's 2011 Annual Report is available on SEDAR (www.sedar.com) as well as on the Corporation's website (www.metro.ca).

ELECTION OF DIRECTORS

The Articles of the Corporation provide for a minimum of 11 and a maximum of 19 directors, the number of directors to be determined from time to time by resolution of the Board of Directors. As indicated in this Circular, the Board of Directors is proposing that the minimum number of directors be reduced to seven (7). As it did for the year 2011, the Board of Directors of the Corporation has set the number of directors at 14 for the next year. The Corporation's By-laws provide that each director is elected for a one-year term starting on the date of the annual meeting of shareholders at which he is elected and ending at the next annual meeting of shareholders or when his successor is elected, unless he resigns or his office becomes vacant as a result of his death or removal or for any other reason. According to a policy of the Corporation, any nominee for the position of director must be under 70 years of age at the time of the election.

MAJORITY VOTING POLICY The Board of Directors has adopted a policy providing that a nominee for election as a director who receives a greater number of votes "withheld" than votes "for", with respect to the election of directors by shareholders, will be expected to offer to tender his resignation to the Chairman of the Board following the meeting of shareholders at which the director is elected. The Corporate Governance and Nominating Committee will consider such offer and make a recommendation to the Board whether to accept it or not. The Board will make its decision and announce it in a press release within 90 days following the meeting of shareholders. The director who offered to tender his resignation should not be part of any committee or Board deliberations pertaining to the resignation offer. This policy only applies in circumstances involving an uncontested election of directors. An "uncontested election of directors" means that the number of director nominees is the same as the number of directors to be elected to the Board and that no proxy material is circulated in support of one or more nominees who are not part of the candidates supported by the Board. Subject to any restrictions imposed by law, in the case where the Board accepts the offer of resignation of a director and that such director resigns, the Board may leave the resulting vacancy unfilled until the next annual meeting of shareholders. It may also choose to fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders. It may further decide to call a meeting of shareholders at which there will be presented a new candidate to fill the vacant position.

NOMINEES Nominees for the position of director are currently directors except for Mr. Russell Goodman.

The persons named in the accompanying proxy form or voting instruction form intend to vote FOR the election, as directors of the Corporation, of the 14 nominees whose names are set forth below.

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

The following table describes the nominees for the position of director of the Corporation. Each nominee for the position of director of the Corporation has held the principal occupation indicated opposite his name or a management function within the same Corporation or an affiliated Corporation for at least five (5) years except for Messrs. Russell Goodman, Réal Raymond and John H. Tory whose other functions are described opposite their name. The nominees' experience is described in a brief summary. The other boards of public companies on which nominees currently serve and information relating to their equity holdings in the Corporation are also mentioned. The nominees do not serve together on the board of any other public corporation.

Marc DeSerres
Age 58
Montréal, Quebec
Independent
Director since:
2002

Principal occupation	**President of Omer DeSerres Inc.** (Canadian chain of art supply stores)
Committee(s)	Corporate Governance and Nominating Audit

Mr. DeSerres has been president of Omer DeSerres Inc. since 1980. He has over 30 years of experience in retail and holds a Bachelor's degree in Administration from Concordia University. Mr. DeSerres is a member of the board of director of the "Musée d'art contemporain de Montréal" since 1998, has chaired its board of directors since 2004 and is also a member of its corporate governance and audit committees.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
4,809	8,766	4,809	7,621	1,145	709,701	12.90	√

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

Claude Dussault
Age 57
Québec, Quebec
Independent
Director since :
2005

Principal occupation	**Chairman of the Board of Directors of Intact Financial Corporation** (financial services company)
Committee(s)	Corporate Governance and Nominating (Chair) Human Resources

Mr. Dussault is an actuary and has held various management positions within the ING Group for more than 20 years, including the position of President and Chief Executive Officer of ING Canada Inc. (now Intact Financial Corporation), a position he held until January 1, 2008, on which date he became Chairman of the Board of Directors of Intact Financial Corporation. Mr. Dussault is a Fellow of the Canadian Institute of Actuaries and of the Casualty Actuarial Society. He holds a Bachelor's degree in Actuarial Science from Université Laval and has also participated in the Advanced Executive Education Program at the Wharton School of Business.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
4,000	8,855	4,000	8,210	645	672,059	12.22	√

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

Serge Ferland
Age 56
Québec, Quebec
Non-Independent
Director since:
1997

Principal occupation	**President of Alimentation Serro Inc. and of Supermarché Claka Inc.** (food stores)
Committee(s)	Executive

Mr. Ferland has over 30 years of experience in the management of food stores. He holds a Bachelor of Administration and a degree in Accounting from Université Laval.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[2]	Value at risk as multiple of Base Annual Retainer[3]	Minimum level met (√) or time limit to meet level
Shares[1]	DSUs	Shares[1]	DSUs				
41,915	12,162	41,915	10,525	1,637	2,827,145	51.40	√

[1] In addition to Class A Subordinate Shares, Mr. Ferland also holds 10,800 Class B Shares (included in the number shown in the table above). He is the only director who holds Class B shares.
[2] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[3] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

Paule Gauthier
P.C., O.C., O.Q., Q.C.
Age 68
Québec, Quebec
Independent
Director since:
2001

Principal occupation	**Partner of Stein Monast LLP** (law firm)
Committee(s)	Human Resources Corporate Governance and Nominating

Ms. Gauthier is a lawyer. She holds a Master of Laws in commercial law from Université Laval. As a director of public companies, she has served and currently serves on many committees, including human resources and corporate governance committees. She is currently a director of TransCanada Corporation and Royal Bank of Canada.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	DSUs	Shares	DSUs				
5,004	7,582	5,004	6,513	1,069	657,996	11.96	√

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

Paul Gobeil
F.C.A.
Age 69
Ottawa, Ontario
Independent
Director since:
1990

Principal occupation	**Vice-Chairman of the Board of the Corporation**
Committee(s)	Executive Corporate Governance and Nominating

Mr. Gobeil is a Chartered Accountant and has held management positions in various companies in the food sector as well as within the Government of Quebec where he was inter alia Minister for Administration, Chair of the Treasury Board and Minister of International Affairs. He holds a Master of Commerce degree and a Master's degree in Accounting from Université de Sherbrooke and completed the Advanced Management Program at Harvard Business School. He is a director of Diagnocure Inc., National Bank of Canada, MDN Inc. and Yellow Media Inc.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
77,300	4,485	103,400	4,016	-25,631	4,275,720	77.74	√

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

Russell Goodman
F.C.A.
Age 58
Mont-Tremblant, Quebec
Independent
New Nominee

Principal occupation	**Corporate Director**
Committee(s)	—

Mr. Russell Goodman is a Chartered Accountant who spent his entire career at PricewaterhouseCoopers LLP and Price Waterhouse LLP until his retirement in 2011. Over the period from 1998 to 2011, he was the Managing Partner of various business units in Canada and the Americas, primarily in the mergers and acquisitions, restructuring and corporate finance areas. Mr. Goodman holds a Bachelor of Commerce from McGill University and is a Fellow of the Order of Chartered Accountants of Quebec. He is a director of Gildan Activewear Inc. and Whistler Blackcomb Holdings Inc.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[1]	Value at risk as multiple of Base Annual Retainer	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
—	—	—	—	—	—	—	—

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

Christian W.E. Haub
Age 47
Greenwich, Connecticut
United States of America
Independent
Director since:
2006

Principal occupation	**Chairman of the Board of The Great Atlantic & Pacific Tea Company, Inc.**
Committee(s)	Executive Human Resources

Mr. Haub joined the Great Atlantic & Pacific Tea Company, Inc. ("A&P US") in 1991, where he has held various executive positions. He holds a Master's degree in Social and Economic Science from the Austrian University of Economics and Business Administration. He is also a partner and Co-Chief Executive Officer of The Tengelmann Group, a large German Corporation involved in the retail food business, which is the leading shareholder of A&P US.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
4,500	8,693	4,500	6,905	1,788	689,730	12.54	√

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

Michel Labonté
Age 66
Montréal, Quebec
Independent
Director since:
2006

Principal occupation	**Corporate Director**
Committee(s)	Audit (Chair)

First at Hydro-Québec and then at National Bank of Canada, Mr. Labonté has held various management positions including, for a period of 15 years, Vice-president, Finance. From 2005 to October 2006, he served as Executive Advisor to National Bank of Canada's Senior Management. Mr. Labonté has a Bachelor's degree in Architecture from the Faculty of Engineering of McGill University and a Master's degree in Urban Planning from the Université de Montréal. He is also a director of the Laurentian Bank of Canada and director and Chair of the audit committee of Manac Inc.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
—	6,055	—	4,859	1,196	316,555	5.76	√

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

Eric R. La Flèche
Age 49
Ville Mont-Royal, Quebec
Non-Independent
Director since:
2008

Principal occupation	**President and Chief Executive Officer of the Corporation**
Committee(s)	Executive

Mr. La Flèche is a director and President and Chief Executive Officer since April 2008. He joined the Corporation in 1991 and has held since then various management positions within the Corporation, including Executive Vice-President and Chief Operating Officer from 2005 to 2008. Mr. La Flèche holds an MBA from Harvard Business School and a degree in Civil Law from the University of Ottawa.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010					
Shares	**DSUs**	**Shares**	**DSUs**	**Total net change (#)**	**Total value at risk as of December 2, 2011 ($)[1]**	**Value at risk as multiple of Base Annual Retainer[2]**	**Minimum level met (√) or time limit to meet level[2]**
65,120	—	61,561	—	3,559	3,404,474	—	√

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] See the "Minimum Holding of Shares and PSUs by NEOs" section on page 34 of this Circular.

Pierre H. Lessard F.C.A.
Age 69
Westmount, Quebec
Non-Independent
Director since:
1990

Principal occupation	**Executive Chairman of the Board of the Corporation**
Committee(s)	Executive (Chair)

Mr. Lessard is a Chartered Accountant and was President and Chief Executive Officer of the Corporation from 1990 until April 2008. Mr. Lessard holds a Master's degree in commercial sciences from Université Laval as well as an MBA from Harvard Business School. He is also a director of TD Bank Financial Group and SNC-Lavalin Group Inc.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010					
Shares	**DSUs**	**Shares**	**DSUs**	**Total net change (#)**	**Total value at risk as of December 2, 2011 ($)[1]**	**Value at risk as multiple of Base Annual Retainer[2]**	**Minimum level met (√) or time limit to meet level**
229,000	10,346	344,300	7,737	-112,691	12,513,009	27.81	√

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the annual retainer in effect on September 24, 2011 ($450,000).

Marie-José Nadeau
Age 58
Montréal, Quebec
Independent
Director since:
2000

Principal occupation	**Executive Vice-President, Corporate Affairs and Secretary General of Hydro-Québec**
Committee(s)	Audit Human Resources

Ms. Nadeau is a lawyer. Before joining Hydro-Québec, she held various key positions within the Environment and Natural Resources Departments of the Quebec government. She holds a Master of Laws in public law from the University of Ottawa. She is a member of the Board of Director of the World Energy Council and the Chair of its Communications Committee and she is Vice-Chair of the Energy Council of Canada.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
4,887	4,430	4,887	3,105	1,325	487,093	8.86	√

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

Réal Raymond
Age 61
Montréal, Quebec
Independent
Director since:
2008

Principal occupation	**Corporate Director**
Committee(s)	Human Resources (Chair) Executive

Mr. Raymond spent his whole career at National Bank of Canada where he has held various positions, including President and Chief Executive Officer from March 2002 to May 2007. Mr. Raymond holds a Bachelor's degree in administration from Université Laval and an MBA from the Université du Québec à Montréal. He is also a graduate of the Institute of Canadian Bankers. He serves on the Board of Directors of the Caisse de dépôt et placement du Québec and Héroux-Devtek Inc.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
6,000	4,544	6,000	3,411	1,133	551,240	10.02	√

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

Michael T. Rosicki
Age 68
Orillia, Ontario
Independent
Director since:
2009

Principal occupation	**President and Managing Director, Wexford Group Inc.**
Committee(s)	Corporate Governance and Nominating

Mr. Rosicki has been, since 2004, President and Managing Director of Wexford Group Inc., an advisory firm. Mr. Rosicki was, from 1999 to 2004, Chairman and Chief Executive Officer of Parmalat North America. He has held management positions in various other companies doing business in the food sector. He is a director and the Chairman of the Board of Second Cup Limited. He also sits on the Board of Directors of Aastra Technologies Limited.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
1,000	3,251	1,000	2,006	1,245	222,242	4.04	√

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

John H. Tory Q.C.
Age 57
Toronto, Ontario
Independent
Director since:
2011

Principal occupation	**Corporate Director**
Committee(s)	Audit

Mr. Tory is a lawyer. From 1986 to 1995, he was a partner of the law firm Torys LLP. Thereafter, he became President and Chief Executive Officer of Rogers Media Inc., from 1995 to 1999, and Rogers Cable Inc., from 1999 to 2003. From 2004 to 2009, he served as a Member of the Legislative Assembly of Ontario and Leader of the Official Opposition. He is a director of Rogers Communications Inc. He is also a director of Cara Operations Limited and Chair of the Audit Committee.

INFORMATION ON EQUITY HOLDINGS

December 2, 2011		November 26, 2010		Total net change (#)	Total value at risk as of December 2, 2011 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
—	815	—	—	815	42,608	—	01-25-2014

[1] The total value at risk is based on the closing price on December 2, 2011 ($52.28).
[2] The multiple was determined using the base annual retainer in effect on September 24, 2011 ($55,000).

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS The following table sets forth the number of meetings of the Board and its standing committees held during the financial year ended on September 24, 2011, and the attendance of directors at these meetings. It also sets forth the committees of which each director is a member and any special position held on such committee.

BOARD AND COMMITTEE MEETINGS

Board	8
Audit Committee (A.C.)	5
Human Resources Committee (H.R.C.)	4
Corporate Governance and Nominating Committee (C.G.N.C.)	5
Executive Committee (E.C.)[1]	—

Director	Participation at Board meetings	Committees	Participation in Committee meetings
Marc DeSerres	8 of 8	***C.G.N.C.***	5 of 5
		A.C.	5 of 5
Claude Dussault[2]	8 of 8	***C.G.N.C. (Chair)***	5 of 5
		A.C.	3 of 3
		H.R.C.	2 of 2
Serge Ferland	8 of 8	***E.C.***	—
Paule Gauthier	8 of 8	***H.R.C.***	4 of 4
		C.G.N.C.	5 of 5
Paul Gobeil[3]	8 of 8	***E.C.***	—
		C.G.N.C.	3 of 3
Christian W.E. Haub	7 of 8	***E.C.***	—
		H.R.C.	4 of 4
Michel Labonté	7 of 8	***A.C. (Chair)***	5 of 5
Eric R. La Flèche	8 of 8	***E.C.***	—
Pierre H. Lessard	8 of 8	***E.C. (Chair)***	—
Marie-José Nadeau[4]	8 of 8	***C.G.N.C.***	2 of 2
		A.C.	5 of 5
		H.R.C.	2 of 2
Christian M. Paupe	6 of 8	**A.C.**	4 of 5
Réal Raymond	8 of 8	**H.R.C. (Chair)**	4 of 4
		E.C.	—
Michael T. Rosicki	8 of 8	**C.G.N.C.**	5 of 5
John H. Tory[5]	4 of 5	**A.C.**	2 of 2
Total participation rate	***95.41%***		***98.48%***

[1] The Executive Committee did not hold any meeting during the 2011 financial year.
[2] Mr. Claude Dussault was a member of the Audit Committee until January 25, 2011. He became a member of the Human Resources Committee as of that date.
[3] Mr. Paul Gobeil became a member of the Corporate Governance and Nominating Committee on January 25, 2011.
[4] Ms. Marie-José Nadeau was a member of the Corporate Governance and Nominating Committee until January 25, 2011. She became a member of the Human Resources Committee as of that date.
[5] Mr. John H. Tory was appointed to the Board of Directors as well as to the Audit Committee on January 25, 2011.

Additional information on the nominees for the position of director who have held or hold positions in other companies can be found in the “Directors and Officers” section of the Annual Information Form. The Corporation’s 2011 Annual Information Form is available on SEDAR (www.sedar.com) as well as on the Corporation’s website (www.metro.ca).

DIRECTOR COMPENSATION

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

The compensation of directors consists of the following elements:

- the base annual retainer for directors is $55,000;
- the attendance fees for the Board of Directors and its committees are $1,750 when the meeting is held in person and half that amount when the meeting is held by telephone;
- the annual retainer of committee chairmen is $5,000, except for the Chair of the Audit Committee, whose retainer is $10,000;
- committee members receive $2,500 as an annual retainer, except for members of the Audit Committee, who receive $5,000; and
- the members of the Executive Committee do not receive an annual retainer and their attendance fee is $2,000 when the meeting is held in person and half that amount when the meeting is held by telephone.

As Executive Chairman of the Board, Mr. Pierre H. Lessard receives an annual retainer of $450,000.

The Lead Director receives an additional annual retainer of $20,000.

This year, the Corporate Governance and Nominating Committee reviewed the compensation of directors and considers that it is still appropriate and competitive. In making its compensation review, the Committee benchmarked director compensation to the same reference group as the one used by the Corporation to determine executive compensation.

The base annual retainer of directors is paid in the following manner: all in deferred share units (“DSU”) or, optionally, 50% in the form of Class A Subordinate Shares of the Corporation and the rest in cash until each director holds three (3) times his base annual retainer in DSUs or Shares, which constitutes the minimum required shareholding level for directors. Each director has three (3) years to comply with the minimum shareholding level requirement. Subsequently, each director will continue to receive at least 25% of his total compensation in Shares or, at his option, in DSUs.

The principal terms of the Deferred Share Unit Plan (the “DSU Plan”) are as follows:

- the DSU Plan of the Corporation came into force on February 1, 2004;
- each director who chooses to participate in the DSU Plan has an account in his name into which the DSUs are credited and held until he ceases to be a director of the Corporation. The number of DSUs credited to his account is calculated by dividing the amount of the eligible compensation by the average closing price of Class A Subordinate Shares of the Corporation on the TSX for the five (5) trading days preceding the date of the credit;
- DSU holders are credited additional DSUs in an amount equal to the dividends paid on Class A Subordinate Shares of the Corporation;
- when a DSU Plan participant ceases to be a director for any reason whatsoever, the Corporation pays him a lump sum in cash equal to the number of all DSUs credited to his account on the termination date multiplied by the value of the DSUs on the termination date less tax withholdings. The value of each DSU on the termination date is equal to the average closing price of Class A Subordinate Shares of the Corporation on the TSX for the five (5) trading days preceding the termination date; and
- DSUs are not considered Shares of the Corporation and, in that regard, they do not entitle their holder to the rights normally conferred on shareholders of the Corporation.

DIRECTOR COMPENSATION TABLE The following table shows all components of the compensation paid to the directors during the last financial year of the Corporation.

		All other compensation		
Name	**Fees ($)[1]**	**Dividends DSUs ($)**	**Other ($)**	**Total ($)**
Marc DeSerres	92,250	6,018	—	98,268
Claude Dussault	92,211	6,320	—	98,531
Serge Ferland	66,375	8,328	1,086[2]	75,789
Paule Gauthier	87,125	5,164	—	92,289
Paul Gobeil	73,290	3,126	9,564[3]	85,980
Christian W.E. Haub	75,875	5,666	—	81,541
Michel Labonté	84,250	3,981	—	88,231
Pierre H. Lessard	450,000	6,517	22,166 [4]	478,683
Marie-José Nadeau	90,500	2,560	—	93,060
Christian M. Paupe	77,500	893	—	78,393
Réal Raymond	99,250	2,869	—	102,119
Michael T. Rosicki	77,625	1,850	—	79,475
John H. Tory	49,587	135	—	49,722

[1] The fees are paid in cash, Shares or DSUs as elected by the director. For further details, see the following table.
[2] These amounts represent life insurance premiums paid by the Corporation for directors who were in office before October 1, 1999. The Corporation no longer pays any premium for any individual who became a director after that date.
[3] The other compensation components for Mr. Paul Gobeil consist of an amount of $814 as life insurance premium paid by the Corporation since Mr. Gobeil was a director prior to October 1, 1999, as well as an amount of $8,750 paid by the Corporation to Mr. Gobeil as he sits on various pension committees of the Corporation as the pensioners' representative.
[4] The other compensation components for Mr. Pierre H. Lessard were granted to Mr. Lessard in his capacity of Executive Chairman of the Board and consist of car rental fees in an amount of $16,653 and insurance (life and health) premiums paid by the Corporation in an amount of $5,513.

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 they are not entitled to any option grants under the Corporation's stock option plan.

DIRECTOR COMPENSATION PAYMENT TABLE The following table shows how the fees earned by the directors during the 2011 financial year have been paid.

Name	**Payment in cash ($)**	**Payment in shares ($)**	**Payment in DSUs ($)**	**Fees ($)**
Marc DeSerres	46,125	—	46,125	92,250
Claude Dussault	69,158	—	23,053	92,211
Serge Ferland	—	—	66,375	66,375
Paule Gauthier	43,563	—	43,562	87,125
Paul Gobeil	54,968	—	18,322	73,290
Christian W.E. Haub	—	—	75,875	75,875
Michel Labonté	33,700	—	50,550	84,250
Pierre H. Lessard	337,500	—	112,500	450,000
Marie-José Nadeau	32,062	—	58,438	90,500
Christian M. Paupe	22,500	—	55,000	77,500
Réal Raymond	50,500	—	48,750	99,250
Michael T. Rosicki	22,625	—	55,000	77,625
John H. Tory	12,325	—	37,262	49,587

INCENTIVE PLAN AWARDS

OUTSTANDING SHARE-BASED AWARDS The following table shows, with respect to each director, as at September 24, 2011, the share-based awards under the DSU Plan, which have not yet vested.

	Share-based awards	
	Number of shares or share units that have not vested[1]	Market or payout value of share-based awards that have not vested ($)[2]
Name	DSUs	
Marc DeSerres	8,763	391,618
Claude Dussault	8,854	395,685
Serge Ferland	12,161	543,475
Paule Gauthier	7,580	338,750
Paul Gobeil	4,484	200,390
Christian W.E. Haub	8,693	388,490
Michel Labonté	6,054	270,553
Pierre H. Lessard	10,345	462,318
Marie-José Nadeau	4,431	198,021
Christian M. Paupe	1,959	87,548
Réal Raymond	4,543	203,027
Michael T. Rosicki	3,252	145,332
John H. Tory	815	36,422

(1) These awards have been granted solely as payment for the fees earned by the directors. The DSU awards include, however, additional DSUs granted to cover dividends paid on Class A Subordinate Shares of the Corporation.
(2) Based on the closing price on September 23, 2011: $44.69.

There are no option-based awards.

APPOINTMENT OF AUDITORS

Ernst & Young LLP, Chartered Accountants, were first appointed as auditors of the Corporation on January 27, 1998, and have been acting in that capacity ever since. **The persons named in the enclosed proxy form or voting instruction form intend to vote FOR their re-appointment as auditors of the Corporation at the Annual General and Special Meeting.**

AUDITORS' INDEPENDENCE

For the 2011 financial year, the Corporation's Audit Committee obtained written confirmation from Ernst & Young LLP regarding the auditors' independence and objectivity with regard to the Corporation, pursuant to the Code of Ethics of the Quebec Order of Chartered Accountants.

INFORMATION ON THE AUDIT COMMITTEE

MANDATE OF THE AUDIT COMMITTEE The mandate of the Audit Committee, approved by the Board of Directors, is set out in Exhibit G of this Circular.

COMPOSITION OF THE AUDIT COMMITTEE, TRAINING AND EXPERIENCE OF ITS MEMBERS The Audit Committee is currently comprised of the following independent directors: Ms. Marie-José Nadeau and Messrs. Marc DeSerres, Christian M. Paupe, John H. Tory and Michel Labonté (Chair). Mr. Claude Dussault was a member of the Audit Committee until January 25, 2011.

Each of the members has training and experience which is relevant to the performance of his duties. Mr. Labonté has served as Vice-President, Finance, first at Hydro-Québec and then at National Bank of Canada, for a period of 15 years. Mr. Labonté is also Chair of the Audit Committee of Manac Inc. and of Otéra Capital inc., a subsidiary of Caisse de dépôt et placement du Québec. Ms. Nadeau acquired her experience by serving for more than ten (10) years as Secretary of the Audit and Finance Committees and of the Board of Hydro-Québec, and is currently a member of the Audit Committee of Churchill Falls and Labrador Hydro. Mr. Dussault acquired his experience by serving as President and Chief Executive Officer of ING Canada Inc. (now Intact Financial Corporation). Mr. DeSerres acquired his experience by serving as President of Omer DeSerres Inc. since 1980 and as a member of the audit committee of the

"Musée d'art contemporain de Montréal". Mr. Paupe was Chief Financial Officer at Quebecor World Inc. from 1999 to 2003, and Chief Financial Officer as well as Executive Vice-President, Corporate Services of Yellow Media Inc. from 2003 to 2011. Mr. John H. Tory sits on the audit committee of Cara Operations Limited, as Chair, and has in the past also sat on the audit committees of various large corporations.

PRE-APPROVAL POLICIES AND PROCEDURES The Audit Committee approved the "Policy concerning the pre-approval of audit services and non-audit services" which main components are described below.

The external auditors are appointed to audit the annual consolidated financial statements of the Corporation. The external auditors may also be retained for audit-related services, tax services and non-audit services, as long as these services do not interfere with their independence.

The Audit Committee, which is responsible, *inter alia*, for overseeing the work of the external auditors, must pre-approve all services that the external auditors of the Corporation may render to the Corporation and its subsidiaries. On an annual basis, the Committee examines and pre-approves the particulars of the services which may be provided by the external auditors and the associated fee levels. Any type of service which has not already been approved by the Committee must be specifically pre-approved by the Committee if it is to be provided by the external auditors. The same applies if the service offered exceeds the pre-approved fee level. The Committee has delegated to its Chairman the authority to specifically pre-approve services that have not already been approved. However, the Chairman must communicate all such decisions at the next committee meeting.

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

POLICY CONCERNING COMPLAINTS WITH RESPECT TO ACCOUNTING, CONTROLS OR AUDITING MATTERS
The Audit Committee approved a policy allowing anyone, including the employees of the Corporation, to make a complaint by anonymous submission regarding accounting, accounting controls or auditing matters of the Corporation. All complaints received will be sent directly to the director of the Internal Audit Department who will be responsible for analyzing the complaint and, if necessary, making due inquiry. The Committee will be informed at every meeting of complaints received, the results of the inquiry and, if applicable, any corrective measures to be implemented or of the fact that no complaints have been filed.

The full text of the Corporation's complaint policy can be found on the Corporation's website (www.metro.ca).

POLICY CONCERNING THE HIRING OF PARTNERS OR EMPLOYEES OF THE EXTERNAL AUDITORS The Audit Committee approved a policy with respect to the Corporation's hiring of certain candidates for 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 is applying for a position in which the candidate could exercise decision-making authority or significantly influence decision-making with respect to the presentation of financial information or auditing matters. 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 and, moreover, the eventual hiring of the candidate must not compromise the independence of the external auditors.

RISK MANAGEMENT One of the objectives of the Audit Committee is to review the material risks identified by Corporation Management and to examine the effectiveness of the measures put in place to manage these risks. To do so, the Committee regularly receives risk assessments from the various business units of the Corporation. These assessments contain a description of the material risks that could affect the specific business unit and the measures put in place to manage such risks. In addition, the Committee receives at least once a year a report from the crisis prevention and management committee and a global analysis of the material risks that could affect the Corporation as a whole. On a regular basis, the Audit Committee reports to the Board about risk management. Additional information on risk management can be found on pages 25 to 27 inclusively of the Management Discussion and Analysis, forming part of the Corporation's 2011 Annual Report, in the "Risk Management" Section. The Corporation's 2011 Annual Report is available on SEDAR (www.sedar.com) as well as on the Corporation's website (www.metro.ca).

FEES FOR THE SERVICES OF THE EXTERNAL AUDITORS For each of the financial years ended September 24, 2011 and September 25, 2010, the following fees were billed by the external auditors for audit services, audit-related services, tax services and the other services provided by the external auditors.

	2011	2010
Audit fees	$1,491,891	$1,134,251
Audit-related fees	$347,848	$434,204
Tax fees	$332,507	$332,417
All other fees	—	$124,880

Audit-related fees consist primarily of fees billed for consultations concerning financial accounting or the presentation of financial information which are not categorized as “audit services”, fees billed for pension plan audits and fees billed for the execution for management of computerized test on internal controls.

Tax fees consist primarily of fees billed for assistance with regulatory tax matters concerning federal and provincial income tax returns and sales tax and excise tax reporting, fees billed for consultations concerning the income tax, customs duty or sales tax impact of certain transactions, as well as fees billed for assistance with federal and provincial government audits involving income tax, sales tax, customs duties or deductions at source. The 2010 fees include an amount of $30,470 in connection with tax services which were assumed by A&P US.

The other fees relate to the gathering of information regarding the payroll process.

PROPOSED REORGANIZATION OF SHARE CAPITAL

STRUCTURE OF SHARE CAPITAL The following is a brief description of the significant attributes of the Corporation’s current authorized share capital and is qualified in its entirety by reference to the detailed provisions in the Corporation’s Articles, available on the SEDAR Website (www.sedar.com). Additional information concerning the issued share capital can be found in the "Voting Securities and Principal Holders Thereof" section of this Circular and in Note 16 to the Corporation’s 2011 Consolidated Financial Statements on pages 43 to 45 of the Corporation’s 2011 Management’s Discussion and Analysis and Consolidated Financial Statements.

The authorized share capital of the Corporation consists of:

- an unlimited number of First Preferred Shares, without par value, issuable in series ("First Preferred Shares"), none of which shares are currently issued and outstanding;
- 12,000 Second Preferred Shares, having a par value of $100 each ("Second Preferred Shares"), none of which shares are currently issued and outstanding;
- an unlimited number of Class A Subordinate Shares, 100,455,371 of which shares are issued and outstanding as at December 2, 2011; and
- an unlimited number of Class B Shares, 577,440 of which shares are issued and outstanding as at December 2, 2011.

Since the Corporation’s initial public offering, completed in 1986, the outstanding share capital of the Corporation consists of Class A Subordinate Shares and Class B Shares. The Class A Subordinate Shares and the Class B Shares of the Corporation are restricted shares (within the meaning of the applicable Canadian securities regulations) in that they do not carry the same voting rights. Each Class A Subordinate Share entitles its holder to one vote and each Class B Share entitles its holder to 16 votes. The Corporation’s Articles provide that ownership of Class B Shares is reserved exclusively for retailers operating food stores under the Metro banner (retailers operating food stores under the Metro banner who hold Class B Shares are hereinafter referred to as "Shareholder-Retailers").

From the perspective of the holders of Class A Subordinate Shares, the only substantive difference between the Class A Subordinate Shares and the Class B Shares lies in the unequal number of votes attached to them. In particular, the Articles of the Corporation provide that the Class A Subordinate Shares and the Class B Shares will participate on an identical basis as regards dividends and in the event of the Corporation’s liquidation or dissolution or of any other distribution of its assets among its shareholders with a view to winding up its business, and that no split or consolidation of the shares of either class may take place unless the shares of the other class are simultaneously split or consolidated in a similar manner. The Articles of the Corporation even specify that each Class A

Subordinate Share and each Class B Share carry the same rights, are equal in all respects and are to be treated by the Corporation as if they were shares of one class only, except as otherwise provided in the Corporation's Articles.

The Class B Shares are subject to restrictions regarding their issue, holding and transfer. No Class B Shares may be issued, held or transferred except in blocks of 10,800 (which number will be adjusted in response to any Board-authorized stock split on the split's effective date). Furthermore, these shares may not be issued, held or transferred except to persons meeting special criteria defined in the Articles of the Corporation. Class B Shares held by a disqualified holder will be converted into fully paid Class A Subordinate Shares at a rate of one Class A Subordinate Share for one Class B Share.

The rights, privileges, conditions and restrictions attached to the Class A Subordinate Shares and the Class B Shares may be respectively modified if the amendment is authorized by at least two-thirds (⅔) of the votes cast at a meeting of the holders of Class A Subordinate Shares and the holders of Class B Shares duly held for that purpose. However, if the holders of Class A Subordinate Shares, as a class, or the holders of Class B Shares, as a class, are to be affected in a manner different from the other class of shares, such amendment must, in addition, be authorized by at least two-thirds (⅔) of the votes cast at a meeting of the holders of the class of shares which is affected differently.

REORGANIZATION OF SHARE CAPITAL It is hereby proposed that the Corporation undertakes a reorganization of its share capital (the "Share Capital Reorganization") through the conversion of each issued and outstanding Class B Share into one Class A Subordinate Share, followed immediately by the redesignation of the issued and outstanding Class A Subordinate Shares as "Common Shares". As a result of the Share Capital Reorganization, the Corporation would henceforth have only one class of equity shares, designated as "Common Shares", each carrying one vote per share.

Under the Share Capital Reorganization, among other things:

- each issued and outstanding Class B Share will be converted into one Class A Subordinate Share;
- the Class B Shares, along with the rights, privileges, restrictions and conditions attached to them, will be eliminated from the share capital of the Corporation;
- the Class A Subordinate Shares will be redesignated as "Common Shares";
- the Second Preferred Shares, along with the rights, privileges, restrictions and conditions attached to them, will be eliminated from the share capital of the Corporation;
- the First Preferred Shares will be redesignated as "Preferred Shares";
- the Corporation will henceforth have a single class of equity shares carrying voting rights, designated as "Common Shares", without par value, and a single class of Preferred Shares, without par value, issuable in series;
- each Common Share will carry one vote per share; and
- each holder of Common Shares will have a voting interest that is proportionate to the holder's equity.

The elimination of the Class B Shares, along with the rights, privileges, restrictions and conditions attached to them, from the share capital of the Corporation, and the redesignation of the Class A Subordinate Shares as "Common Shares", are intended to clarify that there no longer are any equity shares of the Corporation carrying differential voting rights. Consequently, there will no longer be any need for the conversion rights in the event of a take-over bid for securities of the Corporation having superior voting rights, or in the event of a holder's disqualification, as described in the "Voting Securities and Principal Holders Thereof" and "Structure of Share Capital" sections of this Circular, respectively; therefore, these rights will also be deleted from the Corporation's Articles.

The Second Preferred Shares of the Corporation's share capital, which class of shares had been created in connection with the Corporation's initial public offering for financing purposes, have all been redeemed to this day and the Corporation has no intention of issuing any again.

Other necessary amendments will be made to the Corporation's Articles to reflect the elimination of the Class B Shares and the Second Preferred Shares from the Corporation's share capital structure and the redesignation of the Class A Subordinate Shares as "Common Shares" and the First Preferred Shares as "Preferred Shares". These amendments will not remove the First Preferred Shares from the Articles of the Corporation, although there are currently no such shares outstanding. As stated above, these shares will be redesignated as "Preferred Shares".

If the Share Capital Reorganization is approved by the shareholders by special resolution at the Meeting (for more information, see the "Shareholder Approvals Required" section), the conversion of each issued and outstanding Class B Share into one Class A Subordinate Share is scheduled to take effect as of 11:59 P.M. on the day preceding the effective date of the certificate of amendment attesting to the amendment of the Articles of the Corporation, and the other components of the Share Capital Reorganization will take effect as of the effective date and, if applicable, the effective time (the "Effective Date") of the certificate of amendment attesting to the amendment of the Articles of the Corporation issued by the enterprise registrar in accordance with the provisions of the *Business Corporations Act* (Quebec) (the "Act"). If the Share Capital Reorganization is approved by the shareholders by special resolution at the Meeting, the Corporation intends to proceed with the filing of the articles of amendment in accordance with the provisions of the Act promptly following the Meeting.

BACKGROUND TO SHARE CAPITAL REORGANIZATION The Corporation's Articles provide that ownership of Class B Shares is reserved for retailers operating food stores under the Metro banner.

Before the Corporation's initial public offering in 1986, it was a wholesaler owned exclusively by its Shareholder-Retailers, who at the time held all the positions on the Board of Directors. Due to new market conditions, stock issues, public offerings, investor requirements, store closures and retailers that became Affiliated Merchants, the Shareholder-Retailers' control over the Corporation has steadily diminished through the years. As at December 2, 2011, there were 54 Shareholder-Retailers holding 577,440 outstanding Class B Shares representing 0.57% of all voting and participating shares of the Corporation, and 8.42% of the votes attached thereto.

On January 21, 2003, the Regroupement des marchands actionnaires inc. (the "Regroupement") filed a motion before the Quebec Superior Court seeking to obtain the recognition of the Class B shareholding requirement for every merchant operating a food store under the Metro banner.

In a judgment rendered on May 17, 2011, the Quebec Superior Court dismissed the Regroupement's proceedings and the Regroupement did not appeal this ruling.

A number of discussions and meetings subsequently took place between the Corporation and the Regroupement's representatives, ultimately resulting in the proposed Share Capital Reorganization. In particular, at a meeting held in the spring of 2011, representatives of the Regroupement indicated that they were prepared to consider a proposal for the conversion of their Class B Shares into Class A Subordinate Shares and the review of the commercial agreements between them and the Corporation. Thereafter, at a meeting which took place on November 11, 2011, executive officers of the Corporation submitted the possible terms of the Share Capital Reorganization to the Shareholder-Retailers. Shareholder-Retailers who together hold, directly or indirectly, the majority of the outstanding Class B Shares, confirmed their intention to receive the proposed Share Capital Reorganization favourably and recommend to their fellow Shareholder-Retailers that they do the same.

With a view to standardizing the business relationship between the Corporation and the various retailers operating food stores under the Metro banner, and if the Share Capital Reorganization is approved by the shareholders by special resolution (for more information, see the "Shareholder Approvals Required" section of this Circular), all eligible Shareholder-Retailers operating food stores under the Metro banner who are not already Affiliated Merchants may, if they so desire, on a purely voluntary basis, become Affiliated Merchants of the Corporation and thus be subject to business conditions comparable to those to which the Corporation's other Affiliated Merchants have been subject in the past and will be subject from time to time (including, in particular, those pertaining to the level of guarantees for purchases made with the Corporation, and those pertaining to the access to investment programs for their food business operation). Shareholder-Retailers who, on their own initiative, opt not to become Affiliated Merchants may continue to do business with the Corporation on substantially the same terms and conditions as those currently in effect. These Shareholder-Retailers will be subject to the provisions of the By-Law with respect to the Corporation's Business with its Shareholders as Clients which includes provisions almost identical to those of By-Law No.3 (see the "Amendments to the By-Law with respect to the Company's Business with its Shareholders as Clients (By-Law No.3)" of this Circular) currently in effect.

CONSIDERATIONS OF THE BOARD OF DIRECTORS At a meeting of the Corporation's Board of Directors held on November 15, 2011, the Board of Directors agreed (to the exclusion of Mr. Serge Ferland, who, as an owner of food stores bearing the Metro banner, has a business relationship with the Corporation, namely, that of a retailer to a wholesaler, and thus did not take part in the deliberations or vote on the matter) in principle to the proposed Share Capital Reorganization, subject to certain conditions being met. On November 30, 2011, the Corporation announced its intention to proceed with the Share Capital Reorganization. At a meeting of the Board of Directors held on December 9, 2011, the Board of Directors (to the exclusion of one director, Mr. Serge Ferland) approved the specific terms of the proposed Share Capital Reorganization after having reviewed same from the perspective of the Corporation's shareholders, and consulted relevant information including but not limited to the Corporation's Articles and By-Laws, the rights, privileges, conditions and restrictions attached to the Class A Subordinate Shares and the Class B Shares, the various potential benefits to the Corporation which could result from the elimination of such a capital structure with unequal voting shares, and the

contemplated standardization of the business relationships with the eligible Merchant Shareholders (see the " Background to Share Capital Reorganization" section).

RECOMMENDATION OF THE BOARD OF DIRECTORS The Board of Directors concluded that the proposed Share Capital Reorganization is fair and in the best interest of the Corporation's shareholders. Consequently, the Board of Directors has resolved that it is in the best interest of the Corporation, subject to the approval of the shareholders by special resolution, to take such steps as may be necessary for the implementation of the Share Capital Reorganization and, subject to the Share Capital Reorganization becoming effective, the contemplated standardization of the business relationship with the Shareholder-Retailers (for Shareholder-Retailers who so desire).

The Board of Directors is recommending that the shareholders vote FOR the approval of the Special Resolution with respect to the Share Capital Reorganization (the full text of which is included substantially in Exhibit A to this Circular). Unless contrary instructions are indicated on the proxy form or voting instruction form, the persons designated on the accompanying proxy form or voting instruction form intend to vote FOR the Special Resolution in respect of the Share Capital Reorganization.

In particular, the Board of Directors has decided to recommend to the shareholders of the Corporation that the Share Capital Reorganization be implemented. Nevertheless, the Board of Directors is of the opinion that the shareholders should carefully review the matter of the Share Capital Reorganization and the following factors, in order to draw their own conclusions before deciding whether to vote for or against the Special Resolution:

- a number of shareholders, analysts and advisory firms have expressed a range of concerns regarding unequal voting share structures most of which can be resolved, with respect to the Corporation, if the Share Capital Reorganization is implemented;
- there could be an increased demand for the Corporation's new Common Shares, which will represent a more attractive investment opportunity for investors who hesitated to invest, or could not invest, in corporations having a structure that entails dual classes of equity shares with unequal voting rights;
- the contemplated standardization of the business relationship with the Shareholder-Retailers for the eligible Shareholder-Retailers who so desire;
- the intention of certain Shareholder-Retailers, who together hold, directly or indirectly, the majority of the outstanding Class B Shares, to receive the proposed Share Capital Reorganization favourably and recommend to their fellow Shareholder-Retailers that they do the same;
- as a result of the Share Capital Reorganization, control of the Corporation would be distributed among the common shareholders, who would have voting rights and would share control on an identical basis in proportion to the number of Common Shares held by them;
- if the Share Capital Reorganization is not pursued, there is no assurance that any further proposal aiming to eliminate the unequal voting share structure would be forthcoming;
- the Class A Subordinate Shares and the Class B Shares carry the same rights, privileges, conditions and restrictions attached to all equity shares of the Corporation except as regards the number of votes and except as otherwise provided in the Articles (see the "Reorganization of Share Capital" section of this Circular);
- the holders of Class A Subordinate Shares would not suffer any dilution of their equity interest in the Corporation as a result of the Share Capital Reorganization because of the one share for one share (1:1) conversion rate under the proposed Share Capital Reorganization;
- the elimination of the inequality in the number of votes attached to the Class A Subordinate Shares and Class B Shares (see the "Reorganization of Share Capital" section of this Circular) would constitute an important benefit for the holders of Class A Subordinate Shares; and
- the Corporation's Articles already provide for a few cases where Class B Shares become convertible into Class A Subordinate Shares without the consent of the holders of Class A Subordinate Shares, primarily in the event of a holder of Class B Shares becoming disqualified as such (see the "Reorganization of Share Capital" section of this Circular), and the Class A Subordinate Shares deliverable further to such conversion of Class B Shares are already reserved for listing on the Toronto Stock Exchange ("TSX").

The foregoing discussion is not exhaustive as regards to the factors to be taken into consideration by the shareholders before deciding whether to vote for or against the Special Resolution with respect to the Share Capital Reorganization.

SHAREHOLDER APPROVALS REQUIRED The text of the Special Resolution with respect to the Share Capital Reorganization to be examined at the Meeting is included substantially in Exhibit A to this Circular.

In accordance with applicable corporate law requirements and with the Corporation's Articles, in order for the Share Capital Reorganization to take effect, it must be approved separately, and the Special Resolution with respect to the Share Capital Reorganization must be adopted at the Meeting by:

i) not less than two-thirds (⅔) of the votes attached to the Class A Subordinate Shares and the Class B Shares, voting together as a class;

ii) not less than two-thirds (⅔) of the votes attached to the Class A Subordinate Shares, voting separately as a class; and

iii) not less than two-thirds (⅔) of the votes attached to the Class B Shares, voting separately as a class;

in each case to the exclusion of Serge Ferland, and based on the votes cast by shareholders present in person or represented by proxy at the Meeting.

Each outstanding Class A Subordinate Share entitles the holder thereof to one vote with respect to the Special Resolution regarding the Share Capital Reorganization and each outstanding Class B Share entitles the holder thereof to 16 votes with respect to the Special Resolution regarding the Share Capital Reorganization.

The directors may revoke the Special Resolution without further approval of the shareholders at any time before a certificate of amendment attesting to the reorganization of the share capital and an amendment of the Articles of Incorporation of the Corporation are endorsed by the enterprise registrar in accordance with the provisions of the Act, including in the event that the Corporation anticipates substantial costs as a result of the exercise of repurchase rights.

MARKET FOR SECURITIES The Class A Subordinate Shares of the Corporation are listed on the Toronto Stock Exchange under the ticker symbol MRU.A.

The Corporation publicly announced the proposed Share Capital Reorganization after the markets closed on November 30, 2011. On November 30, 2011, the closing price of the Class A Subordinate Shares on the TSX was $51.55.

Since November 30, 2011, the date on which the proposed Share Capital Reorganization was announced, until December 9, 2011, the Class A Subordinate Shares have traded up 2.52% from $51.55 to $52.85.

The Corporation has filed an application with the TSX to approve the listing of the 577,440 Class A Subordinate Shares deliverable in connection with the Share Capital Reorganization. The Corporation has also filed a substitutional listing application with the TSX in connection with the proposed redesignation of the Class A Subordinate Shares as "Common Shares". The Corporation has also requested that the ticker symbol assigned to its shares on the TSX change from "MRU.A" to "MRU" to reflect the elimination of its unequal voting share structure.

TRANSFER AGENT AND SHARE CERTIFICATES The transfer agent and registrar for the new Common Shares will continue to be The Computershare Trust Company of Canada, which has an office in Montréal.

On the Effective Date of the Share Capital Reorganization, a holder of Class A Subordinate Shares or Class B Shares will automatically become a registered holder of an equivalent number of Common Shares pursuant to the Share Capital Reorganization, and the existing share certificates evidencing such shares will continue to represent the Common Shares of the Corporation until their replacement at the time of transfer.

Each shareholder holding Class A Subordinate Shares or Class B Shares on the Effective Date will be entitled to exchange such holder's certificates formerly representing Class A Subordinate Shares and/or Class B Shares for certificates representing Common Shares upon delivering such certificates to The Computershare Trust Company of Canada, at its office in Montréal, along with such other documents as The Computershare Trust Company of Canada may require.

INCOME TAX CONSIDERATIONS The following text is an overview of the principal Canadian federal income tax consequences of Share Capital Reorganization that will apply in general to shareholders who, for purposes of the *Income Tax Act* (Canada) (the "Tax

Act"), are residents of Canada, deal at arm's length with and are not affiliates of the Corporation, and hold their shares as capital property. Shares held will generally be considered to be capital property to a holder provided they are not held in the course of carrying on a business and are not acquired in, or held in connection with, a transaction or series of transactions considered to be an adventure or concern in the nature of trade. This summary is not applicable to a shareholder that is a "financial institution" (as defined in the Tax Act) for purposes of the mark-to-market rules contained in the Tax Act. A holder that might otherwise not be considered to be holding shares as capital property may, in certain circumstances, make the irrevocable election contemplated in subsection 39(4) of the Tax Act to have such shares and every "Canadian security" (as defined in the Tax Act) owned by such holder in the taxation year of the election, and in all subsequent taxation years deemed to be capital property.

This summary is based upon the facts set out in this Circular, the provisions of the Tax Act and the regulations in connection therewith in force as of the date hereof, and the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and assumes that these tax proposals will be enacted in the form proposed. However, no assurance can be given that such tax proposals will be enacted as currently proposed, or at all.

This summary is not exhaustive of all possible Canadian federal income tax consequences and, with the exception of the tax proposals referred to above, does not take into account or anticipate any change in law, whether by legislative, regulatory or judicial action or decision, nor does it take into account any provincial, territorial or foreign tax consequences. Provincial, territorial and foreign tax consequences may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder. Consequently, shareholders are urged to consult their own tax advisors as regards to their particular circumstances.

Holders of Class A Subordinate Shares For purposes of the Tax Act, the redesignation of the Class A Subordinate Shares as "Common Shares" will not be considered a disposition of those shares and will not in itself give rise to any tax consequences for the holders thereof.

Holders of Class B Shares A holder of Class B Shares all of whose Class B Shares are converted into Class A Subordinate Shares (which will then be redesignated as "Common Shares") as part of the Share Capital Reorganization will be deemed by virtue of the Tax Act to have disposed of such Class B Shares for proceeds of disposition equal to the aggregate of (i) the amount, if any, by which the holder's adjusted cost base of the Class B Shares, immediately before the conversion, exceeds the fair market value at that time of the consideration (other than the Class A Subordinate Shares) that the holder may receive as a result of the conversion of the Class B Shares, if any, and (ii) the fair market value of any property (other than the Class A Subordinate Shares) that the holder may receive as a result of the conversion of the Class B Shares, if any.

For the purposes of the Tax Act, the cost to the holder of the Class A Subordinate Shares (which will then be redesignated as "Common Shares") that the holder is to receive as a result of the conversion of the holder's Class B Shares (which cost is relevant for purposes of determining the adjusted cost base of the Class A Subordinate Shares) will be equal to the amount by which the holder's adjusted cost base of the Class B Shares immediately before the conversion exceeds the fair market value at that time of the consideration (other than the Class A Subordinate Shares) that the holder may receive as a result of the conversion of the Class B Shares, if any.

If a holder of Class B Shares also holds Class A Subordinate Shares immediately before the conversion of the holder's Class B Shares as part of the Share Capital Reorganization, the rule of average cost for identical property will be applicable for purposes of determining the adjusted cost base of all the Class A Subordinate Shares (which will then be redesignated as "Common Shares") that the holder will own immediately after the conversion.

If a holder's Class B Shares were acquired prior to 1972, or if a holder owns Class B Shares that were substituted for shares acquired by the holder prior to 1972 in one or more transactions, special rules could be applicable to the shares concerned.

As in the case of a holder of Class A Subordinate Shares, the redesignation as "Common Shares" of the Class A Subordinate Shares that a holder of Class B Shares will receive as part of the Share Capital Reorganization will not be considered a disposition of such Class A Subordinate Shares.

Dissenting Shareholders A holder of Class B Shares or Class A Subordinate Shares who dissents from the Share Capital Reorganization (a dissenting shareholder) by exercising the right to demand that the Corporation repurchases said shares at their fair market value will be deemed to receive a dividend corresponding to the amount, if any, by which the amount paid to such holder for

the holder's shares (except insofar as such amount represents interest) exceeds the "paid-up capital" (as defined in the Tax Act) of the holder's shares immediately prior to the disposition. The dissenting shareholder will be required to include the amount of such dividend in computing the holder's income for the applicable taxation year.

In the case of a dissenting shareholder who is an individual (other than certain trusts), such dividend will be subject to the gross-up and dividend tax credit rules that are generally applicable to dividends received from taxable Canadian corporations. The Tax Act provides for an enhanced gross-up and dividend tax credit for "eligible dividends" (as defined in the Tax Act). The Corporation has made no commitment with respect to the designation of any deemed dividend as an "eligible dividend" and makes no representation to that effect.

Subject to the possible application of section 55(2) of the Tax Act and the other restrictions set out therein, dividends deemed to have been received during the applicable taxation year by a dissenting shareholder that is a corporation will generally be deductible in computing its income for that taxation year. Dissenting shareholders that are corporations should consult their own tax advisors in this regard.

A dissenting shareholder that is a "private corporation" or "subject corporation" (as defined in the Tax Act) during the applicable taxation year will generally be required to pay a special 33⅓% tax (refundable in certain circumstances) pursuant to Part IV of the Tax Act with respect to dividends deemed to have been received, to the extent that such dividends are deductible in computing the corporation's taxable income for the year.

In addition to the foregoing, a dissenting shareholder will be deemed to have disposed of the shares held for proceeds of disposition corresponding to the amount received for the shares, net of the deemed dividend amount (as computed above) and the amount received as interest. To the extent that the proceeds of disposition of the dissenting shareholder's shares exceed (or are exceeded by) the aggregate of their adjusted cost base plus reasonable costs of disposition, the dissenting shareholder will realize a capital gain (or a capital loss).

Generally, one-half of the amount of a capital gain realized by a dissenting shareholder must be included as a taxable capital gain in computing the holder's income for the applicable taxation year. One-half of a capital loss is deductible from taxable capital gains realized during the taxation year and any balance may be deducted against taxable capital gains during the three (3) taxation years preceding the taxation year concerned or in the years following the year concerned, to the extent and under the circumstances described in the Tax Act.

The amount of dividends received (or deemed to have been received) on a share (or a share which replaces it) may reduce the amount of any capital loss sustained by a dissenting shareholder that is a corporation at the time of disposition of the share, to the extent and under the circumstances described in the Tax Act. Similar rules may apply where the share is owned by a partnership or a trust of which a corporation, trust or partnership is a member or beneficiary.

A dissenting shareholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) during the applicable taxation year may be liable to pay a special 6⅔% tax (refundable in certain circumstances) on its "aggregate investment income", which includes taxable capital gains and deemed dividends received to the extent that such dividends are not deductible in computing the holder's taxable income.

Interest attributed to a dissenting shareholder by a court will be included in the computation of the holder's income for purposes of the application of the Tax Act.

Dividends and capital gains realized by a dissenting shareholder who is an individual (including certain trusts) may result in such holder being liable for alternative minimum tax under the Tax Act.

In the case of a dissenting shareholder owning both Class A Subordinate Shares and Class B Shares, the rules described above will have to be applied separately to the holder's Class A Subordinate Shares and Class B Shares, among other things for purposes of the deemed dividend and capital gain or loss calculations.

Holders who are considering exercising their dissent rights should consult their own tax advisors to ascertain the tax consequences that apply to them in light of their particular circumstances.

REPURCHASE RIGHTS

Shareholders who wish to dissent from the Share Capital Reorganization by exercising their right to demand the repurchase of their Class A Subordinate Shares and Class B Shares at their fair value (the "Repurchase Rights") should take note that strict compliance with the repurchase procedures described in the *Business Corporations Act* (Quebec) (the "Act") is

required. The following text is a summary of the provisions of the Act that apply to shareholders who have exercised their Repurchase Rights, which provisions are technical and complex. The full text of Sections 372 to 397 of the Act is included in Exhibit B to this Circular. It is suggested that shareholders wishing to exercise their Repurchase Rights seek legal advice, as failure to strictly comply with the provisions of the Act may result in the loss or unavailability of such Repurchase Rights.

Pursuant to Section 373 of the Act, a Registered Shareholder as of the Record Date may, in connection with the Special Resolution with respect to the Share Capital Reorganization, exercise the right to demand that the Corporation repurchase the shares of the Corporation held by such holder. If the Share Capital Reorganization is carried out, shareholders having exercised their Repurchase Rights in compliance with the procedures set out in the Act will be entitled to be paid, in cash, the fair value of the Class A Subordinate Shares and Class B Shares of the Corporation held by them, determined as of the close of business on the day before the Special Resolution with respect to the Share Capital Reorganization is adopted.

To exercise such right, a written notice of intent to exercise the right to demand the repurchase of the registered holder's Class A Subordinate Shares and Class B Shares must be received from the registered holder by the Corporation at its head office at 11 011 Boulevard Maurice-Duplessis, Montréal, Quebec, H1C 1V6, c/o the Corporate Secretary, no later than 5:00 p.m. (Montréal time) on January 30, 2012, being the day before the Special Resolution with respect to the Share Capital Reorganization is slated for approval and adoption by the shareholders at the Meeting, or two (2) business days prior to the reconvening of any adjournment or postponement of the Meeting. However, this right is subject to the shareholder having exercised all the voting rights carried by the shares held by such holder against the approval and adoption of the Special Resolution with respect to the Share Capital Reorganization. The right is also subject to the holder of Class A Subordinate Shares and/or Class B Shares having otherwise complied with the provisions of the Act respecting the exercise of the Repurchase Rights.

The remittance of a notice of exercise of Repurchase Rights does not deprive a dissenting shareholder of the right to vote the shares for which such notice was given. A vote either in person or by proxy against the Special Resolution with respect to the Share Capital Reorganization does not constitute a notice of exercise of Repurchase Rights. However, should the shares of a dissenting shareholder not be voted in their entirety against the Special Resolution with respect to the Share Capital Reorganization, or should a dissenting shareholder abstain from voting such holder's shares on the matter of the Special Resolution with respect to the Share Capital Reorganization, the Repurchase Rights of such dissenting shareholder will be terminated with respect to all of such holder's shares.

Failure to strictly comply with the requirements set out in Sections 372 and following of the Act may result in the loss or unavailability of any Repurchase Rights. Only Registered Shareholders are entitled to exercise Repurchase Rights; accordingly, non-registered shareholders should contact their nominee, such as their broker, investment dealer, bank, trust company or other intermediary or depositary, to exercise their Repurchase Rights.

In the event that Repurchase Rights are exercised by a large number of Registered Shareholders, the Board of Directors may decide not to proceed with the implementation of the Share Capital Reorganization, as permitted by the text of the Special Resolution with respect to the Share Capital Reorganization.

Registered Shareholders who renounce, or who are deemed to renounce, their right to demand the repurchase of their Class A Subordinate Shares and Class B Shares pursuant to the Repurchase Rights will be deemed to have participated in the Share Capital Reorganization, as of the Effective Date, and will automatically become registered holders of an equivalent number of Common Shares under the Share Capital Reorganization. For greater certainty, in addition to any other restrictions in Chapter XIV of the Act, no shareholder who has failed to exercise all of the voting rights carried by the shares held by such shareholder against the Special Resolution with respect to the Share Capital Reorganization will be entitled to exercise Repurchase Rights with respect to the Share Capital Reorganization.

Without limiting the generality of the other provisions of the Circular describing the Repurchase Rights and the exercise thereof, a dissenting shareholder will, on the Effective Date and notwithstanding any provision of Chapter XIV of the Act, cease to be the holder of Class A Subordinate Shares and Class B Shares and to have any rights as a holder or former holder of such shares other than the right to be paid the fair value for such shares by the Corporation in accordance with such dissenting shareholder's Repurchase Rights pursuant to the provisions of the Act. In no event will the Corporation or any other person be required to recognize any holder of Class A Subordinate Shares and/or Class B Shares (then "Common Shares") who exercises Repurchase Rights as a holder of shares after the Effective Date. The rights of shareholders having exercised Repurchase Rights are limited to receiving the fair value of their Class A Subordinate Shares and Class B Shares determined on the day before the Special Resolution with respect to the Share Capital Reorganization is adopted.

If the Share Capital Reorganization is not implemented for any reason, dissenting shareholders will not be entitled to be paid the fair value for their shares under the Repurchase Rights.

TERMS OF REPURCHASE OF DISSENTING SHAREHOLDERS' SHARES Promptly after the Effective Date, the Corporation is required to give notice (the "Repurchase Notice") to each dissenting shareholder, which notice shall mention the repurchase price being offered for the Class A Subordinate Shares and Class B Shares held by all dissenting shareholders and an explanation of how such price was determined. The repurchase price of the Class A Subordinate Shares and the Class B Shares is their fair value as of the close of the offices of the Corporation on the day before the Special Resolution with respect to the Share Capital Reorganization is adopted. Within 30 days after receiving the Repurchase Notice, each dissenting shareholder is required, if the dissenting shareholder wishes to proceed with exercising such holder's Repurchase Rights, to deliver to the Corporation a written statement:

i) confirming that the dissenting shareholder wishes to exercise such holder's Repurchase Rights and have all of such holder's Class A Subordinate Shares and Class B Shares repurchased at the repurchase price indicated in the Repurchase Notice (in such case, a "Notice of Confirmation"); or

ii) indicating that the dissenting shareholder contests the repurchase price indicated in the Repurchase Notice and demands an increase in the repurchase price offered (in such case, a "Notice of Contestation").

Additionally, if not done previously, all certificates representing the Class A Subordinate Shares and Class B Shares pursuant to which the Repurchase Rights were exercised, together with the completed and executed applicable letter(s) of transmittal, should be delivered with the Notice of Confirmation or the Notice of Contestation.

A dissenting shareholder who fails to send to the Corporation, within the required timeframe, a Notice of Confirmation or a Notice of Contestation, as the case may be, will be deemed to have renounced such holder's Repurchase Rights and will be deemed to have participated in the Share Capital Reorganization on the same basis as shareholders who did not exercise Repurchase Rights.

Upon receiving a Notice of Confirmation within the required timeframe, the Corporation shall pay the dissenting shareholder, within ten (10) days of receiving such Notice of Confirmation, the repurchase price indicated in the Repurchase Notice for all of such holder's Class A Subordinate Shares and Class B Shares.

Upon receiving a Notice of Contestation within the required timeframe, the Corporation may propose an increased repurchase price within 30 days of receiving such Notice of Contestation, which increased repurchase price must be the same for all dissenting shareholders who duly submitted a Notice of Contestation. If (a) the Corporation does not follow up on a dissenting shareholder's contestation within 30 days after receiving the holder's Notice of Contestation or (b) the dissenting shareholder contests the increase in the repurchase price offered by the Corporation, such dissenting shareholder may ask the Court to determine the increase in the repurchase price. However, any such application to the Court must be made within 90 days after receiving the Repurchase Notice. As soon as any such application is filed with the Court by any dissenting shareholder, the Corporation must notify this fact (a "Notice of Application") to all the other dissenting shareholders who are still contesting the repurchase price, or the increase in the repurchase price, offered by the Corporation.

All dissenting shareholders who received the Notice of Application are bound by the judgment of the Court hearing the application as to the fair value of the shares (which Court may entrust the appraisal of the fair value to an expert). Within ten (10) days after such Court judgment, the Corporation must pay the repurchase price determined by the Court to all dissenting shareholders who received the Notice of Application, and promptly pay any increase in the repurchase price to all dissenting shareholders who submitted a Notice of Contestation but did not contest the increase in the repurchase price offered by the Corporation.

NON-REGISTERED SHAREHOLDERS Persons who hold Class A Subordinate Shares and/or Class B Shares registered in the name of a nominee, an intermediary, a custodian or in some other name, and who wish to exercise Repurchase Rights, should be aware that only the Registered Shareholders on the Record Date are entitled to exercise Repurchase Rights. A non-registered shareholder may give instructions to the Registered Shareholder in whose name the Class A Subordinate Shares and/or Class B Shares in which the non-registered shareholder has a beneficial interest are registered as to the exercise of Repurchase Rights attached to such shares. Such Registered Shareholder must inform the Corporation of the identity of the non-registered shareholder who intends to exercise Repurchase Rights, and of the number of Class A Subordinate Shares and/or Class B Shares with respect to which the Repurchase Rights are being exercised, within the prescribed period for giving a notice of exercise of Repurchase Rights. A Registered Shareholder who demands the repurchase of Class A Subordinate Shares and/or Class B Shares pursuant to Repurchase Rights in accordance with the instructions of a non-registered shareholder may demand the repurchase of part of the shares to which such Repurchase Rights are attached. A non-registered shareholder who wishes to exercise Repurchase Rights should communicate with such holder's nominee in whose name the Class A Subordinate Shares and/or Class B Shares in which such holder has a beneficial interest are registered on the Record Date with respect to the procedures for instructing such Registered Shareholder regarding the exercise of the Repurchase Rights on behalf of the non-registered shareholder. Note that Sections 393 to 397 of the

Act, the text of which is included in Exhibit B to the Circular, set forth special provisions and are required to be followed with respect to the exercise of Repurchase Rights by non-registered shareholders.

The discussion above is only a summary of the repurchase procedures provided for in the Act, which are technical and complex procedures. A Registered Shareholder who intends to exercise Repurchase Rights should carefully consider and comply with the provisions of Chapter XIV of the Act. It is recommended that any shareholder wishing to exercise Repurchase Rights seeks legal advice, as failure to strictly comply with the applicable provisions of the Act may result in the loss or availability of such Repurchase Rights. Dissenting shareholders should note that the exercise of Repurchase Rights can be a complex, time consuming and expensive process. For a general summary of certain Canadian income tax implications for a dissenting shareholder, see "Income Tax Considerations – Dissenting Shareholders".

AMENDMENTS TO THE ARTICLES OF THE CORPORATION

On February 14, 2011, the *Companies Act* (Quebec) was replaced by the new *Business Corporations Act* (Quebec) (the "Act").

The new Act provides that a corporation may hold shareholder meetings at a place outside the Province of Quebec if the articles so allow. In light of the Corporation's operations and significant shareholder base outside the Province of Quebec, the Board of Directors believes that it would be beneficial to both the Corporation and its shareholders to permit shareholder meetings to be held outside the Province of Quebec.

The new Act further provides that if the articles so allow, the directors of a corporation that is a reporting issuer may appoint one or more additional directors to hold office for a term expiring not later than the close of the annual meeting following their appointment, provided that the total number of directors so appointed may not exceed one third (⅓) of the number of directors elected at the annual meeting preceding their appointment.

In the course of the Board's succession planning process to nominate candidates to join the Board of Directors and develop their knowledge of the Corporation's operations, the Board considered that such an amendment to the Corporation's Articles would be beneficial to the Corporation and its shareholders in order to support this process and ensure a smooth transition further to any retiring directors or otherwise departing directors, including maintaining critical competencies. The Board also believes that it would be beneficial to the Corporation and its shareholders to give the Board flexibility to add directors who possess expertise and knowledge relevant to the Corporation's operations from time to time between annual shareholder meetings.

The new Act provides that the articles may be amended to increase or decrease the minimum or maximum number of directors. In the course of its review of the Corporation's Articles of Incorporation in connection with the foregoing proposed amendments, the Board considered that a minimum number of seven (7) directors would be more appropriate in light of recent trends in matters of governance.

Lastly, also in connection with its review of the Corporation's Articles in relation to the amendments discussed above, the Corporation wishes to restate its articles, which have been in force since 1986 and have been amended from time to time since then, in order to harmonize them with the terminology used in the Act and the principles arising therefrom. On December 9, 2011, the Board of Directors thus authorized certain amendments relating to form and terminology to be made to the Corporation's Articles. These amendments will include, among other things:

- the use of the word "Corporation" instead of "Company";
- the use of the phrase "rights and restrictions" instead of "rights, privileges, conditions and restrictions"; and
- the authority given to the Board of Directors to determine by resolution, instead of by-law, prior to the issue of each series of Preferred Shares, the designation and the number of Preferred Shares which shall comprise such series and the rights and restrictions attaching thereto.

Accordingly, the Board of Directors, at its meeting held on December 9, 2011, adopted a resolution to amend the Articles. In accordance with the Act, amendments to the Corporation's Articles of Incorporation must be approved by the shareholders. At the Meeting, the shareholders will be asked to consider and, if deemed appropriate, approve the Special Resolution, **the full text of which is reproduced substantially in Exhibit C to this Circular**.

The Board of Directors and management believe that the proposed amendments to the Articles of the Corporation are in the best interest of the Corporation and accordingly, the Board of Directors and management are recommending that the shareholders vote FOR the approval of the Special Resolution, which requires an affirmative vote of not less than two-thirds (⅔) of the votes cast by the holders of Class A Subordinate Shares and holders of Class B Shares present in person or by

proxy at the Meeting in order to be adopted. Unless contrary instructions are indicated on the proxy form or voting instruction form, the persons designated on the accompanying proxy form or voting instruction form intend to vote FOR the approval of the Special Resolution.

In addition, once it has received a certificate of amendment pertaining to the articles of amendment to be filed by it to reflect the above-mentioned amendments and the Share Capital Reorganization (see the "Proposed Reorganization of Share Capital" section), the Corporation's Board of Directors intends to consolidate the Articles of the Corporation, as permitted under the Act. Such a consolidation enables any corporation governed by the Act, by order of its board of directors but without shareholder authorization being required, to combine in a single document the information contained in all its articles filed with the enterprise registrar. The consolidated articles will replace the Articles of the Corporation as of the date and, if applicable, the time shown on the certificate of consolidation issued by the enterprise registrar.

AMENDMENTS TO THE GENERAL BY-LAWS OF THE CORPORATION

After the new *Business Corporation Act* (Quebec) (the "Act") came into force, the Corporation adopted amendments to its general by-laws (the "Corporation By-Laws") in order to harmonize them with the terminology used in the Act and comply with the provisions of the Act. Upon recommendation by the Corporate Governance and Nominating Committee, the Corporation's By-Laws were adopted by the Board of Directors on December 9, 2011. A copy of the Corporation's By-Laws, as amended, is attached as Exhibit D to this Circular.

Many technical amendments were made to the former general By-Laws, including the use of the term "Corporation" instead of "Company". The following substantive amendments were also made to the former general By-Laws:

- the annual meeting of shareholders may now be held in Quebec or any other location chosen by the Board of Directors;
- the Corporation's By-Laws provide that the notice of meeting is to be sent not less than 21 days and not more than 60 days before the annual meeting of shareholders;
- the required quorum to hold a shareholders' meeting was increased to 25 % of the issued and outstanding shares at a meeting of shareholders, compared to the previous threshold of 10 % of issued and outstanding shares;
- persons who have the right to attend a shareholders' meeting are now able to participate and vote by all means made available by the Corporation;
- the Board of Directors may henceforth appoint one or more additional directors to hold office for a term expiring no later than the close of the next meeting of shareholders;
- the Board of Directors may change the financial year end date by resolution;
- the powers of the Board of Directors have been restated to take into account the new provisions of the Act to provide for the exercise by the Board of Directors of all the powers necessary to manage, or supervise the management of, the business and affairs of the Corporation. Hence, their inclusion within the Corporation's By-Laws is no longer required. Unless otherwise provided by the Act, such powers may be exercised without shareholder approval and may be delegated to a director, an officer or one or more committees of the board;
- reference to the Executive Committee has been eliminated. From now on and in accordance with the provision of the Act, the Board of Directors may form any committee and delegate it powers; and
- as the Act grants to the Board of Director the power to borrow money, the General Borrowing By-Law No.2 would be repealed.

In accordance with the Act, the said amendments are submitted to the shareholders for approval and ratification. At the Meeting, the shareholders will be asked to examine and, if they see fit, pass the following resolution to ratify the amendments to the By-Laws and to repeal the General Borrowing By-Law No.2:

"BE IT RESOLVED, AS A RESOLUTION OF THE SHAREHOLDERS:

THAT the amendments to the Corporation's By-Laws, as the said amendments are described in the Management Proxy Circular dated December 9, 2011, adopted and made by the directors of the Corporation on December 9, 2011, be and they hereby are approved and ratified;

THAT By-Law No.2, being the Corporation's General Borrowing By-Law, be repealed; and

THAT any director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to sign and deliver or cause to be delivered all documents, and to do all acts and things, as such director or officer may determine necessary or advisable to give effect to this Resolution."

The Board of Directors and management consider that the proposed amendments to the Corporation's By-Laws and the repeal of the General Borrowing By-Law No.2 are in the best interest of the Corporation and, consequently, are recommending that the shareholders vote FOR the approval of the resolution relating to the proposed amendments to the By-Laws and the repeal of the General Borrowing By-Law No.2, which requires the affirmative vote of not less than a simple majority of the votes cast by the holders of Class A Subordinate Shares and the holders of Class B Shares present in person or represented by proxy at the Meeting and voting together, in order to be adopted. Unless contrary instructions are indicated on the proxy form or voting instruction form, the persons designated on the accompanying proxy form or voting instruction form intend to vote FOR the approval of this resolution.

AMENDMENTS TO THE BY-LAW WITH RESPECT TO THE COMPANY'S BUSINESS WITH ITS SHAREHOLDERS AS CLIENTS (BY-LAW NO. 3)

The Corporation wishes to update its By-Law No.3 entitled "By-Law with respect to the Company's Business with its Shareholders as Clients" adopted by the Board of Directors on November 28, 1986, which By-law has since been amended and is now known as the "Commercial By-Law", in order to harmonize the Commercial By-Law with the terminology used in the *Business Corporations Act* (Quebec) (the "Act") and take into account the Share Capital Reorganization proposed herein, assuming that the Special Resolution with respect to the Share Capital Reorganization and the Special Resolution to amend the Articles in conformity with the Act will be approved by the shareholders at the Meeting (for more information, see the "Proposed Reorganization of Share Capital" and "Amendments to the Articles of the Corporation" sections). To this end, the Board of Directors made certain amendments to the said by-law on December 9, 2011 but which are to take effect only as of the Effective Date and, if applicable, the effective time of the certificate of amendment attesting to the amendment of the Articles of the Corporation to reflect the Share Capital Reorganization proposed herein, issued by the enterprise registrar in accordance with the provisions of the Act. Exhibit E to this Circular contains the Commercial By-Law, as amended.

A number of changes relating to form were made to the wording, including the use of the word "Corporation" instead of "Company", along with other changes necessary to reflect the anticipated conversion of the Class B Shares and the anticipated redesignation of the Class A Subordinate Shares as "Common Shares" (including the removal of the minimum Class B shareholding requirement) and the removal of certain provisions that have become obsolete.

In addition, a new article has been added to provide that the Commercial By-Law will be automatically deemed null and repealed on the date as of which there is no longer any food store under the Metro banner (or any other banner recognized for such purpose by the Board of Directors of the Corporation) operated for such purpose by a Shareholder-Retailer, as defined in the new Commercial By-Law.

For purposes of the new Commercial By-Law, the expression "Shareholder-Retailer" generally means, any holder of Common Shares of the share capital of the Corporation operating a food store under the Metro banner or any other banner recognized for such purpose by the Board of Directors of the Corporation and doing business with the Corporation as of January 31, 2012, who has not signed an affiliation agreement with the Corporation or an agreement amending his commercial agreements such that he would be considered to be doing business with the Corporation as an Affiliated Merchant.

In accordance with the Act, the said amendments are submitted to the shareholders for approval and ratification. At the Meeting, the shareholders will be asked to examine and, if they see fit, pass the following resolution to ratify the amendments to the Commercial By-Law:

"BE IT RESOLVED, AS A RESOLUTION OF THE SHAREHOLDERS:

THAT the amendments to By-Law No.3, being the Commercial By-Law of the Corporation entitled "By-Law with respect to the Company's Business with its Shareholders as Clients", as the said amendments are described in the Management Proxy Circular dated December 9, 2011, adopted and made by the directors of the Corporation on December 9, 2011, be and they hereby are approved and ratified; and

THAT any director or officer of the Corporation be and is hereby authorized and instructed, for and on behalf of the Corporation, to sign and deliver or cause to be delivered all documents, and to do all acts and things, as such director or officer may determine necessary or advisable to give effect to this Resolution."

The Board of Directors and management consider that the proposed amendments to the Corporation's Commercial By-Law are in the best interest of the Corporation and, consequently, are recommending that the shareholders vote FOR the approval of the resolution relating to the proposed amendments to the Commercial By-Law, which requires the affirmative vote of not less than a simple majority of the votes cast by the holders of Class A Subordinate Shares and the holders of Class B Shares present in person or represented by proxy at the Meeting and voting together, in order to be adopted. Unless contrary instructions are indicated on the proxy form or voting instruction form, the persons designated on the accompanying proxy form or voting instruction form intend to vote FOR the approval of this resolution.

EXECUTIVE COMPENSATION

This section is intended to give shareholders of the Corporation a description of the policies, programs and decisions regarding compensation of the named executive officers (collectively referred to as the "NEOs") for the Corporation's financial year ended September 24, 2011. The NEOs are the President and Chief Executive Officer, the Senior Vice-President, Chief Financial Officer and Treasurer and the Corporation's three (3) most highly paid executive officers, namely the Executive Vice-President and Chief Operating Officer, the Senior Vice-President, Ontario Division, and the Senior Vice-President, Quebec Division. Although this section essentially describes the compensation policies and programs for NEOs, these programs also apply to the Corporation's other management staff. The information disclosed in this section is as of September 24, 2011, unless otherwise indicated.

COMPENSATION DISCUSSION AND ANALYSIS

ROLE AND COMPOSITION OF THE HUMAN RESOURCES COMMITTEE The Board of Directors has given the Human Resources Committee the mandate to, among other things, review and recommend executive compensation components and policies, ensuring that they are consistent with best practices and take into account new compensation trends. Furthermore, each year, the Committee reviews the plans for the succession of the President and Chief Executive Officer, the senior officers, and other executives, reporting thereafter to the Board of Directors. A detailed description of the Human Resources Committee's mandate is found in the "Corporate Governance" section on page 46 of this Circular.

The Human Resources Committee is currently comprised of the following five (5) independent directors: Mr. Réal Raymond, Committee Chair, Mesdames Paule Gauthier and Marie-José Nadeau as well as Messrs. Christian W. E. Haub and Claude Dussault. Mr. Bernard A. Roy was a member of the Human Resources Committee until January 25, 2011. None of the members of the Human Resources Committee is or has been indebted to the Corporation or any of its subsidiaries or has or has had an interest in a material transaction involving the Corporation in the course of the financial year. None of the members of the Human Resources Committee is or has been an officer, employee or executive of the Corporation. The Human Resources Committee held four (4) meetings during the 2011 financial year.

COMPENSATION OBJECTIVES AND COMPONENTS The Corporation's main objective with respect to compensation is to offer global compensation that is competitive with prevailing market conditions in order to recruit, retain and motivate qualified senior executives who are devoted to improving the Corporation's performance and creating value for its shareholders. The compensation programs are designed to adequately compensate the Corporation's officers for services rendered, and encourage them to implement strategies to improve the Corporation's performance, thereby increasing its long-term economic value. Accordingly, a significant portion of executives' compensation is focused on performance as it is directly related to the Corporation's results.

The NEOs' compensation is made up of the following:

Base salary;
Annual incentive plan ("AIP");
Long-term incentive plan ("LTIP");
Pension plan; and
Benefits.

DECISION-MAKING PROCESS Each year, the President and Chief Executive Officer submits to the Human Resources Committee his recommendations about all the compensation components for each of the executive officers other than himself, and in particular the targets to be reached in connection with the AIP and the LTIP. The Executive Chairman of the Board of Directors submits his recommendations regarding compensation and the targets of the President and Chief Executive Officer in connection with the AIP and the LTIP to the Human Resources Committee. The Human Resources Committee reviews and approves the targets under the AIP and the LTIP as well as the compensation components of the NEOs. The Committee evaluates the performance of the President and Chief Executive Officer and recommends his compensation to the Board. The Board of Directors of the Corporation also approves all grants of stock options and performance share units under the LTIP upon the recommendation of the Human Resources Committee.

INFORMATION SOURCES The Human Resources Committee has retained the services of PCI-Perrault Conseil inc. ("PCI"), an outside compensation advisor, to obtain information and independent advice about NEO compensation programs. PCI was hired directly by the Human Resources Committee and does not receive other mandates from the Corporation unless the Committee gives its prior consent. During the 2011 financial year, PCI did not receive any other mandates from the Corporation. PCI reviews the recommendations of the Corporation and its consultants with respect to executive compensation trends, the companies which are part of the reference group, information relating to those companies and, generally, with respect to the compensation of the NEOs. For the 2011 financial year, the Corporation paid to PCI $17,115 in fees.

The Human Resources Committee also considers compensation data publicly disclosed by various specialized organizations as well as by Canadian public companies forming part of the reference group described below. The Corporation regularly commissions compensation surveys from other consulting firms which are tabled before the Human Resources Committee.

REFERENCE GROUP The reference group the Corporation uses to determine all aspects of NEO compensation and to review its policies in this regard is comprised of the following Canadian public companies:

Loblaw Companies Limited;	Shoppers Drug Mart Inc.;
Empire Company Limited;	Canadian Tire Corporation, Limited;
Alimentation Couche-Tard Inc.;	Sears Canada Inc.;
Maple Leaf Foods Inc.;	RONA Inc.;
Saputo Inc.;	The Jean Coutu Group (PJC) Inc.

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

- Comparable size in terms of sales and stock market capitalization;
- Comparable industry: retail, distribution or Canadian Food manufacturing;
- Sale of consumer staples;
- Operations carried out under various banners or trade names; and
- Comparable geographical scope of operations.

The table below shows how the Corporation compares to the median of the reference group in relation with various financial measures.

	Sales[(1)]	EBITDA[(2)]	ROE[(3)]	Market Capitalization[(4)]
Median of the Reference Group	$ 7,503	$ 762	11.8%	$ 4,382
METRO INC.	$ 11,343	$ 787	16.6%	$ 4,870

(1) In millions of dollars. The financial data is for the 2010 financial year and has been obtained from various annual reports and from financial web sites.
(2) EBITDA: Earnings before interests, taxes, depreciation and amortization. In millions of dollars. The financial data is for the 2010 financial year and has been obtained from various annual reports and from financial web sites.
(3) ROE: Return on Equity. The financial data is for the 2010 financial year and has been obtained from various annual reports and from financial web sites.
(4) In millions of dollars. The financial data is as of October 20, 2011, and has been obtained from various annual reports and from financial web sites.

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 percentage of the total compensation of NEOs with regards to AIP is shown in the column entitled "AIP" in the following table. Furthermore, the percentage of the total compensation of NEOs with regards to LTIP is shown in the column entitled "RILT" in said table. The base salary of the NEOs is fixed whereas the portion of the compensation relating to the AIP and the LTIP varies depending on 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 indicated in the following table. It should also be noted that the amount of compensation at risk increases as the level of responsibility associated with the position increases. The total compensation is based on the median of the Reference Group.

Name and principal occupation	Percentage of Total Target Direct Compensation for Financial Year 2011[1]			
	Base Salary	AIP	LTIP[2]	At Risk Compensation[3]
Eric R. La Flèche President and Chief Executive Officer	25%	23%	52%	75%
Richard Dufresne Senior Vice-President, Chief Financial Officer and Treasurer	45%	20%	35%	55%
Robert Sawyer Executive Vice-President and Chief Operating Officer	35%	25%	40%	65%
Johanne Choinière Senior Vice-President, Ontario Division	45%	20%	35%	55%
Christian Bourbonnière Senior Vice-President, Quebec Division	45%	20%	35%	55%

(1) Target total direct compensation includes base salary and 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.
(3) At risk compensation represents the sum of the AIP and the LTIP.

DESCRIPTION OF NEO COMPENSATION COMPONENTS

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

The base salary of each NEO is based on the median for the reference group as determined by compensation surveys conducted by consulting firms, adjusted up or down to take into account particular circumstances such as the individual's level of responsibility and experience.

The base salary is reviewed annually based on the individual's performance, the Corporation's performance and market data for the reference group.

ANNUAL INCENTIVE PLAN ("AIP") The AIP is intended to compensate for achieving and exceeding performance objectives for a given financial year. The AIP consists of a cash bonus payable annually based on a percentage of the Corporation's executive's base salary in consideration for the individual and the Corporation reaching or surpassing certain annual goals. In specific circumstances, the President and Chief Executive Officer also has the right to grant executive officers (excluding the President and Chief Executive Officer), when appropriate, part of their compensation under the AIP despite certain performance objectives not having been reached. All grants made accordingly by the President and Chief Executive Officer must receive the prior approval of the Human Resources Committee. This right is limited to an aggregate amount equal to 5% of all executive officers' base salaries.

The bonus can reach up to 120% of the base salary for the President and Chief Executive Officer, 100% for the Executive Vice-President and Chief Operating Officer and 75% for the other NEOs.

The objectives to be reached under the AIP are twofold: (i) corporate goals related to adjusted net earnings are established each year based on forecasts for adjusted net earnings in the Corporation's annual budget. Performance targets are set at between 96% and 102% of adjusted net earnings as budgeted. Each target is associated with a bonus expressed as a percentage of base salary; (ii) division and sector-based goals relating to the achievement of various financial or business goals of one or more of the Corporation's divisions and the specific sector for which the NEO is responsible, where applicable.

The Corporation will not provide further details about the AIP targets as it believes that the disclosure of this information could seriously prejudice its interests as it constitutes strategic confidential information. As the Corporation does not publicly disclose its budgetary targets and does not wish to give forward-looking information, it believes that it is not desirable to disclose such information. Furthermore, the division and sector-based targets are aligned with the division's main priorities and consist of financial targets and specific ongoing projects which are highly strategic, and which disclosure could greatly jeopardize their completion. Lastly, it is the Corporation's policy not to disclose information on an unconsolidated basis. The percentage of the total target compensation of NEOs with regards to AIP is shown in the column entitled "AIP" in the table found in the "Performance-based Compensation" section on pages 31 and 32 of this Circular.

Each year, new objectives (corporate, division and sector-based) are set at a high but attainable level. The Corporation is of the view that the performance objectives set under the AIP and LTIP (for LTIP, only the Performance Share Unit Plan provides for such objectives) are set 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. These objectives are reviewed on an annual basis by the Human Resources Committee to ensure that the highest level of performance is reached.

More information concerning the bonuses paid under the AIP appear under "Annual Incentive Plan for the 2011 Financial Year" on page 35 of this Circular.

LONG-TERM INCENTIVE PLAN ("LTIP") 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 linking a significant portion of their compensation to this creation of value. The LTIP is an element which helps retain senior executives.

The LTIP is made up of the Stock Option Plan and the Performance Share Unit Plan (hereinafter collectively referred to from time to time as the "Plans"). The Stock Option Plan is more fully described in the "Stock Option Plan" section on page 42 of this Circular. The Performance Share Unit Plan is more fully described in the "Performance Share Unit Plan" section on page 43 of this Circular.

The stock option and performance share unit ("PSU") grant policy for executives provides for annual grants. Any holder of options awarded under the Stock Option Plan must wait for two (2) years from the grant, after which time the options are exercisable in cumulative increments of 20% each year. The stock options granted to date have a total term of seven (7) years. The PSUs granted so far vest three (3) years after the date they were granted.

Other than the annual grants for the President and Chief Executive Officer, annual grants under the Plans are determined according to the officer's salary scale or, in the case of the other NEOs, the salary if it exceeds the salary scale. These grants may represent from 100% to 135% of the base salary. Grants to the President and Chief Executive Officer are set out in his employment contract and are described in the "Employment Contract" section on page 34 of this Circular.

Prior grants are not taken into account in determining the number of shares covered by any stock option to be granted, except in the case of special grants described below. The Board of Directors may at its discretion grant additional stock options and PSUs to executives under specific circumstances, such as appointments, promotions or change of duties. To determine the value of all stock option grants, the Corporation uses an historical factor equal to 30% of the amount obtained by multiplying the number of underlying securities with the closing price on the day preceding the grant. This factor represents an historical value used to compare the total compensation value with the reference group and does not represent the Black-Scholes value described in note 16 of the 2011 consolidated financial statements.

PSUs entitle their holder to receive Class A Subordinate Shares of the Corporation or, at the discretion of the Corporation, the cash equivalent, in whole or in part, on the vesting date. Each grant includes three (3) levels of PSUs, according to the attainment of certain financial performance objectives determined from time to time by the Corporation's Human Resources Committee and approved by the Board of Directors.

There are currently five (5) annual performance criteria used to determine the PSU level reached. They are based on the Corporation's return on shareholders' equity ("ROE") compared to three (3) preset target levels and on its adjusted earnings per share growth ("EPSG") compared to a Reference Group comprised of its two (2) main competitors, namely: Loblaw Companies Limited and Empire Company Limited. This year, the PSU objectives are measured according to the following five (5) criteria:

- ROE higher than 14.5%;
- ROE higher than 15%;
- ROE higher than 15.5%;
- EPSG higher than Loblaw Companies Limited's EPSG; and
- EPSG higher than Empire Company Limited's EPSG.

The ROE and the EPSG are determined in accordance with generally accepted accounting principles ("GAAP"). Before 2009, the PSU level reached was determined at the end of each financial year. Beginning with the 2009 grant, the PSU level reached is determined three (3) years after PSUs are granted based on the same five (5) performance criteria per year (i.e. on a total of 15 performance criteria for the three (3) years of their term), calculated as follows at the end of the third year: i) Level 2 = achievement of at least

seven (7) of the 15 performance criteria; and ii) Level 3 = achievement of at least 12 of the 15 performance criteria. If Level 2 is not reached, the holder will be entitled to the number of PSUs for Level 1.

PENSION PLANS The Corporation's pension plans are designed to offer executives a reasonable pension and compensate them for their years of service.

The NEOs' pension benefits are provided under a basic plan and a supplemental plan, both of the non-contributory defined benefit type. The two (2) 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 being defined as the annual average base salary received by the participant during the 36 consecutive months that were most highly compensated. The pension benefits are paid in addition to government pension plans, and the normal form of pension is a lifetime pension with a guarantee of 120 monthly payments. NEOs may elect early retirement from age 55, subject to a reduction of 0.5% for each month between the date of retirement and age 60. Plan participants who enrolled prior to September 1, 1991, benefit from indexation of the basic pension plan (in accordance with the Consumer Price Index, between a minimum of 0% and a maximum of 4.5%) from January 1, immediately following the later of the pension start date or the attainment of age 60. Out of all the NEOs, Robert Sawyer is the only one who is entitled to this benefit.

The following table illustrates, as an example, the annual benefits payable at the normal age of retirement (age 65) under both plans combined, according to the final average salary and years of credited service under these plans.

	Years of credited service						
Final average salary ($)	**5**	**10**	**15**	**20**	**25**	**30**	**35**
300,000	30,000	60,000	90,000	120,000	150,000	180,000	210,000
400,000	40,000	80,000	120,000	160,000	200,000	240,000	280,000
500,000	50,000	100,000	150,000	200,000	250,000	300,000	350,000
600,000	60,000	120,000	180,000	240,000	300,000	360,000	420,000
700,000	70,000	140,000	210,000	280,000	350,000	420,000	490,000
800,000	80,000	160,000	240,000	320,000	400,000	480,000	560,000
900,000	90,000	180,000	270,000	360,000	450,000	540,000	630,000
1,000,000	100,000	200,000	300,000	400,000	500,000	600,000	700,000

BENEFITS AND PERQUISITES The NEOs are also entitled to benefits comparable to what is offered to officers of a similar level including health care and dental coverage, short and long-term disability and life insurance. The costs of these benefits are shared by the Corporation and the participant. NEOs are provided with a Corporation automobile at the Corporation's costs.

EMPLOYMENT CONTRACT The President and Chief Executive Officer, Mr. Eric R. La Flèche, is the only person who has an employment contract with the Corporation. That contract, which came into effect on April 15, 2008, has an indefinite term, and sets out the parameters of his compensation as President and Chief Executive Officer.

Mr. La Flèche's base salary is adjusted annually by the Board of Directors upon the recommendation of the Corporation's Human Resources Committee in the same manner, and according to the same criterias as those used for the other NEOs. The annual incentive plan for Mr. La Flèche is made up of a maximum cash bonus of up to 120% of his base salary. The President and Chief Executive Officer also benefits from a greater participation in the Corporation's Stock Option Plan and Performance Share Unit Plan. Pursuant to Mr. La Flèche's employment contract, and subject to any required authorizations, the Corporation agreed to grant him, for the first contract year (2008), an option to purchase 200,000 Class A Subordinate Shares and, for each of the following four (4) years, an option to purchase 75,000 Class A Subordinate Shares. The Corporation also agreed to grant Mr. La Flèche, for each of the first five (5) years of his employment contract, PSUs having a value on the grant date ranging from 60% to 100% of his annual base salary, depending on the extent to which the objectives set under the Performance Share Unit Plan, which are identical to those of the other NEOs, have been met. The performance criterias for the PSUs granted to Mr. La Flèche are the same as those described in "Long-Term Incentive Plan" section on page 33 of this Circular. The conditions of exercise of Mr. La Flèche's options and PSUs are substantially similar to those of options and PSUs granted pursuant to the Plans. For the other specific conditions applicable to Mr. La Flèche, please refer to the "Termination and change of control benefits" section on page 44 of this Circular.

MINIMUM HOLDING OF SHARES AND PSUs BY NEOs The 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 with a value equal to at least three (3) times his annual base salary. The Executive Vice-President and Chief Operating Officer is required to hold shares and PSUs with a value equal to at least twice his annual base salary. The other NEOs are required to hold shares and PSUs with a value equal to at least one and one-half times their annual base salary and the other executives are required to hold shares and PSUs with a value equal to at least one time their annual base salary. The minimum holding requirement must be held within five (5)

years following the date on which each of them may exercise options under the Stock Option Plan for the first time or within three (3) years of the appointment of the NEO if he previously held a management position with the Corporation. Any PSU holder must keep a percentage of the shares he receives on the vesting date if he has not yet met the minimum holding requirement. The President and Chief Executive Officer is required to continuously hold shares and PSUs in accordance with the minimum holding requirement for one year following retirement or resignation. The other NEOs are required to maintain their minimum holding requirement for six (6) months following retirement or resignation.

The following table indicates for each NEO the value of the shares and PSUs held as well as 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 held by each NEO; and ii) half of the PSUs granted but not yet vested according to the level corresponding to the objectives achieved when such determination is made.

Name	Minimum holding requirement	Value of securities held at the end of the year[(1)] ($)	Complicance with requirement at the end of the financial year
Eric R. La Flèche	3 x base salary	3,895,873	Yes
Richard Dufresne	1.5 x base salary	710,459	Yes
Robert Sawyer	2 x base salary	1,839,396	Yes
Johanne Choinière	1.5 x base salary	855,992	Yes
Christian Bourbonnière	1.5 x base salary	748,803	Yes

(1) Value calculated using the closing price on September 23, 2011: $44.69.

COMPENSATION DECISIONS FOR THE 2011 FINANCIAL YEAR

HIGHLIGHTS OF THE 2011 FINANCIAL YEAR In this difficult context characterized by the deflation in food prices during the first semester, the decrease of drug prices following the adoption of new legislation in Quebec and Ontario and a constant competitive market, the Corporation was able to reach most of its objectives during the 2011 financial year. Sales increased by 0.8% in comparison to 2010, reaching $11,43 billion, whereas adjusted net earnings reached $400,6 million, a 4.8% increase over the previous year, or $3.87 per share, representing a 8.7% increase over the previous year.

BASE SALARY FOR THE 2011 FINANCIAL YEAR The base salary of each of the NEOs was determined according to the factors referred to in the “Base Salary” section on page 32 of this Circular. The Human Resources Committee is satisfied that the base salary is appropriate.

ANNUAL INCENTIVE PLAN FOR THE 2011 FINANCIAL YEAR The Corporation achieved record adjusted net earnings that exceeded the budget, and it met most of its other objectives, resulting, for the majority of the NEOs, in AIP payments at above-target levels but under the maximum bonuses payable under the AIP. The following table shows the target bonus, maximum bonus and bonus earned for each NEO.

Name	Target bonus as a % of salary	Maximum bonus as a % of salary	Bonus earned as a % of salary	Bonus earned in $[(1)]
Eric R. La Flèche	90%	120%	96%	744,000
Richard Dufresne	50%	75%	61%	254,188
Robert Sawyer	75%	100%	80%	400,000
Johanne Choinière	50%	75%	38%	146,250
Christian Bourbonnière	50%	75%	64%	213,563

(1) The bonus is calculated based on the base salary in effect on January 1, 2011.

LONG-TERM INCENTIVE PLAN FOR THE 2011 FINANCIAL YEAR The stock options and PSUs granted during the 2011 financial year were determined according to the factors described in the "Long-Term Incentive Plan" section on page 33 of this Circular. The following table shows, for each NEO, the percentage of the maximum of the salary range which was used to determine the number of PSUs granted per level for the 2011 financial year as well as their number and value.

2011 PSU grants

	Level 1			Level 2			Level 3		
Name	**% of maximum of salary scale[1]**	**Number of PSUs[1]**	**Value[2] ($)**	**% of maximum of salary scale[1]**	**Number of PSUs[1]**	**Value[2] ($)**	**% of maximum of salary scale[1]**	**Number of PSUs[1]**	**Value[2] ($)**
Eric R. La Flèche	60%	10,844	464,991	80%	14,459	620,002	100%	18,074	775,013
Richard Dufresne	30%	2,903	124,481	45%	4,355	186,742	60%	5,807	249,004
Robert Sawyer	40%	4,664	199,992	60%	6,996	299,988	80%	9,328	399,985
Johanne Choinière	30%	2,729	117,020	45%	4,093	175,508	60%	5,457	233,996
Christian Bourbonnière	30%	2,449	105,013	45%	3,673	157,498	60%	4,897	209,983

(1) The number of PSUs is calculated based on a percentage of the highest of the actual salary or the maximum for the salary range to which the NEO belongs except for the President and Chief Executive Officer, for whom the percentages are set out in his employment contract and are based on his salary. The number of PSUs indicated per level is not cumulative.
(2) Value calculated using the closing price of the stock on the day preceding the grant date ($42.88).

It should be noted that the five (5) performance criteria have been met for the year 2011 taking into account net adjusted earnings.

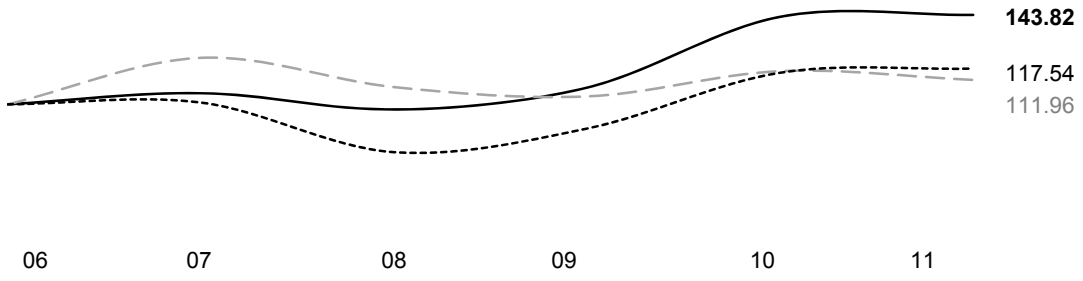
The following table provides details about the stock options granted to each NEO for the 2011 financial year.

2011 Stock Option grants

Name	**Award date**	**Underlying securities**	**Expiry date**	**Options value($)[3]**
Eric R. La Flèche	04-22-2011	75,000[1]	04-21-2018	$1,060,650
Richard Dufresne	04-22-2011	11,000[2]	04-21-2018	$155,562
Robert Sawyer	04-22-2011	18,600[2]	04-21-2018	$263,041
Johanne Choinière	04-22-2011	10,300[2]	04-21-2018	$145,663
Christian Bourbonnière	04-22-2011	9,300[2]	04-21-2018	$131,521

(1) This grant is provided for in Mr. La Flèche's employment contract. For further details, see the "Employment Contract" section on page 34 of this Circular.
(2) This is the annual grant under the Stock Option Plan. The number of underlying securities is calculated based on a percentage of the highest of the actual salary or the maximum for the salary range to which the NEO belongs.
(3) Value obtained by multiplying the number of underlying securities by the 30% historical factor and by the closing price on the day preceding the grant ($47.14).

STOCK PERFORMANCE GRAPH The following graph illustrates the cumulative total shareholder return on $100 invested in Class A Subordinate Shares of the Corporation as compared with an investment in the S&P/TSX Composite Index and in the S&P/TSX Food Retail Index for the period from September 29, 2006, to September 24, 2011.



— **Metro Inc.** ----- **S&P/TSX Food Retail Index** ----- **S&P/TSX Composite Index**

	2006	2007	2008	2009	2010	2011
METRO INC.	100.00	105.46	97.44	108.18	142.90	143.82
S&P/TSX Food Retail Index	100.00	100.86	76.49	88.08	115.50	117.54
S&P/TSX Composite Index	100.00	122.81	108.46	103.88	116.26	111.96

Over the past five (5) financial years and in accordance with the Corporation's compensation policies, the long-term NEO compensation has been largely dependent on the price of the Corporation's stock as it was made up entirely of stock options and PSUs. As a result, the trend observed regarding the total cumulative performance of the Corporation's shares is generally similar to the trend for changes in total NEO compensation during such period. Nevertheless, in 2010, the total NEO compensation decreased by 7% from the previous year while the total performance of the Corporation's shares during that period was at approximately 32%. This situation is due in particular to the fact that in 2009, the value of the pension plan for Messrs. La Flèche and Bourbonnière was exceptionally high as their salary had risen more significantly given their promotion to more senior positions in 2008. In 2011, the share price remained quite stable compared to 2010. The total NEO compensation, for its part, rose slightly (2%) compared to 2010. However, the value of long-term NEO compensation remained quite stable compared to 2010. We are of the opinion that it is difficult to otherwise compare the performance of the Corporation with the NEO compensation on a five (5) year period as, during this period, new NEOs were appointed to various positions including to the position of President and Chief Executive Officer.

Aggregate compensation paid to the NEOs during the 2011 financial year represented 1.87% of adjusted net earnings and 0.17% of market capitalization.

During the 2011 financial year, the Human Resources Committee, with the help of PCI, reviewed all the compensation for the NEOs, and came to the conclusion that it was appropriate, competitive and is aligned with the Corporation's performance.

COMPENSATION FOR THE 2011 FINANCIAL YEAR

SUMMARY COMPENSATION TABLE The following table sets forth the compensation of the NEOs for the financial years ended September 24, 2011, September 25, 2010 and September 26, 2009.

Name and Principal Position	Financial year	Salary ($)	Share-based awards[1] ($)	Option-based awards[2] ($)	Non-equity incentive plan compensation /Annual incentive plans ($)	Pension Value[3]($)	All other compen-sation[4] ($)	Total compen-sation ($)
Eric R. La Flèche								
President and Chief Executive Officer	2011	767,789	464,991	1,060,650	744,000	168,000	3,395	3,208,825
	2010	735,577	449,992	994,275	697,500	223,000	3,300	3,103,644
	2009	700,000	420,000	843,750	840,000	611,000	3,354	3,418,104
Richard Dufresne								
Senior Vice-President, Chief Financial Officer and Treasurer	2011	410,673	124,481	155,562	254,188	82,000	1,896	1,028,800
	2010	394,231	120,019	149,804	228,000	70,000	1,805	963,859
	2009	375,962	105,000	232,425	277,400	58,000	1,843	1,050,630
Robert Sawyer								
Executive Vice-President and Chief Operating Officer	2011	492,789	199,992	263,041	400,000	184,000	2,260	1,542,082
	2010	475,000	190,004	249,232	356,520	280,000	2,157	1,552,913
	2009	438,462	172,800	450,000	432,800	137,000	1,949	1,633,011
Johanne Choinière								
Senior Vice-President, Ontario Division	2011	387,116	117,020	145,663	146,250	74,000	1,697	871,746
	2010	374,231	113,994	141,850	142,500	141,000	1,625	915,200
	2009	336,741	60,800	131,625	245,600	96,000	1,444	872,210
Christian Bourbonnière								
Senior Vice-President, Quebec Division	2011	330,673	105,013	131,521	213,563	93,000	1,542	875,312
	2010	314,231	105,017	131,244	180,000	89,000	1,455	820,947
	2009	300,038	70,900	131,625	225,000	250,000	1,453	979,016

[1] The table was prepared using the Level 1 PSUs because it is the only level reached as at the date of this Circular. Level 2 and Level 3 have currently not been reached since they are conditional upon the future achievement of underlying objectives. The number of PSUs may increase if certain financial objectives are reached (see the table in the "2011 PSU Grants" section on page 36 of this Circular). This amount does not constitute a cash amount received by the NEO. It is an at-risk value. See the "Long-Term Incentive Plan", "Employment Contract" and "Long-Term Incentive Plan for the 2011 Financial Year" sections on pages 33, 34 and 36 of this Circular for a description of the grant and evaluation conditions. The accounting value of the PSUs (granted during the 2011, 2010 and 2009 financial years) reflected in the consolidated financial statements of the Corporation for the financial years ended September 24, 2011, September 25, 2010, and September 26, 2009 is different from the value on the grant date indicated in the table above. The difference can be explained by the fact that in the financial statements, the Corporation considers the maximum number of PSUs provided for at Level 3, since the applicable accounting principles require it for preparing the financial statements. More information on the determination of the accounting value of the PSUs can be found in note 16 of the 2011 consolidated financial statements. The accounting value of the PSUs (granted during the 2011, 2010 and 2009 financial years) reflected in the financial statements as well as the difference between the value on the grant date and the accounting value are the following:

	Accounting Value ($)			Difference between the Value on the Grant Date and the Accounting Value ($)		
	2011	2010	2009	2011	2010	2009
Eric R. La Flèche	*775,013*	*750,000*	*700,000*	*(310,022)*	*(300,008)*	*(280,000)*
Richard Dufresne	*249,004*	*239,999*	*183,800*	*(124,523)*	*(119,980)*	*(78,800)*
Robert Sawyer	*399,985*	*380,008*	*389,000*	*(199,993)*	*(190,004)*	*(216,200)*
Johanne Choinière	*233,996*	*227,989*	*91,100*	*(116,976)*	*(113,995)*	*(30,300)*
Christian Bourbonnière	*209,983*	*209,994*	*124,100*	*(104,970)*	*(104,977)*	*(53,200)*

[2] The compensation value indicated in this component represents an estimated value calculated according to an historical factor of 30%. It does not constitute a cash amount received by the NEO. It is an at-risk value that could even be worth nothing in certain instances. See the "Long-Term Incentive Plan", "Employment Contract" and "Long-Term Incentive Plan for the 2011 Financial year" sections on pages 33, 34 and 36 of this Circular for a description of the grant and evaluation conditions. The accounting value of the stock options (granted during the 2011, 2010 and 2009 financial years) reflected in the consolidated financial statements of the Corporation for the financial years ended September 24, 2011, September 25, 2010, and September 26, 2009, is different from the value on the grant date indicated in the table above. The Corporation uses the Black-Scholes model to determine the accounting value shown in the financial statements and uses an historical factor to determine the value on the grant date indicated in the table above. There is a difference between these values because in the financial statements, the Corporation calculates the accounting value for each grant as opposed to using an historical factor to calculate the value on the grant date. More information on the determination of the accounting value of the stock options can be found in note 16 of the 2011 consolidated financial statements. The accounting value of the stock options (granted during the 2011, 2010 and 2009 financial years) as well as the difference between the accounting value and the value on the grant date is the following:

	Accounting Value ($)			Difference between the Value on the Grant Date and the Accounting Value ($)		
	2011	2010	2009	2011	2010	2009
Eric R. La Flèche	*721,500*	*797,250*	*591,750*	*339,150*	*197,025*	*252,000*
Richard Dufresne	*105,820*	*120,119*	*168,100*	*49,742*	*29,685*	*64,325*
Robert Sawyer	*178,932*	*199,844*	*315,600*	*84,109*	*49,388*	*134,400*
Johanne Choinière	*99,086*	*113,741*	*92,300*	*46,577*	*28,109*	*39,325*
Christian Bourbonnière	*89,466*	*105,237*	*92,300*	*42,055*	*26,007*	*39,325*

[3] The variations attributable to compensation components represent the value of the projected pension benefits earned during the period from October 1, 2010, to September 30, 2011, for the 2011 financial year, and from October 1, 2009, to September 30, 2010, for the 2010 financial year, and from October 1, 2008, to September 30, 2009, for the 2009 financial year, taking into account any gain or loss relating to salary variation. The amounts indicated are consistent with the information presented in note 19 of the 2011 consolidated financial statements. The value of the pension plan for Messrs. La Flèche and Bourbonnière was exceptionally higher during the 2009 financial year, as their salary increased more significantly during that financial year given their promotion to more senior positions in 2008.

[4] The amounts represent life insurance premiums paid by the Corporation for the NEOs. The value of perquisites for any of the NEOs does not exceed $50,000 or 10% of the total annual base salary for each NEO.

INCENTIVE PLAN AWARDS

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS The following table shows, with respect to each NEO, as at September 24, 2011, the option-based awards which have not been exercised and the share-based awards (under the Performance Share Unit Plan) which have not yet vested.

	Option-based awards							Share-based awards		
	Number of securities underlying unexercised options				Value of unexercised in-the-money options at financial year-end[1] ($)					
Name	Vested	Not vested	Option exercise price ($)	Option expiration date	Vested	Not Vested	Total	Number of shares or share units that have not vested[2]	Market or payout value of Share-based awards that have not vested[3] ($)	Vesting date
Eric R. La Flèche	26,400	—	27.25	April 12, 2012	460,416	—	460,416	18,229	814,654	Jan. 30, 2012
	13,120	3,280	30.16	April 10, 2013	190,634	47,658	238,292	15,038	672,048	Jan. 28, 2013
	7,860	5,240	37.77	April 19, 2014	54,391	36,261	90,652	10,844	484,618	Jan. 27, 2014
	80,000	120,000	24.73	April 17, 2015	1,596,800	2,395,200	3,992,000	—	—	—
	15,000	60,000	37.50	April 26, 2016	107,850	431,400	539,250	—	—	—
	—	75,000	44.19	April 22, 2017	—	37,500	37,500	—	—	—
	—	75,000	47.14	April 21, 2018	—	—	—	—	—	—
	142,380	**338,520**	—	—	**2,410,091**	**2,948,019**	**5,358,110**	**44,111**	**1,971,320**	—
Richard Dufresne	—	3,000	30.02	Jan. 31, 2013	—	44,010	44,010	4,785	213,842	Jan. 30, 2012
	—	2,900	30.16	April 10, 2013	—	42,137	42,137	4,511	201,597	Jan. 28, 2013
	6,960	4,640	37.77	April 19, 2014	48,163	32,109	80,272	2,903	129,735	Jan. 27, 2014
	—	10,620	24.73	April 17, 2015	—	211,975	211,975	—	—	—
	2,000	8,000	33.60	Nov. 20, 2015	22,180	88,720	110,900	—	—	—
	2,340	9,360	37.50	April 26, 2016	16,825	67,298	84,123	—	—	—
	—	11,300	44.19	April 22, 2017	—	5,650	5,650	—	—	—
	—	11,000	47.14	April 21, 2018	—	—	—	—	—	—
	11,300	**60,820**	—	—	**87,168**	**491,899**	**579,067**	**12,199**	**545,174**	—
Robert Sawyer	3,300	—	27.25	April 12, 2012	57,552	—	57,552	4,785	213,842	Jan. 30, 2012
	7,680	1,920	30.16	April 10, 2013	111,590	27,898	139,488	5,340	238,645	Jan. 30, 2012
	6,960	4,640	37.77	April 19, 2014	48,163	32,109	80,272	7,143	319,221	Jan. 28, 2013
	20,000	30,000	28.06	Dec. 10, 2014	332,600	498,900	831,500	4,664	208,434	Jan. 27, 2014
	7,080	10,620	24.73	April 17, 2015	141,317	211,975	353,292	—	—	—
	8,000	32,000	37.50	April 26, 2016	57,520	230,080	287,600	—	—	—
	—	18,800	44.19	April 22, 2017	—	9,400	9,400	—	—	—
	—	18,600	47.14	April 21, 2018	—	—	—	—	—	—
	53,020	**116,580**	—	—	**748,742**	**1,010,362**	**1,759,104**	**21,932**	**980,142**	—
Johanne Choinière	10,700	—	23.34	Dec. 13, 2011	228,445	—	228,445	2,373	106,049	Jan. 30, 2012
	36,300	—	27.25	April 12, 2012	633,072	—	633,072	4,286	191,541	Jan. 28, 2013
	6,000	1,500	30.16	April 10, 2013	87,180	21,795	108,975	2,729	121,959	Jan. 27, 2014
	3,960	2,640	37.77	April 19, 2014	27,403	18,269	45,672	—	—	—
	4,000	6,000	24.73	April 17, 2015	79,840	119,760	199,600	—	—	—
	10,000	15,000	29.63	Sept. 22, 2015	150,600	225,900	376,500	—	—	—
	2,340	9,360	37.50	April 26, 2016	16,825	67,298	84,123	—	—	—
	—	10,700	44.19	April 22, 2017	—	5,350	5,350	—	—	—
	—	10,300	47.14	April 21, 2018	—	—	—	—	—	—
	73,300	**55,500**	**—**	**—**	**1,223,365**	**458,372**	**1,681,737**	**9,388**	**419,549**	**—**
Christian Bourbonnière	6,400	—	27.25	April 12, 2012	111,616	—	111,616	3,231	144,393	Jan. 30, 2012
	2,880	720	30.16	April 10, 2013	41,846	10,462	52,308	3,947	176,391	Jan. 28, 2013
	1,740	1,160	37.77	April 19, 2014	12,041	8,027	20,068	2,449	109,446	Jan. 27, 2014
	1,760	2,640	24.73	April 17, 2015	35,130	52,694	87,824	—	—	—
	10,000	15,000	29.63	Sept. 22, 2015	150,600	225,900	376,500	—	—	—
	2,340	9,360	37.50	April 26, 2016	16,825	67,298	84,123	—	—	—
	—	9,900	44.19	April 22, 2017	—	4,950	4,950	—	—	—
	—	9,300	47.14	April 21, 2018	—	—	—	—	—	—
	25,120	**48,080**	—	—	**368,057**	**369,332**	**737,389**	**9,627**	**430,230**	—

(1) Based on the closing price on September 23, 2011 ($44.69) and the option exercise price.

(2) Number of PSUs which the NEOs may obtain based on the financial return objectives reached as of the end of the 2011 financial year.

(3) Value determined using the number of PSUs which the NEOs could obtain based on the financial return objectives reached as of the end of the 2011 financial year, and based on the closing price on September 23, 2011 ($44.69). See the "Long-Term Incentive Plan" and "Employment Contract" sections on pages 33 and 34 of this Circular.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE FINANCIAL YEAR The following table shows with respect to each NEO for the financial year ended September 24, 2011, the value of the stock options which vested but were not necessarily exercised, and the PSUs which vested during the year as well as the value of the compensation under the AIP earned during that financial year.

Name	Option-based awards – Value vested during the financial year[1] ($)	Share-based awards – Value vested during the financial year[2] ($)	Non-equity incentive plan compensation – Value earned during the financial year[3] ($)
Eric R. La Flèche	1,325,488	717,000	744,000
Richard Dufresne	229,575	286,834	254,188
Robert Sawyer	430,361	286,834	400,000
Johanne Choinière	352,907	138,314	146,250
Christian Bourbonnière	151,610	61,458	213,563

(1) This amount represents the amount which would have been earned in 2011 if the stock options which vested during the 2011 financial year had been exercised on their vesting date. For further details, see the table entitled "Stock Options - Value on vesting date" on page 41 of this Circular.
(2) This amount represents the value of the PSUs granted in 2008 which vested in 2011, based on the closing price the day preceding their vesting date, namely January 31, 2011 ($43.25) and April 15, 2011 ($46.23). For further details, see the table entitled "PSUs granted in 2008 and paid in February and April 2011" below.
(3) This amount represents the amount earned in 2011 under the AIP.

See the "Long-Term Incentive Plan" and "Employment Contract" sections on pages 33 and 34 of this Circular for a description of the conditions for granting stock options and PSUs. The values shown in the option-based and share-based awards columns of the above table were calculated using the information found in the next two tables.

PSUs granted in 2008 and paid in February and April 2011

Name	Nomber of PSUs	Value[1] ($)
Eric R. La Flèche	8,526	368,750
	7,533	348,250[2]
Richard Dufresne	6,632	286,834
Robert Sawyer	6,632	286,834
Johanne Choinière	3,198	138,314
Christian Bourbonnière	1,421	61,458

(1) Based on the closing price the day preceding the vesting date: January 31, 2011 ($43.25).
(2) Based on the closing price the day preceding the vesting date: April 15, 2011 ($46.23).

Stock options - Value on vesting date

Name	Grant Date	Number of options vested during the financial year	Share price ($)[1]	Exercise price ($)
Eric R. La Flèche	Dec. 14, 2004	7,400	45.30	23.34
	April 13, 2005	5,280	45.85	27.25
	April 11, 2006	3,280	46.03	30.16
	April 20, 2007	2,620	46.71	37.77
	April 18, 2008	40,000	46.23	24.73
	April 27, 2009	15,000	46.12	37.50
Richard Dufresne	Feb. 1, 2006	3,000	43.25	30.02
	April 11, 2006	2,900	46.03	30.16
	April 20, 2007	2,320	46.71	37.77
	April 18, 2008	3,540	46.23	24.73
	Nov. 21, 2008	2,000	47.02	33.60
	April 27, 2009	2,340	46.12	37.50
Robert Sawyer	April 13, 2005	3,300	45.85	27.25
	April 11, 2006	1,920	46.03	30.16
	April 20, 2007	2,320	46.71	37.77
	Dec. 11, 2007	10,000	45.33	28.06
	April 18, 2008	3,540	46.23	24.73
	April 27, 2009	8,000	46.12	37.50
Johanne Choinière	Dec. 14, 2004	2,140	45.30	23.34
	April 13, 2005	7,260	45.85	27.25
	April 11, 2006	1,500	46.03	30.16
	April 20, 2007	1,320	46.71	37.77
	April 18, 2008	2,000	46.23	24.73
	Sept. 23, 2008	5,000	44.05	29.63
	April 27, 2009	2,340	46.12	37.50
Christian Bourbonnière	April 13, 2005	1,280	45.85	27.25
	April 11, 2006	720	46.03	30.16
	April 20, 2007	580	46.71	37.77
	April 18, 2008	880	46.23	24.73
	Sept. 23, 2008	5,000	44.05	29.63
	April 27, 2009	2,340	46.12	37.50

[1] *Closing price the day preceding the vesting date.*

OPTIONS EXERCISED DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR The following table sets forth information concerning the exercise of options by the NEOs during the financial year ended on September 24, 2011 and the aggregate value realized upon the exercise of these options.

Name	Number of Securities acquired on exercise	Aggregate Value Realized ($) [1]
Eric R. La Flèche	37,000	757,390
Richard Dufresne	30,680	459,630
Robert Sawyer	13,200	201,960
Johanne Choinière	4,700	121,354
Christian Bourbonnière	—	—

[1] Based on the difference between the closing price the day before the options were exercised and the exercise price of such options.

EQUITY COMPENSATION PLAN INFORMATION The following table summarizes for the financial year ended on September 24, 2011, the equity compensation plans pursuant to which equity securities of the Corporation may be issued.

Plan category	Number of securities to be issued upon exercise of options (a)	Weighted-average exercise price of options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,775,700	$35.38	1,754,852
Total	1,775,700	$35.38	1,754,852

STOCK OPTION PLAN ("OPTION PLAN") The Option Plan established for the executive officers, senior managers and key employees of the Corporation, or any of its subsidiaries, provides for the granting of non-transferable and non-assignable options to purchase a maximum of 10,000,000 Class A Subordinate Shares. The number of shares that can be issued, at any time, when options granted under the Option Plan or in accordance with any other compensation plan of the Corporation are exercised, may not exceed 10% of the number of outstanding shares of all classes of the Corporation. The Option Plan also provides that the number of shares that can be issued within a period of one year, when options are exercised under the Option Plan or in accordance with any other compensation plan of the Corporation, may not exceed 10% of the number of outstanding Class A Subordinate Shares and Class B Shares. No employee may hold options on more than 5% of the outstanding shares. The purchase price of each Class A Subordinate Share covered by an option granted pursuant to the Option Plan may under no circumstances be less than the market price of the shares on the day preceding the date of the grant and is payable in full when the option is exercised. The expression "market price" means the closing price of a round lot of shares traded on the Toronto Stock Exchange on the trading day immediately preceding the grant of the option. The Board of Directors determines the other conditions attached to any options granted, including the vesting date of any option. Generally, no option may be exercised after the expiry of the fifth year following the date on which such option may be first exercised, in whole or in part, or following a maximum of ten (10) years from the date of the grant.

At the exercise of options, an optionee may only subscribe for the shares in respect of which the option is being exercised.

The exercise period for options which ends during a trading prohibition period as determined in the Information Policy of the Corporation is extended by seven (7) business days following the expiry of such trading prohibition period.

Unless the Board decides otherwise, the options granted under the Option Plan expire on their expiry date or before if one of the following situations occurs:

- 30 days after the resignation of the optionee or on the date the Corporation terminates the optionee's employment without just and sufficient cause;
- on the date the Corporation or one of its subsidiaries terminates the optionee's employment for just cause;
- two (2) years after the date of retirement, authorized leave or death of the optionee, but in the latter case, only for options granted before April 11, 2006. Although options cannot continue to vest, the optionee or, as the case may be, his estate is allowed to exercise his options for a period of 364 days after that two-year period; and

- one year after the optionee's death, for options granted on or after April 11, 2006.

In the event of a change of control of the Corporation, all options granted under the Option Plan may be exercised at the discretion of the optionees.

The Option Plan provides that the following amendments to the Option Plan must be submitted for shareholder approval: i) any amendment to the number of securities issuable under the Option Plan (except for any amendment resulting from a split, a consolidation or any other similar operation); ii) any amendment which would allow non-employee directors to participate under the Option Plan on a discretionary basis; iii) any amendment which would permit any option granted under the Option Plan to be transferable or assignable other than by will or under succession laws (estate settlement); iv) the addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Option Plan reserve; v) 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; vi) 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 that option with a new option with a reduced exercise price, except for any amendment resulting from a split, a consolidation or any other similar operation; vii) any extension to the term of an option beyond the original expiry date (subject to the initial term being extended by seven (7) business days when an option exercise period ends during a trading prohibition period); viii) any amendment to the method of determining the purchase price (subscription price or exercise price) of each share covered by an option granted pursuant to the Option Plan; and ix) the addition of any form of financial assistance and any amendment to a financial assistance provision which is more favorable to employees.

The Board of Directors may, subject to the 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, *inter alia*: i) make any amendment of a "housekeeping" or clerical nature or to clarify the Option Plan's provisions; ii) make any amendment regarding any vesting period; iii) make any amendment to the provisions regarding the termination of an option or the Option Plan as long as it does not entail an extension beyond the original expiry date; iv) make any amendment resulting from a split, a consolidation, a reclassification, a share dividend declaration or any other amendment pertaining to the shares; v) discontinue the Option Plan; and vi) grant an option having an initial term exceeding five (5) years from the date it can be exercised for the first time as long as the term does not exceed 10 years from the date the option was granted.

On January 24, 2011, the Corporation's Board of Directors amended the Option Plan in order to provide for the immediate termination of the rights of an option holder upon the occurrence of one of the following events:

i) if, during the optionee's service with the Corporation, or with an affiliated entity, and the two-year period following termination of such optionee's service, the optionee participates in a business operating in the grocery or pharmacy industry in either the province of Ontario or the province of Quebec, in which case the optionee will be considered as competing with the Corporation; or

ii) if, whether during or after the optionee's service with the Corporation, or with an affiliated entity, the optionee no longer complies with the provisions of the Policy regarding Conflicts of Interest and Professional Ethics.

These amendments do not require the approval of the Corporation's Shareholders and have been approved by the TSX.

As at December 9, 2011, 1,649,780 Class A Subordinate Shares of the Corporation may be issued on account of stock option grants already made pursuant to the Option Plan representing 1.64% of the issued and outstanding share capital of the Corporation. On said date, 3,404,632 Class A Subordinate Shares are reserved for outstanding and new stock options representing 3.39% of the issued and outstanding share capital of the Corporation.

The aggregate number of Class A Subordinate Shares of the Corporation which may be issued on account of stock options granted during the 2011 financial year represents 0.3% of the issued and outstanding share capital of the Corporation as at the end of said financial year.

PERFORMANCE SHARE UNIT PLAN ("PSU PLAN") The Board of Directors approves the number of PSUs granted. The Human Resources Committee administers the plan and may make changes to it. The Human Resources Committee also establishes the performance objectives to be achieved, which are confirmed by the Board of Directors of the Corporation.

The vesting date of the PSUs is determined on the grant date and is not later than three (3) years thereafter. On the vesting date, each PSU entitles its holder to one Class A Subordinate Share of the Corporation or, at the discretion of the Corporation, to a cash

equivalent, or a combination of the two. The PSU Plan is not dilutive with respect to the issued and outstanding shares of the Corporation, in that PSUs are settled in Class A Subordinate Shares of the Corporation purchased on the secondary market and/or in cash. Furthermore, PSUs are not transferable or assignable.

Unless the Human Resources Committee decides otherwise, the PSUs granted expire upon the termination of employment of their holder for any reason other than death or retirement.

If the holder of PSUs retires before the vesting date, he is entitled, on such vesting date, to a number of PSUs equal to the proportion represented by the number of days between the grant date and his retirement date out of the total number of days between the grant date and the vesting date of the PSUs.

If the holder dies prior to the vesting date, the Corporation will pay his estate, within 60 days of his death, a number of PSUs calculated in the same manner as if the holder had retired, without taking into account the performance objectives. In the event of a change of control of the Corporation, all PSUs will vest and will have to be paid within 120 days of the change of control, and the Human Resources Committee will have to determine whether the performance objectives would have been achieved as of the vesting date and in which manner.

On January 24, 2011, the Corporation's Board of Directors amended the PSU Plan in order to provide for the immediate termination of the rights of a PSU Holder upon the occurrence of one of the following events:

i) If, during the PSU Holder's service with the Corporation, or with an affiliated entity, and the two-year period following 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 Ontario or the province of Quebec, in which case the PSU Holder will be considered as competing with the Corporation; or

ii) If, whether during or after the PSU Holder's service with the Corporation, or with an affiliated entity, the PSU Holder no longer complies with the provisions of the Policy regarding Conflicts of Interest and Professional Ethics.

PENSION PLAN BENEFITS

DEFINED BENEFIT PLANS TABLE The following table illustrates the annual benefits payable at the normal age of retirement (age 65) under both plans combined, according to the final average salary and years of credited service under these plans.

		Annual benefits payable ($)					
Name	**Number of years of credited service[1]**	**At year-end**	**At age 65**	**Accrued value at start of year ($)**	**Compensatory change ($)[4]**	**Non-Compensatory change ($)[5]**	**Accrued obligation at year-end ($)**
Eric R. La Flèche	20.1[2]	277,200	532,900	2,888,000	168,000	320,000	3,376,000
Richard Dufresne	5.7	44,600	206,800	372,000	82,000	52,000	506,000
Robert Sawyer	31.8[3]	243,600	319,000	3,200,000	184,000	291,000	3,675,000
Johanne Choinière	11.8	85,700	233,300	865,000	74,000	109,000	1,048,000
Christian Bourbonnière	14	87,000	162,500	1,027,000	93,000	105,000	1,225,000

[1] As of September 30, 2011, Eric R. La Flèche, Richard Dufresne, Robert Sawyer, Johanne Choinière and Christian Bourbonnière had 20.7, 5.7, 31.9, 12.3 and 14.5 years of service with the Corporation respectively. 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 credited.

[2] Including 1.3 years under the management and professional plan.

[3] Including 23.7 years under the supplemental plan.

[4] The variations attributable to compensatory elements represent the value of the projected retirement benefits earned during the period from October 1, 2010, to September 30, 2011, taking into account any gain or loss related to salary variation. The amounts indicated are consistent with the information presented in note 19 to the 2011 consolidated financial statements.

[5] The variations attributable to non-compensatory elements include interests earned on bonds at the beginning of the financial year, other gains earned and losses suffered, as well as changes to actuarial assumptions.

There is no defined contribution pension plan.

TERMINATION AND CHANGE OF CONTROL BENEFITS Mr. La Flèche is the only NEO who has an employment contract providing for payments or specific benefits in the event of a change of control or termination of employment.

Under his employment contract with the Corporation, Mr. La Flèche will be entitled to a termination allowance equal to twice his annual compensation (salary and AIP) if the Corporation terminates or is deemed to have terminated his employment for any reason other than his death or just cause. The compensation which would have been payable to Mr. La Flèche if the Corporation had terminated his employment on September 24, 2011, would have been $3,023,578. If the Corporation terminates or substantially modifies his employment duties within 24 months following a change of control of the Corporation, Mr. La Flèche will be entitled to a termination allowance equal to twice his annual compensation (salary and AIP). The compensation which would have been payable to Mr. La Flèche if the Corporation had terminated or substantially modified his employment duties as of September 24, 2011, would also have been $3,023,578.

Furthermore, under his employment contract, if Mr. La Flèche's employment is terminated without just cause, he will have 18 months following that event to exercise his stock options which have already vested. During that period, Mr. La Flèche may also continue to accumulate rights with respect to previously granted options, although this provision does not have the effect of extending the term of an option beyond its initial term.

If Mr. La Flèche's employment is terminated without just cause, the PSUs which have been granted to him will be dealt with under the PSU Plan as if he had retired. If Mr. La Flèche was deemed to have retired at the end of the 2011 financial year, the value of the PSUs which would have vested, based on the closing price on September 23, 2011 ($44.69), would have been $1,220,025. It should be noted that, in such a case, the said PSUs would only have been paid to him on the original vesting date, in accordance with the PSU plan.

In all other cases where Mr. La Flèche's employment is terminated or if his duties are substantially modified within 24 months of a change of control, the PSUs will be paid within 30 days thereof, and the performance objectives will have to be estimated by the Corporation.

The rules applicable to the stock options and PSUs of the other NEOs in the case of the termination of duties or change of control are described in the "Stock Option Plan" section found on page 42 of this Circular and in the "Performance Share Unit Plan" section found on page 43 of this Circular.

The following table sets forth the value of the stock options which would have vested earlier and which could have been exercised and the PSUs which would have vested earlier if a termination of employment or a change of control of the Corporation had taken place on September 24, 2011.

Name	Stock options ($)	PSUs ($)
Eric R. La Flèche	2,948,019	1,971,320
Richard Dufresne	491,899	545,174
Robert Sawyer	1,010,362	980,142
Johanne Choinière	458,372	419,549
Christian Bourbonnière	369,332	430,230

OTHER KEY COMPENSATION POLICIES OF THE CORPORATION

EXECUTIVE COMPENSATION CLAWBACK This year, the Board of Directors adopted an executive compensation clawback policy concerning future awards made under the Corporation's AIP and LTIP. Under this policy, which applies to all executives, the Board may, in its discretion, to the full extent permitted by applicable laws and to the extent it determines that it is in the Corporation's best interest to do so, require reimbursement of all or a portion of incentive compensation received by an executive. The Board of Directors may seek reimbursement of full or partial incentive compensation from an executive or former executive officer if:

i) the amount of incentive compensation was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of the Corporation's financial statements;

ii) the executive officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and

iii) the incentive compensation payment received would have been lower had the financial results been properly reported.

NO-HEDGING POLICY During the 2011 financial year, the Board of Directors adopted a policy prohibiting employees and directors of the Corporation from, directly or indirectly, short selling the Corporation's shares or stock options, or trading in put or call options.

CORPORATE GOVERNANCE

The Board of Directors believes that good corporate governance is essential and the Corporation imposes to its directors, officers and employees a rigorous code 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 out in Exhibit F to this Circular. Additional information on the Board of Directors and its committees is set out in the following sections.

DESCRIPTION OF BOARD COMMITTEES AND THEIR MANDATES The Board currently has four (4) standing committees.

The Executive Committee has the same powers as the Board of Directors, save for certain exceptions provided for in the legislation or the Corporation's By-Laws. It is composed of six (6) members: three (3) non-independent directors (including the Committee Chairman) and three (3) independent directors. Unless specifically instructed otherwise by the Board, the Executive Committee has decision-making authority. The Executive Committee did not meet during the 2011 financial year. The Corporation is proposing in its amendments to the By-Laws, that reference to this committee be removed.

The Human Resources Committee has the mandate to approve or, as the case may be, recommend to the Board corporate policies respecting the management of human resources, compensation and ethics. It makes recommendations to the Board regarding the appointment of the President and Chief Executive Officer and senior executives, and evaluates their performance. It also makes recommendations to the Board regarding the compensation of the President and Chief Executive Officer, all stock option and PSU grants and approves the compensation of senior officers. It examines and approves the relevant objectives of the Corporation pertaining to the compensation of the President and Chief Executive Officer. Each year, the Committee reviews the succession plans for the President and Chief Executive Officer, the senior officers and other executives. It also ensures the follow-up of the action plans and makes appropriate recommendations to the Board. The Committee ensures that the policies and procedures regarding ethical standards governing various transactions conducted by senior executives and managers in general are being applied. The Committee receives and examines the reports provided by management and the Corporation's pension committees regarding pension funds and, in turn, reports on a yearly basis to the Board of Directors on such matters. It reviews and approves executive information to be included in the annual disclosure documents prescribed by legal and regulatory authorities. In the performance of its mandate, the Committee may retain the services of, and compensate any outside advisor which it determines to be necessary. This Committee has five (5) members, all of whom are independent directors. The Committee met four (4) times during the 2011 financial year**.**

The mandate of the Audit Committee can be found in Exhibit G to this Circular. The composition of the Committee is described in the "Information on the Audit Committee" section on page 15 of this Circular. The Committee met five (5) times during the 2011 financial year.

The Corporate Governance and Nominating Committee's mandate is to develop and monitor the Corporation's approach with respect to corporate governance and to prepare the annual disclosure required in this regard. The Committee is responsible for evaluating the efficiency of the Board of Directors, its committees and individual directors. As part of its activities, each year the Committee examines the size and composition of the Board of Directors and makes the necessary recommendations to the Board in that regard. The Committee also examines and makes recommendations to the Board with respect to the compensation received by the directors. In so doing, the Committee considers the involvement of the directors, their responsibilities, the risks that they assume and best practices in Canada. The Committee also oversees the application of the rules of ethics to the directors. The Committee is responsible for developing and providing an orientation and education program for new directors as well as a continuing education program for all directors. The Committee receives and rules on requests from directors seeking to retain the services of outside advisors at the Corporation's expense. The Committee is also responsible for recommending nominees to the Board. In so doing, the Committee must look for nominees with the knowledge, experience, integrity and availability required to perform the duties of director, while ensuring that nominees also meet the selection criteria established from time to time by the Board. The Committee also takes into consideration the competencies and skills the Board, as a whole, should possess and the competencies and skills each existing director possesses. In the performance of its mandate, the Committee may retain the services of, and compensate any outside advisor which it deems necessary. The five (5) members of the Corporate Governance and Nominating Committee are all independent directors. The Committee met five (5) times during the 2011 financial year.

OTHER MATTERS

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 before the meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

SHAREHOLDER PROPOSALS FOR 2013 ANNUAL MEETING

Proposals for any matters that persons entitled to vote at the next annual shareholders' meeting wish to raise at the said meeting must be received by the Corporation by September 10, 2012, at the latest.

ADDITIONAL INFORMATION

Financial information about the Corporation can be found in the consolidated financial statements and Management's Discussion and Analysis for the most recent financial year of the Corporation (the "Annual Report"). This Circular as well as the Annual Information Form and the Annual Report are available on SEDAR (www.sedar.com) as well as on the Corporation's website (www.metro.ca) and the Corporation will promptly provide a copy of any such document free of charge to shareholders of the Corporation who send a request in writing to the following address: 11011, Maurice-Duplessis Blvd, Montréal, Quebec, H1C 1V6, to the attention of the Finance Department.

APPROVAL BY THE DIRECTORS

The content and sending of this Management Proxy Circular have been approved by the directors of the Corporation.

Simon Rivet
Secretary

Montréal, December 9, 2011

EXHIBIT A

SPECIAL RESOLUTION WITH RESPECT TO THE SHARE CAPITAL REORGANIZATION

BE IT RESOLVED, AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS OF METRO INC. (THE "CORPORATION"):

THAT each issued and outstanding Class B Share of the Corporation be converted into one Class A Subordinate Share, issued as fully paid, and THAT the holders of issued and outstanding Class B Shares of the Corporation be considered to have become holders of Class A Subordinate Shares, for all purposes, upon the conversion of the Class B Shares into Class A Subordinate Shares becoming effective, the whole in accordance with the terms and conditions set out herein;

THAT the Corporation be hereby authorized to amend its Articles in order that :

- the class of shares designated as Class B Shares which the Corporation was authorized to issue prior to the conversion hereby authorized, along with the rights, privileges, restrictions and conditions attached to the said shares, be cancelled;

- the class of shares designated as Second Preferred Shares of the Corporation (the "Second Preferred Shares"), having a par value of $100 each, none of which shares are currently issued and outstanding, along with the rights, privileges, restrictions and conditions attached to the said shares, be cancelled;

- any reference to the Class B Shares or the Second Preferred Shares be deleted, along with any reference to any right, privilege, restriction or condition attached to the Special Shares (Class A Subordinate Shares and Class B Shares) or the First Preferred Shares that resulted from the existence of the class of shares designated as Class B Shares or the class of shares designated as Second Preferred Shares which the Corporation was authorized to issue prior to the articles of amendment giving effect to this Special Resolution becoming effective, and along with any other provision that has become obsolete, including, without limitation, any restriction regarding the issuance, holding or transfer of the Class B Shares, any right or obligation of conversion into Class A Subordinate Shares or Class B Shares, and any mandatory redemption in the event of disqualification as a holder of Class B Shares;

- the Class A Subordinate Shares be redesignated as "Common Shares";

- the First Preferred Shares be redesignated as "Preferred Shares";

so that the authorized capital of the Corporation shall consist of an unlimited number of Common Shares, without par value, and an unlimited number of Preferred Shares, without par value, issuable in series;

THAT the Corporation be and is hereby authorized to make such conforming amendments to its Certificate and Articles, including, without limitation, as regards to the attributes of the Special Shares (Class A Subordinate Shares and Class B Shares) and the First Preferred Shares, and to such other corporate documents including, without limitation, the By-Laws, the Stock Option Plan, the Normal Course Issuer Bid and the Performance Share Units Plan, as may be required to give effect to this Special Resolution;

THAT any director or officer of the Corporation be and is hereby authorized and instructed, for and on behalf of the Corporation, to sign and deliver or cause to be signed and to be delivered articles of amendment pursuant to the *Business Corporations Act* (Quebec), and to sign and deliver, or cause to be signed and delivered, all documents, and to do all acts and things, as such director or officer may determine necessary or advisable to give effect to this Special Resolution, the signing or filing of any such document or the doing of any such act or thing being conclusive evidence of such determination;

THAT the conversion of each issued and outstanding Class B Share of the Corporation into one Class A Subordinate Share shall be effective only as of 11:59 P.M. on the day preceding the effective date of the certificate of amendment issued by the enterprise registrar following the filing of the articles of amendment in accordance with the provisions of the *Business Corporations Act* (Quebec);

THAT notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are authorized and empowered, without further approval of the shareholders of the Corporation, to revoke this Special Resolution and not proceed with the amendment of the articles authorized by this Special Resolution, at any time prior to the issuance of a certificate of amendment giving effect to this Special Resolution.

EXHIBIT B

PROVISIONS RELATING TO THE RIGHT TO DEMAND REPURCHASE OF SHARES AT CHAPTER XIV OF THE *BUSINESS CORPORATIONS ACT* (QUEBEC)

CHAPTER XIV
RIGHT TO DEMAND REPURCHASE OF SHARES

DIVISION I
GENERAL PROVISIONS

§ 1. — *Conditions giving rise to right*

372. The adoption of any of the resolutions listed below confers on a shareholder the right to demand that the corporation repurchase all of the person's shares if the person exercised all the voting rights carried by those shares against the resolution:

(1) an ordinary resolution authorizing the corporation to carry out a squeeze-out transaction;
(2) a special resolution authorizing an amendment to the articles to add, change or remove a restriction on the corporation's business activity or on the transfer of the corporation's shares;
(3) a special resolution authorizing an alienation of corporation property if, as a result of the alienation, the corporation is unable to retain a significant part of its business activity;
(4) a special resolution authorizing the corporation to permit the alienation of property of its subsidiary;
(5) a special resolution approving an amalgamation agreement;
(6) a special resolution authorizing the continuance of the corporation under the laws of a jurisdiction other than Québec; or
(7) a resolution by which consent to the dissolution of the corporation is withdrawn if, as a result of the alienation of property begun during the liquidation of the corporation, the corporation is unable to retain a significant part of its business activity.

The adoption of a resolution referred to in any of subparagraphs 3 to 7 of the first paragraph confers on a shareholder whose shares do not carry voting rights the right to demand that the corporation repurchase all of the person's shares.

373. The adoption of a special resolution described in section 191 confers on a shareholder holding shares of the class or series specified in that section the right to demand that the corporation repurchase all of the person's shares of that class or series. That right is subject to the shareholder having exercised all the person's available voting rights against the adoption and approval of the special resolution.

That right also exists if all the shares held by the shareholders are of the same class; in that case, the right is subject to the shareholder having exercised all of the person's available voting rights against the adoption of the special resolution.

373.1. Despite section 93, non fully paid shares also confer the right to demand a repurchase.

374. The right to demand a repurchase conferred by the adoption of a resolution is subject to the corporation carrying out the action approved by the resolution.

375. A notice of a shareholders meeting at which a special resolution that could confer the right to demand a repurchase may be adopted must mention that fact.

The action approved by the resolution is not invalidated solely because of the absence of such a mention in the notice of meeting.

Moreover, if the meeting is called to adopt a resolution described in section 191 or in any of subparagraphs 3 to 7 of the first paragraph of section 372, the corporation notifies the shareholders whose shares do not carry voting rights of the possible adoption of a resolution that could give rise to the right to demand a repurchase of shares.

§ 2. — *Conditions for exercise of right and terms of repurchase*

I. — *Prior notices*

376. Shareholders intending to exercise the right to demand the repurchase of their shares must so inform the corporation; otherwise, they are deemed to renounce their right, subject to Division II.

To inform the corporation of the intention to exercise the right to demand the repurchase of shares, a shareholder must send a notice to the corporation before the shareholders meeting or advise the chair of the meeting during the meeting. In the case of a shareholder described in the second paragraph of section 372 none of whose shares carry voting rights, the notice must be sent to the corporation not later than 48 hours before the shareholders meeting.

377. As soon as a corporation takes the action approved by a resolution giving rise to the right to demand a repurchase of shares, it must give notice to all shareholders who informed the corporation of their intention to exercise that right.

The repurchase notice must mention the repurchase price offered by the corporation for the shares held by each shareholder and explain how the price was determined.

If the corporation is unable to pay the full redemption price offered because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due, the repurchase notice must mention that fact and indicate the maximum amount of the price offered the corporation will legally be able to pay.

378. The repurchase price is the fair value of the shares as of the close of the offices of the corporation on the day before the resolution conferring the right to demand a repurchase is adopted.

When the action approved by the resolution is taken following a take-over bid with respect to all the shares of a class of shares issued by a corporation that is a reporting issuer and the bid is closed within 120 days before the resolution is adopted, the repurchase price may be determined to be the fair value of the shares on the day before the take-over bid closed if the offeror informed the shareholders, on making the take-over bid, that the action would be submitted to shareholder authorization or approval.

379. The repurchase price of all shares of the same class or series must be the same, regardless of the shareholder holding them.

However, in the case of a shareholder holding non-fully paid shares, the corporation must subtract the unpaid portion of the shares from the repurchase price offered or, if it cannot pay the full repurchase price offered, the maximum amount that it can legally pay for those shares.

The repurchase notice must mention the subtraction and show the amount that can be paid to the shareholder.

380. Within 30 days after receiving a repurchase notice, shareholders must confirm to the corporation that they wish to exercise their right to demand a repurchase. Otherwise, they are deemed to have renounced their right.

The confirmation may not be limited to only part of the repurchasable shares. It does not affect a shareholder's right to demand an increase in the repurchase price offered.

II. — *Payment of repurchase price*

381. A corporation must pay the offered repurchase price to all shareholders who confirmed their decision to exercise their right to demand the repurchase of their shares within 10 days after such confirmation.

However, a corporation that is unable to pay the full repurchase price offered because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due is only required to pay the maximum amount it may legally pay the shareholders. In that case, the shareholders remain creditors of the corporation for the unpaid balance of the repurchase price and are entitled to be paid as soon as the corporation is legally able to do so or, in the event of the liquidation of the corporation, are entitled to be collocated after the other creditors but by preference over the other shareholders.

III. — *Increase in repurchase price*

382. To contest a corporation's appraisal of the fair value of their shares, shareholders must notify the corporation within the time given to confirm their decision to exercise their right to demand a repurchase.

Such contestation is a confirmation of a shareholder's decision to exercise the right to demand a repurchase.

383. A corporation may increase the repurchase price offered within 30 days after receiving a notice of contestation.

The increase in the repurchase price of the shares of the same class or series must be the same, regardless the shareholder holding them.

384. If a corporation does not follow up on a shareholder's contestation within 30 days after receiving a notice of contestation, the shareholder may ask the court to determine the increase in the repurchase price. The same applies when a shareholder contests the increase in the repurchase price offered by the corporation.

The shareholder must, however, make the application within 90 days after receiving the repurchase notice.

385. As soon as an application is filed under section 384, it must be notified by the corporation to all the other shareholders who are still contesting the appraisal of the fair value of their shares or the increase in the repurchase price offered by the corporation.

386. All shareholders to whom the corporation notified the application are bound by the court judgment.

387. The court may entrust the appraisal of the fair value of the shares to an expert.

388. The corporation must, without delay, pay the increase in the repurchase price to all shareholders who did not contest the increase offered. It must pay the increase determined by the court to all shareholders who, under section 386, are bound by the court judgment, within 10 days after the judgment.

However, a corporation that is unable to pay the full increase in the repurchase price because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due is only required to pay the maximum amount it may legally pay the shareholders. In such a case, the shareholders remain creditors of the corporation for the unpaid balance of the repurchase price and are entitled to be paid as soon as the corporation is legally able to do so or, in the event of the liquidation of the corporation, are entitled to be collocated after the other creditors but by preference over the other shareholders.

DIVISION II
SPECIAL PROVISIONS FOLLOWING FAILURE TO NOTIFY SHAREHOLDERS

389. If shareholders were unable to inform the corporation of their intention to exercise the right to demand the repurchase of their shares within the period prescribed by section 376 because the corporation failed to notify them of the possible adoption of a resolution giving rise to that demand, they may demand the repurchase of their shares as though they had informed the corporation and had voted against the resolution.

Shareholders entitled to vote may not exercise the right to demand the repurchase of their shares if they voted in favour of the resolution or were present at the meeting but abstained from voting on the resolution.

A shareholder is presumed to have been notified of the proposed adoption of the resolution if notice of the shareholders meeting was sent to the address entered in the security register for that shareholder.

390. A shareholder must demand the repurchase of shares within 30 days after becoming aware that the action approved by the resolution conferring the right to demand a repurchase has been taken.

However, the repurchase demand may not be made later than 90 days after that action is taken.

391. As soon as the corporation receives a repurchase demand, it must notify the shareholder of the repurchase price it is offering for the shareholder's shares.

The repurchase price offered for the shares of a class or series must be the same as that offered to shareholders, if any, who exercised their right to demand a repurchase after informing the corporation of their intention to do so in accordance with Division I.

392. The corporation may not pay the repurchase price offered to the shareholder if such payment would make it unable to pay the maximum amount mentioned in the repurchase notice sent to the shareholders who informed the corporation, in accordance with section 376, of their intention to exercise their right to demand the repurchase of their shares.

If the corporation cannot pay to the shareholder the full amount offered to the shareholder, the directors are solidarily liable for payment to the shareholder of the sums needed to complete the payment of that amount. The directors are subrogated to the shareholder's rights against the corporation, up to the sums they have paid.

DIVISION III
SPECIAL PROVISIONS WITH RESPECT TO BENEFICIARY

393. A beneficiary who may give instructions to a shareholder as to the exercise of rights attaching to a share has the right to demand the repurchase of that share as though the beneficiary were a shareholder; however, the beneficiary may only exercise that right by giving instructions for that purpose to the shareholder.

The beneficiary's instructions must allow the shareholder to exercise the right in accordance with this chapter.

394. A shareholder is required to notify the beneficiary of the calling of any shareholders meeting at which a resolution that could give rise to the right to demand a repurchase may be adopted, specifying that the beneficiary may exercise that right as though the beneficiary were a shareholder.

The shareholder is presumed to have fulfilled that obligation if the beneficiary is notified in accordance with any applicable regulations under the Securities Act (chapter V-1.1).

395. A shareholder must inform the corporation of the identity of a beneficiary who intends to demand the repurchase of shares, and of the number of shares to be repurchased, within the period prescribed by section 376.

396. A shareholder who demands the repurchase of shares in accordance with the instructions of a beneficiary may demand the repurchase of part of the shares to which that right is attached.

397. The beneficiary's claim with respect to shares for which the full repurchase price could not be paid, as well as the other rights granted to a beneficiary under this chapter, may be exercised directly against the corporation.

Likewise, after the repurchase price has been fully paid, the rights granted to a beneficiary under this chapter regarding an increase in the repurchase price may be exercised directly against the corporation.

EXHIBIT C

SPECIAL RESOLUTION TO AMEND THE ARTICLES

BE IT RESOLVED, AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS OF METRO INC. (THE "CORPORATION"):

THAT the Articles of the Corporation be amended so as to include provisions to the effect that: (i) the Board of Directors may, at its discretion, appoint one (1) or more directors who shall hold office for a term expiring no later than the close of the annual meeting of shareholders following their appointment, but the total number of directors so appointed may not exceed one third (⅓) of the number of directors elected at the annual meeting of shareholders preceding their appointment; (ii) the Board of Directors may, at its discretion and from time to time, determine the place, whether within or outside the Province of Quebec, where a meeting of shareholders shall be held; and (iii) the minimum number of directors be reduced from 11 to 7;

THAT the Articles of the Corporation be amended to harmonize them with the terminology used in the *Business Corporations Act* (Quebec) and the principles arising therefrom, the whole as more fully described in the Management Proxy Circular of the Corporation;

THAT the Corporation be and is hereby authorized to make such conforming amendments to its corporate documents as may be necessary or advisable to give effect to this Special Resolution; and

THAT any director or officer of the Corporation be and is hereby authorized and instructed, for and on behalf of the Corporation, to sign and deliver or cause to be signed and to be delivered articles of amendment under the *Business Corporations Act* (Quebec), and to sign and deliver or cause to be signed and delivered all documents, and to do all acts and things, as such director or officer may determine necessary or advisable to give effect to this Special Resolution.

EXHIBIT D

[Translation]

BY-LAWS

CHAPTER ONE

OFFICES OF THE CORPORATION AND CORPORATE SEAL

ARTICLE 1. OFFICES OF THE CORPORATION. The head office of the Corporation shall be situated in the judicial district of Montréal, province of Quebec, Canada.

In addition to its head office, the Corporation may establish and maintain other offices, places of business and branches in the province of Quebec or elsewhere, as the Board of Directors may determine from time to time.

ARTICLE 2. CORPORATE SEAL. The corporate seal of the Corporation, if any, shall have a circular form and the corporate name of the Corporation and, if required, its year of constitution, shall appear thereon. The Chairman of the Board, the Vice-Chairman of the Board, the Secretary, the Treasurer, any Assistant Secretary or Assistant Treasurer, the President and Chief Executive Officer or any other officer or director of the Corporation whom the Board of Directors may designate may affix the corporate seal of the Corporation on all documents which so require it.

CHAPTER TWO

SHAREHOLDERS

ARTICLE 1. ANNUAL MEETINGS. Subject to the laws governing the Corporation, the annual meeting of shareholders of the Corporation shall be held at such place, on such date and at such time as the Board of Directors may determine from time to time. Annual meetings of shareholders may be called at any time at the request of the Chairman of the Board, the Vice-Chairman of the Board or the President and Chief Executive Officer or by order of the Board of Directors.

ARTICLE 2. SPECIAL MEETINGS. In addition to the statutory provisions governing the Corporation which relate to special meetings, special meetings of shareholders may be called at any time at the request of the Chairman of the Board, the Vice-Chairman of the Board or the President and Chief Executive Officer or by order of the Board of Directors. The order shall state the purpose for calling the meeting. A notice of special meeting shall state the business on the agenda, in accordance with the laws governing the Corporation.

Special meetings of shareholders shall be held at such place, on such date and at such time as the Board of Directors may determine from time to time.

ARTICLE 3. NOTICE OF MEETING. Notice specifying the place, date, time and purpose of each annual meeting and each special meeting of shareholders shall be sent to all shareholders entitled to vote at such meeting, in accordance with the laws governing the Corporation, at least twenty-one (21) but no more than sixty (60) days before the date of the meeting.

Irregularities in the notice of meeting or in the giving thereof as well as the unintentional omission to give notice to any shareholder or the non-receipt of any such notice by a shareholder shall not invalidate any action taken by or at any such meeting.

A certificate from the Secretary, from another duly authorized officer of the Corporation or from the transfer agent of the Corporation shall constitute evidence that a notice of meeting has been sent and shall be binding upon each person entitled to receive the notice.

ARTICLE 4. QUORUM, VOTING AND PARTICIPATION.

4.1 Meetings of shareholders. Except as otherwise provided in the articles of the Corporation, two (2) persons representing on their own behalf or pursuant to proxies twenty-five percent (25%) of the total number of votes attaching to all outstanding voting shares of the Corporation shall constitute a quorum for general and/or special meetings of holders of voting shares.

At such meeting, the acts or decisions of holders of a majority of the votes attaching to the shares who are present or represented shall be considered to be the acts or decisions of all shareholders, except when the vote or consent of holders of a greater number of votes attaching to the shares is required or imposed by the laws governing the Corporation or by the articles of the Corporation.

4.2 Participation. Any person entitled to attend a shareholders' meeting may participate in the meeting by means of any equipment made available to the shareholders by the Corporation, enabling all participants to communicate directly with one another. The vote may be entirely held using any equipment made available by the Corporation, as the case may be, enabling all participants to communicate directly with one another, if such equipment also allows votes to be cast in a way that allows them to be verified afterwards and protects the secrecy of the vote.

ARTICLE 5. RIGHT TO VOTE AND PROXY. At every meeting of shareholders, each shareholder present at the meeting and entitled to vote thereat shall have one (1) vote on a show of hands and, upon a ballot, each shareholder entitled to vote thereat who is present in person or represented by proxy shall have one (1) vote for each share conferring the right to vote at the meeting and registered in his name in the books of the Corporation at the time of the meeting or on the record date, if such date has been determined, unless, pursuant to the articles of the Corporation, a greater number of votes per share or another means of voting is indicated, in which event such greater number of votes shall prevail and such other method of voting shall be adopted. Before a vote by a show of hands or upon the announcement of the results of such vote, any shareholder or proxyholder may request a ballot in respect of any matter submitted to the vote of the shareholders.

The Board of Directors may, by resolution, fix the latest date and time for delivery of proxies to the Corporation or to its agent and indicate such date and time in the notice of meeting, which date and time shall not be more than 48 hours before the date of the meeting or any adjournment thereof, Saturdays, Sundays and legal holidays being excluded from the calculation of such time limit.

ARTICLE 6. SCRUTINEERS. The chairman of a meeting of shareholders may appoint one or more persons, who need not be shareholders, to act as scrutineers at the meeting.

ARTICLE 7. ADDRESSES OF SHAREHOLDERS. Every shareholder shall provide the Corporation with an address where all notices intended for such shareholder may be mailed or sent, failing which, any such notice may be sent to him at any other address appearing on the books of the Corporation. If no address appears on the books of the Corporation, such notice may be sent to such address as the sender considers to be the most likely to result in such notice promptly reaching the said shareholder.

ARTICLE 8. CHAIRMAN OF THE MEETING. The Chairman of the Board, or, if he is absent or fails or refuses to act, the Vice-Chairman of the Board, or, if he is absent or fails or refuses to act, the President and Chief Executive Officer shall preside over all meetings of shareholders. If all of the aforementioned officers are absent or fail or refuse to act, the shareholders who are present or represented may, upon a motion made by a director, choose a chairman from among the persons present in the room.

CHAPTER THREE

BOARD OF DIRECTORS

ARTICLE 1. REQUIRED CONDITIONS AND TERM OF OFFICE. Except as otherwise provided herein, each director shall be elected at an annual meeting of shareholders by a majority of the votes cast in respect of such election. Voting for the election of the directors of the Corporation need not be by secret ballot, unless expressly requested by a person in attendance who is entitled to vote at the meeting at which such election is being held. Each director shall hold office for one (1) year, from the date of the annual meeting of shareholders at which he was elected until the next annual meeting of shareholders or until his successor is elected, unless he resigns or his office becomes vacant by reason of his death, removal or for any other reason.

ARTICLE 2. GENERAL POWERS OF THE DIRECTORS. The Board of Directors exercises all the powers necessary to manage, or supervise the management of, the business and affairs of the Corporation. Except to the extent provided by the laws governing the Corporation, such powers may be exercised without shareholder approval and may be delegated to a director, an officer or one or more committees of the Board of Directors.

Thus, without limiting the provisions of these By-Laws and what is permitted by the laws governing the Corporation, the Board of Directors may borrow money, issue, reissue, sell or hypothecate debt obligations of the Corporation, cause the Corporation

to enter into a suretyship to secure performance of an obligation of any person and hypothecate all or any of its property, owned or subsequently acquired, to secure performance of any obligation.

All steps taken by a meeting of the directors or by any person acting as a director, until their successors have been duly elected or appointed, shall, notwithstanding that it is subsequently discovered that there was some defect in the election of the directors or of such person acting as a director or that any one of them was disqualified, be as valid as if the directors or such other person, as the case may be, had been duly elected and were qualified to be directors of the Corporation.

ARTICLE 3. PLACE AND NOTICE OF MEETINGS. All meetings of the Board of Directors shall be held in the judicial district in which the head office is located, or at such place within the Province of Quebec or elsewhere as may from time to time be determined by resolution of the Board of Directors, by the Chairman of the Board, by the Vice-Chairman of the Board, by the President and Chief Executive Officer or by a majority of the directors in office, provided, however, that meetings of the Board of Directors may be held in any other place or places if all the directors are present or if the directors who are absent consent thereto in writing.

The directors may, if they all consent, participate in a meeting of the Board of Directors by such means, including by telephone, as permit all persons participating in the meeting to communicate directly with each other. They are then deemed to be present at the meeting.

Any meeting of the Board of Directors may be called at any time by or upon the order of the Chairman of the Board, the Vice-Chairman of the Board, the President and Chief Executive Officer or a majority of the directors.

Subject to the statutory provisions governing the Corporation as regards the waiver of a notice of meeting, a notice stating the place, date and time of each meeting of the Board of Directors shall be given by conveying such notice, by mail, hand delivery or any means of telecommunication, at least twenty-four (24) hours prior to the time fixed for the meeting.

In all cases in which the Chairman of the Board, the Vice-Chairman of the Board, the President and Chief Executive Officer or the majority of the directors in office consider, in their discretion, that it is urgent to call a meeting of the Board of Directors, they may cause a notice of such meeting to be given by any means which they deem sufficient at least one (1) hour before the meeting is to be held, and such notice shall be sufficient for such meeting.

ARTICLE 4. CHAIRMAN OF THE MEETING. The Chairman of the Board, or, if he is absent or fails or refuses to act, the Vice-Chairman of the Board, or, if he is absent or fails or refuses to act, the President and Chief Executive Officer shall preside over all meetings of the directors. If all of the aforementioned officers are absent or fail or refuse to act, the persons in attendance may choose a chairman from among themselves. The chairman of any meeting shall be entitled to cast one (1) vote as a director, but not a second or casting vote in respect of any matter submitted to the vote of the meeting.

ARTICLE 5. QUORUM. The directors may, from time to time, fix by resolution the quorum for meetings of directors, but until so fixed, a majority of the directors in office shall constitute a quorum. Every meeting of the Board of Directors at which there is quorum may exercise each and every one of the powers conferred upon the directors.

ARTICLE 6. VACANCIES AND RESIGNATION. If there occurs one or more vacancies on the Board of Directors at any time, the directors present at a meeting of the Board may, provided that a quorum remains in office, appoint qualified persons to fill such vacancy or vacancies for the remainder of the term. Any director may submit his written resignation at any meeting of the Board of Directors and the other directors may, provided that a quorum remains in office, accept same at the meeting and replace the resigning director immediately or subsequently.

ARTICLE 7. APPOINTMENT OF ADDITIONAL DIRECTORS. If the articles permit, the Board of Directors may appoint one or more additional directors to hold office for a term expiring not later than the close of the next annual shareholders meeting following their appointment.

CHAPTER FOUR

OFFICERS

ARTICLE 1. OFFICERS. The directors shall appoint from among themselves a Chairman of the Board, a Vice-Chairman of the Board and a President and Chief Executive Officer. The Board of Directors may, from time to time and at any time, elect or appoint

one or more Vice-Presidents, one Secretary and one or more Assistant Secretaries, and one Treasurer and one or more Assistant Treasurers. Other officers may also be appointed from time to time as the Board of Directors deems necessary. In addition to the duties specified in the By-Laws of the Corporation, such officers shall also perform such duties as the Board of Directors may prescribe from time to time. The same person may hold more than one office. No officer, except the Chairman of the Board, the Vice-Chairman of the Board and the President and Chief Executive Officer, need be a director of the Corporation.

In the present By-Laws, the expression "Chairman of the Board" shall also refer to, in the event that the Board so chooses to appoint one, the Executive Chairman of the Board.

ARTICLE 2. CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside over all meetings of the Board of Directors and all meetings of shareholders at which he is present and he shall have such other powers and duties as the Board of Directors may determine from time to time. Subject to the laws governing the Corporation, the Board of Directors may, by the affirmative vote of a majority of its members, remove the Chairman of the Board, with or without cause, at any meeting called for such purpose and it may elect or appoint another person in his place.

ARTICLE 3. VICE-CHAIRMAN OF THE BOARD. The Vice-Chairman of the Board shall perform all the duties of the Chairman of the Board if the latter is absent or fails or refuses to act. He shall have such other powers and duties as the Board of Directors may determine from time to time.

ARTICLE 4. SECRETARY AND ASSISTANT SECRETARIES. The Secretary shall give and send all notices on behalf of the Corporation and shall keep the minutes of all meetings of shareholders and all meetings of the Board of Directors in one or more books to be kept for such purpose. He shall keep the corporate seal of the Corporation in safe custody. He shall prepare and keep all corporate records, reports, certificates and other documents required to be kept by law or by the Board of Directors. He shall perform such other duties as are incidental to his office of Secretary or as may be attributed by the Board of Directors.

The Assistant Secretaries shall perform the same duties as those attributed to the Secretary.

ARTICLE 5. TREASURER AND ASSISTANT TREASURERS. Unless otherwise determined by the Board of Directors, the Treasurer shall have general charge of the finances of the Corporation. He shall report to the Board of Directors, when so directed by it, on the financial condition of the Corporation and on all the transactions effected by him as Treasurer and, as soon as possible after the close of each fiscal year, he shall prepare and submit to the Board of Directors a similar report for that fiscal year. He shall have custody and charge of the books of account required to be kept by the Corporation under the laws governing it. He shall perform such other duties as are incidental to his office of Treasurer or as may be attributed to him by the Board of Directors.

The Assistant Treasurers shall perform the same duties as those attributed to the Treasurer.

ARTICLE 6. PRESIDENT AND CHIEF EXECUTIVE OFFICER. Subject to the control and authority of the Board of Directors, the President and Chief Executive Officer shall have full authority to manage and direct the affairs of the Corporation, except as regards such matters which, pursuant to law or the By-Laws, require the involvement of the directors or the shareholders. He shall have charge of the conduct of the Corporation's affairs. He may, from time to time, appoint one or more persons to whom he may delegate one or more of his duties. The Board of Directors may nevertheless confer narrower powers upon him. He shall comply with all decisions of the Board of Directors and, at all reasonable times, provide the Board of Directors with any information requested by it regarding the affairs of the Corporation.

ARTICLE 7. DELEGATION OF POWERS. If the Vice-Chairman of the Board, the President and Chief Executive Officer or any other officer of the Corporation is absent or is unable, refuses or fails to act, or for any other reason deemed sufficient, the directors may delegate all or part of the powers of such officer to any other officer or director of the Corporation, for such time as they may determine.

ARTICLE 8. REMOVAL. Subject to the laws governing the Corporation and to the provisions of any employment contract, the Board of Directors may, by the affirmative vote of a majority of its members, remove and discharge any of the officers, with or without cause, at any meeting called for such purpose and it may elect or appoint other persons in their place.

CHAPTER FIVE

SHARE CAPITAL

ARTICLE 1. SHARE CERTIFICATES. Shares are issued as certificated shares unless the Board of Directors determines, by resolution, that the shares of any class or series of shares or certain shares of a class or series are to be issued as uncertificated shares. The Board of Directors may also determine that a certificated share becomes an uncertificated share as soon as the paper certificate is surrendered to the Corporation, directly or through a transfer agent.

The certificates representing shares of the share capital of the Corporation shall be those approved by the Board of Directors. These certificates shall bear the signature of a director or an officer of the Corporation. The signature of such person may be affixed by an automatic device or electronic process. The directors may decide to replace the share certificates from time to time, without thereby affecting the Corporation's rights with respect thereto arising under any collateral security granted by the shareholders or otherwise.

ARTICLE 2. SHARE TRANSFERS. A register of transfers shall be kept at the head office of the Corporation, at any other office of the Corporation, at the office of the transfer agents and/or registrars of transfers appointed in accordance with these By-Laws, or at such other place permitted by the laws governing the Corporation as may be determined from time to time by resolution of the Board of Directors. One or more branch registers of transfers may be kept at one or more offices of the Corporation or at such other place or places within the Province of Quebec or elsewhere as may from time to time be determined by resolution of the Board of Directors. Such registers of transfers and branch registers of transfers shall be kept by the Secretary, by such other officer or officers charged with this duty or by such agent or agents as may be appointed from time to time for that purpose by resolution of the Board of Directors.

All transfers and all transmissions of shares of the share capital of the Corporation as well as the particulars thereof shall be recorded in the register of transfers or in a branch register of transfers. The recording of a transfer or transmission of shares of the share capital of the Corporation in the register of transfers or in a branch register of transfers, kept at the head office or elsewhere, shall constitute a complete and valid transfer or transmission, as the case may be. All shares of the share capital of the Corporation may be transferred in the register of transfers or in any branch register of transfers, irrespective of the place in which the certificate representing the shares to be transferred or transmitted was issued.

One or more books, containing a copy of the particulars of every transfer and every transmission of shares of the share capital of the Corporation recorded in each register of transfers or branch register of transfers, shall be kept at the head office of the Corporation or at such other place permitted by the laws governing the Corporation as may be determined from time to time by resolution of the Board of Directors.

As regards certificated shares, no transfer or transmission of shares of the share capital of the Corporation shall be valid or registered in the register of transfers or in a branch register of transfers until the certificates representing the shares to be transferred or transmitted, as the case may be, shall have been delivered and cancelled. However, should the Corporation’s shares be listed on a stock exchange and be entered in the book entry system of a clearing house, share transfers carried out in accordance with the rules and practices of such exchange or clearing house, as the case may be, shall be valid, in accordance with the conditions permitted by law, despite the fact that no certificate representing the shares transferred shall have been surrendered or cancelled. The transfer of uncertificated shares shall be made in accordance with the conditions prescribed by the laws governing the Corporation.

ARTICLE 3. RECORD DATE. The Board of Directors may fix a date as the record date for the purpose of determining shareholders entitled to receive notice of a shareholders meeting, receive payment of a dividend, participate in a liquidation distribution and vote at a shareholders meeting or for any other purpose. For the purpose of determining which shareholders are entitled to receive notice of a shareholders meeting or vote at the meeting, the record date must be not less than twenty-one (21) days and not more than sixty (60) days before the meeting. Only registered shareholders at the record date thus fixed are entitled to receive notice of a shareholders meeting, receive payment of a dividend, participate in a liquidation distribution or vote at a shareholders meeting or for any other purpose, as the case may be, notwithstanding any transfer of shares recorded in the securities register of the Corporation after the record date.

ARTICLE 4. TRANSFER AGENTS AND REGISTRARS. The Board of Directors may, from time to time, appoint or remove transfer agents and/or registrars of transfers and transmissions of shares of the share capital of the Corporation and, subject to the laws governing the Corporation, it may, from time to time and in general, regulate the transfer and transmission of the shares of the share capital of the Corporation. All certificates representing shares of the share capital of the Corporation issued as certificated

shares after such appointment shall be countersigned by one of the said transfer agents or registrars of transfers and shall not be valid unless so countersigned.

ARTICLE 5. LOST OR DESTROYED CERTIFICATES. The Board of Directors may, subject to its right to require security or such other form of protection upon such conditions at it deems appropriate, order the issuance of a new certificate for shares of the share capital of the Corporation in order to replace any previously issued certificate which has been damaged, lost or destroyed. The Board of Directors may delegate such power to any officer designated by resolution of the Board of Directors.

CHAPTER SIX

FISCAL YEAR

The fiscal year of the Corporation shall end on the date fixed from time to time by resolution of the Board of Directors.

CHAPTER SEVEN

COMMITTEES

The Board of Directors may form any committee and delegate powers to it as permitted by the laws governing the Corporation. The Board of Directors shall determine from time to time the terms of reference, composition, particularly the director who acts as its chair, and the rules applicable to the holding and conduct of the meetings of each of the committees that it forms.

EXHIBIT E

[Translation]

BY-LAW NUMBER 3

BY-LAW WITH RESPECT TO THE CORPORATION'S BUSINESS WITH ITS SHAREHOLDERS AS CLIENTS

1. DEFINITIONS

1.1 Short Title

This By-law may be referred to as the "Commercial By-law".

1.2 Corporation

The term "Corporation" means Metro Inc. and/ or any subsidiary thereof, according to the circumstances.

1.3 Subsidiary

The term "subsidiary" means any corporation controlled by the Corporation, directly or indirectly.

1.4 Shareholder-Retailer

The term "Shareholder-Retailer" means any holder of Common Shares of the share capital of the Corporation operating a food store under the Metro banner, or any other banner recognized for such purpose by the Board of Directors of the Corporation, and doing business with the Corporation as of January 31, 2012, who has not signed an affiliation agreement with the Corporation or an agreement amending his commercial agreements such that he is considered to be doing business with the Corporation as an Affiliated Merchant, or has not terminated his business relationship with the Corporation on written notice of eight (8) days pursuant to article 2.4 of this By-law, except for shareholders who, as of the date Special By-Law 1996-1 of the Corporation came into effect, were not signatories to the agreement bearing formal date of July 1, 1985 pertaining to the conversion of their advances made to the Corporation into shares of the Corporation.

1.5 Operation of More Than One Food Store

For the purposes hereof, any Shareholder-Retailer who operates more than one food store doing business with the Corporation shall be considered to be another Shareholder-Retailer with respect to each food store so operated such that, except as otherwise provided in this Commercial By-law, he shall enjoy the same benefits and be subject to the same obligations set out in this Commercial By-law for each such food store, while remaining fully liable toward the Corporation for the obligations incumbent upon him with respect to all such food stores.

1.6 Authorized Supplier

The term "Authorized Supplier" means any supplier with whom the Corporation has entered into contracts for services or supply of particular goods and who, with the Corporation's authorization, renders or delivers directly to the Shareholder-Retailers the services or goods covered by the contracts entered into with the Corporation even if the price therefor is billed to the Corporation.

1.7 Prime Rate

The term "prime rate" means the "base rate" of the National Bank of Canada, being the variable annual interest rate advertised by the National Bank of Canada from time to time as the rate used as the basis for determining interest rates on Canadian denominated loans granted in Canada.

1.8 Adjustment Date

The term "Adjustment Date" means, with reference to any fiscal year of the Corporation, the business day designated for such purpose by the Corporation, which shall fall between the date of the end of the said fiscal year and the 120th day following such date.

1.9 Required Investment

The term "Required Investment" means, with reference to any fiscal year of the Corporation, for each food store operated by a Shareholder-Retailer, the amount obtained by multiplying by two (2) the average of the weekly purchases made in the ordinary course of business by such Shareholder-Retailer from the Corporation and from any Authorized Supplier during the fiscal year of the Corporation completed prior to the Adjustment Date, as reflected in the periodic statements of account; the Required Investment shall be determined by the Corporation, for each food store, on each Adjustment Date and the amount so obtained shall be considered, for purposes of this Commercial By-law, to be the Required Investment for each such food store until the following Adjustment Date.

1.10 Total Investment

The term "Total Investment" means, with reference to any fiscal year of the Corporation, for each food store operated by a Shareholder-Retailer, the amount obtained by multiplying the total number of Common Shares held by such Shareholder-Retailer that are hypothecated to the Corporation on the Adjustment Date by 75% of the Stated Value of a Common Share, as that term is defined hereinafter.

1.11 Stated Value

The term "Stated Value" of a Common Share means, with reference to any fiscal year of the Corporation, the average of the per share closing prices for a board lot of Common Shares traded on The Toronto Stock Exchange for the period of ten (l0) trading days immediately preceding the end of the said fiscal year. Should no board lot of Common Shares have been traded on The Toronto Stock Exchange on one (1) or more trading days during such period, the closing price on The Toronto Stock Exchange on the next preceding trading day(s) on which a board lot of Common Shares was traded shall be used.

2. BUSINESS RELATIONS

2.1 Principle

The Corporation shall not, under any circumstances, be required to do business with any person who is a holder of shares of its share capital (a "shareholder") and the mere fact that a person is a shareholder of the Corporation shall not entitle that person to have a business relationship with the Corporation.

2.2 Use of Banners

The Corporation shall have sole discretion to determine with whom it shall do business and under what banner recognized for such purpose by the Board of Directors of the Corporation a shareholder shall be entitled to operate a food store. In order to become and remain a Shareholder-Retailer, a shareholder must comply with the credit policies established by the Board of Directors from time to time and with such banner standards or administrative policies as may be set by the Board of Directors of the Corporation from time to time with respect to the Metro banner or any other banner recognized as such by the Board of Directors of the Corporation, as the case may be, and must duly complete and remit to the Corporation any document that may be required by this Commercial By-law and from time to time by the Board of Directors of the Corporation, in its sole discretion, the whole subject to the Articles and By-laws of the Corporation.

2.3 Transfer

Except with the consent of the Corporation or as provided hereinafter, no Shareholder-Retailer shall be entitled to assign, transfer or otherwise dispose of his rights as a Shareholder-Retailer, to any person and should any Shareholder-Retailer assign, transfer or otherwise dispose of the food store in respect of which he is a Shareholder-Retailer, the party acquiring such store shall not become a Shareholder-Retailer as a result of such acquisition.

However, the Board of Directors may from time to time establish rules enabling a food store operated by a Shareholder-Retailer to be assigned, transferred or otherwise made over to the spouse or one or more of the descendants in the direct line of such Shareholder-Retailer or of the ultimate owner of the majority of the voting shares of such Shareholder-Retailer.

2.4 Termination of Business Relations

The Corporation and any Shareholder-Retailer may cease doing business together upon eight (8) days' written notice. Any Shareholder-Retailer with whom the Corporation ceases to do business must immediately cease using the Metro banner or any other banner recognized for such purpose by the Board of Directors of the Corporation.

Moreover, where a food store is operated by a Shareholder-Retailer that is a corporation, and where more than 50% of the votes attaching to all the outstanding shares of all classes of shares of such Shareholder-Retailer are acquired by one or more persons other than the person or persons guaranteeing the payment of the indebtedness of such Shareholder-Retailer to the Corporation ("deemed transfer"), the Corporation must be so notified immediately in writing and may, upon eight (8) days' written notice by the Corporation, cease doing business with such Shareholder-Retailer in respect of the food store concerned.

3. UNDERTAKINGS OF SHAREHOLDER-RETAILERS

3.1 Purchasing

Every Shareholder-Retailer must purchase merchandise supplied by the Corporation and the Authorized Suppliers in accordance with the criteria established by the Board of Directors from time to time. Every Shareholder-Retailer must promote the private brand or controlled brand products obtained from the Corporation and the Authorized Suppliers, offer these products to his customers in quantities sufficient to meet demand and place them in a prominent position in his food store.

3.2 Statements of Account

The Corporation shall send regular statements of account to every Shareholder-Retailer for the goods and services supplied by the Corporation and the Authorized Suppliers or for other miscellaneous charges ("periodic statements of account"). All periodic statements of account must be paid by the Shareholder-Retailer, by pre-authorized payment, within such time period as may be determined by the Corporation from time to time in accordance with the credit policies approved by the Board of Directors. Amounts not paid when due shall bear interest from the due date at a rate per annum equal to the prime rate plus 4%. The Corporation shall require each Shareholder-Retailer to sign the necessary banking forms to enable the periodic statements of account to be paid by pre-authorized payment.

3.3 Accounting

Every Shareholder-Retailer must provide the Corporation with such information as the Corporation considers necessary to ensure that its retail accounting system is working properly.

3.4 Fees and Contributions

In addition to paying the periodic statements of account, every Shareholder-Retailer must pay to the Corporation such fees and contributions as may be charged by the Corporation for administration, delivery, advertising or other costs.

3.5 Compensation

No Shareholder-Retailer shall be entitled to claim compensation or set-off between amounts due by such Shareholder-Retailer to the Corporation and amounts due by the Corporation to such Shareholder-Retailer.

3.6 Trade-marks

Any name, trade-mark, certification mark or other mark and any logo identifying the Metro banner or any other banner recognized for such purpose by the Board of Directors of the Corporation (a "Mark") may be used by a Shareholder-Retailer solely for the purposes authorized by the Corporation, including signs, promotional material, packaging material, stationery and delivery vehicles. No Shareholder-Retailer may incorporate a Mark in his corporate or firm name or associate any such Mark with any other trade-mark to suggest an association other than the association with the Corporation, whether on the signs, in the promotional

material, on the packaging material, on the stationery or on the delivery vehicles of the Shareholder-Retailer or otherwise. Every Shareholder-Retailer must sign and remit all documents requested by the Corporation and do all things necessary to ensure the protection of the Marks.

3.7 Technical Guide

Every Shareholder-Retailer must comply with the banner standards and administrative policies contained in any technical guide prepared and distributed by the Corporation with respect to any banner under which he operates a food store.

3.8 Indemnification

Every Shareholder-Retailer must comply with the municipal, provincial and federal laws and regulations applicable to him and with this Commercial By-law and must protect, indemnify and save and hold harmless the Corporation from and against any claim, damages or liability directly or indirectly related to or resulting from the failure to comply with this Commercial By-law or the credit policies of the Corporation, or to the ownership or operation of a food store under the Metro banner or any other banner recognized for such purpose by the Board of Directors of the Corporation and, more particularly, every Shareholder-Retailer must protect, indemnify and save and hold harmless the Corporation from and against any claim relating to or involving the improper use of the Corporation's Marks or the failure to strictly observe the maximum prices for the products advertised by the Corporation. The Corporation reserves the right to impose such penalties on any Shareholder-Retailer who violates the said laws and regulations or this Commercial By-law or the said credit policies as the Corporation, in its sole discretion, may consider appropriate, which penalties may include withdrawal of the right to use a banner recognized by the Board of Directors of the Corporation and the imposition of penalties with respect to any indebtedness to the Corporation not discharged when due. Any Shareholder-Retailer who loses the right to use the Metro banner or any other banner recognized for such purpose by the Board of Directors of the Corporation must immediately cease any use of the Corporation's Marks or any imitation thereof and all material on which any of such Marks appears must be returned to the Corporation in the condition it was in when it was received by the Shareholder-Retailer, and the Shareholder-Retailer shall not be entitled to be compensated by the Corporation in regard thereto. In addition, the Corporation shall be entitled to remove, at the expense of such Shareholder-Retailer, all material that may remain in his possession on which any of the Marks appears.

Should any proceedings be taken against the Corporation as a result of a violation by a Shareholder-Retailer, the Corporation shall be at liberty, once the facts of the case become known to it, to contest such proceedings or agree to a settlement. In all cases, the Shareholder-Retailer shall be liable to the Corporation for the amount of any award, penalty or reasonable settlement, along with all costs, fees and other charges and expenses incurred by the Corporation as a result of such violation, provided, however, that the Corporation shall have notified the Shareholder-Retailer within 20 days after becoming aware of the proceedings and that such payment shall not be prejudicial to any contestation lodged in good faith by the Shareholder-Retailer against the third party claimant. A Shareholder-Retailer shall also be liable for the costs and expenses incurred by the Corporation in case of any proceedings being taken against him in which it was necessary for the Corporation to intervene, directly or indirectly, of its own accord or otherwise, on account of the improper use of a Mark by the Shareholder-Retailer or in order to protect any other right of the Corporation.

4. HOLDING OF SHARES, PROCEDURE FOR MAKING UP REQUIRED INVESTMENTS AND RELEASE OF EXCESS SHARES

4.1 Obligation to Hold Shares

Every Shareholder-Retailer shall be required to hold, for each food store at all times, and on each Adjustment Date, a number of Common Shares of the share capital of the Corporation such that the amount of the Total Investment is at least equal to the amount of the Required Investment for such food store. Notwithstanding the foregoing, where any Shareholder-Retailer, on any Adjustment Date, does not hold, for each food store, a number of Common Shares of the share capital of the Corporation such that the amount of the Total Investment is at least equal to the amount of the Required Investment for such food store, the Corporation may make up the difference in accordance with the mechanisms set out hereinafter and the Shareholder-Retailer shall be required to subscribe for Common Shares upon the terms and conditions specified there under.

4.2 Making Up of Required Investments

For every food store operated by a Shareholder-Retailer, to the extent that the Total Investment is not at least equal to the Required Investment for such food store (the "Shortfall"), the Corporation may, so long as such Shortfall subsists, apply the following provisions:

4.2.1 Weekly Deductions

A sum equal to 0.25% of the total of each periodic statement of account of the Shareholder-Retailer shall be added to such periodic statement of account and shall be collected and held by the Corporation for the credit of the Shareholder-Retailer.

The amount of the sums so collected shall not bear interest, shall be attested at the end of the 3rd period, the 6th period, the 9th period and the 13th period of each fiscal year of the Corporation and shall be remitted to the Corporation at the end of each of the said periods in consideration of the issue, on January 1, April 1, July 1 and October 1, respectively, of Common Shares in an amount sufficient to make up the Shortfall, the amount of any excess deductions to be returned to the Shareholder-Retailer, without interest, within 30 days following the end of the period.

The issue price for the Common Shares issued in respect of each of the said periods shall be equal to the market value of the Common Shares at the end of the period in question, that is, the average of the per share closing prices for a board lot of Common Shares traded on The Toronto Stock Exchange for the period of ten (10) trading days immediately preceding the end of the period in question. Should no board lot of Common Shares have been traded on The Toronto Stock Exchange on one or more trading days during such period, the closing price on The Toronto Stock Exchange on the next preceding trading day(s) on which a board lot of Common Shares was traded shall be used.

4.2.2 Loyalty Program

The Corporation may withhold, from any loyalty incentive or amount otherwise payable to the Shareholder-Retailer under any loyalty or commercial incentive program in effect within the Corporation ("Program"), an amount of up to but not more than 0.2% of qualifying purchases under such Program, provided that if, as of the Adjustment Date, the Shareholder-Retailer has not fulfilled all the conditions required in order to be entitled to the payment of any loyalty incentive or amount under such Program for any fiscal year, the percentage of the deductions for purposes of making up the Shortfall contemplated in 4.2.1 above shall be increased to 0.45% until the following Adjustment Date, at which time such percentage may be maintained at that level or re-established at 0.25%, as appropriate.

The sums so withheld shall be immediately applied by the Corporation in consideration of the issue, within 120 days following the end of any fiscal year of the Corporation, of Common Shares in an amount sufficient to make up the Shortfall.

The issue price for the said Common Shares shall be equal to the Stated Value of a Common Share. In no event shall the foregoing be construed to modify the terms and conditions of the Program and the Board of Directors of the Corporation may, in its sole discretion, modify, replace or terminate the Program unilaterally.

4.2.3 Combining

For any Shareholder-Retailer operating more than one food store, where such Shareholder-Retailer, on any Adjustment Date, holds, in respect of one or more food stores, Common Shares such that the amount of the Total Investment is less than the amount of the Required Investment for one or more of such food stores, while holding, in respect of one or more other food stores, Common Shares such that the amount of the Total Investment is more than the amount of the Required Investment for one or more of such other food stores, the Corporation may combine and consolidate all the Common Shares held by such Shareholder-Retailer so as to make up the Required Investments, that is, transfer Common Shares held in respect of the food store or stores for which an excess exists in favour of the food store or stores for which there is a Shortfall, up to the amount of the Shortfall or the excess, whichever is less, the whole subject to the following conditions:

4.2.3.1 that only Common Shares may be combined in order to make up Required Investments;
4.2.3.2 that where an excess exists in respect of more than one food store and/or where there is a Shortfall for more than one food store, such procedure for making up Required Investments shall be carried out on the basis of the seniority of the food stores, with the holdings for the oldest food store for which an excess exists being used to make up the Shortfall for the oldest food store for which there is a Shortfall, and so on;
4.2.3.3 that the procedure for combining in order to make up Required Investments shall be carried out as soon as possible after the end of any fiscal year of the Corporation.

4.3 Release of Excess Shares

For Shareholder-Retailers operating a single food store and for Shareholder-Retailers operating more than one food store, but, in the case of the latter, only after the procedure for combining in order to make up Required Investments contemplated in 4.2.3 above has been applied, where any such Shareholder-Retailer, on any Adjustment Date, holds, in respect of one or more food stores, Common Shares such that the amount of the Total Investment exceeds the amount of the Required Investment for such food store, the Corporation shall, on an annual basis, release from the hypothec contemplated in 5.1 herein below and return to such Shareholder-Retailer such excess Common Shares in an amount of up to 50%, but not more, of the excess calculated as at each Adjustment Date, the whole subject to the following conditions:

4.3.1 that only Common Shares shall be released and returned;
4.3.2 that Common Shares shall only be released and returned where the number of shares in question is at least 100;
4.3.3 that Common Shares shall only be released and returned at the discretion of the Corporation, having regard for the circumstances, including loyalty of the Shareholder-Retailer, the financial risk and the reasons for the excess.

5. SECURITY

5.1 Hypothec on Securities

Every Shareholder-Retailer shall be responsible for the payment in full of the sums appearing on the periodic statements of account that are sent to him, the whole in accordance with the credit policies of the Corporation approved by the Board of Directors from time to time.

By way of general and continuing collateral security granted to the Corporation for the repayment in full of any and all present and future debts and obligations, wherever and however incurred, of the Shareholder-Retailer toward the Corporation or the Authorized Suppliers, the Shareholder-Retailer shall hypothecate to the Corporation pursuant to a first-ranking movable hypothec, or such other security as the Corporation may consider equivalent, any and all bonds, debentures, notes, acknowledgments of debt and other debt securities issued to the Shareholder-Retailer by the Corporation along with any and all sums withheld or amounts held on the books of the Corporation for the credit of the Shareholder-Retailer.

The Shareholder-Retailer shall also hypothecate to the Corporation pursuant to a first-ranking movable hypothec, or such other security as the Corporation may consider equivalent, the number of shares required to constitute the Required Investment, delivering to the Corporation the certificates representing such shares duly endorsed, and shall designate the Secretary of the Corporation or his appointee as the Shareholder-Retailer's irrevocable agent to dispose of the said shares in accordance with this Commercial By-law.

Should the Shareholder-Retailer fail to discharge when due any debts or obligations toward the Corporation, the Corporation may at its option effect compensation or set-off or sell or otherwise dispose of the said bonds, debentures, notes, acknowledgments of debt, other debt securities and shares at the market value and pay itself out of the proceeds of such sale, in accordance with any deed of hypothec or other security and with the *Civil Code of Québec* or any other applicable law, and apply any sum withheld or amount held for the credit of the Shareholder-Retailer, as the case may be, in payment of such debts or obligations.

The Corporation may impute the amounts realized or held by it as it sees fit, without being obliged to impute them to the most onerous debts and, to this end, the Shareholder-Retailer specifically waives the legal rules for the imputation of payments and further waives any compensation or set-off in respect thereof not agreed to by the Corporation.

Such collateral security shall not in any manner affect the Corporation's right to demand repayment of the amount owed, before or after realization of the aforementioned security, and the Corporation shall not be required to realize or exhaust its security before being entitled to exercise its remedies against the Shareholder-Retailer.

The Secretary of the Corporation or his appointee shall be designated as the Shareholder-Retailer's irrevocable agent to sell and transfer or cause the sale and transfer, if necessary, of the said shares, bonds, debentures, notes, acknowledgments of debt and debt securities on the books of the Corporation, or to give them to the Corporation in payment, as the case may be, and to this end, to sign in the name of the Shareholder-Retailer any and all forms and documents that may be necessary or advisable in order to give effect to this collateral security.

The property hypothecated or otherwise given as collateral pursuant to the aforementioned security shall at all times be free and clear of any prior claim, hypothec, security, encumbrance or other right whatsoever susceptible of prevailing over or affecting the rights, guarantees and security of the Corporation. The Shareholder-Retailer shall, upon request and at the Shareholder-Retailer's expense, give the Corporation any waiver, cession of rank, acquittance or release which the Corporation may deem necessary in order to preserve the priority of its rights over the hypothecated property.

The Corporation may, on behalf and at the expense of the Shareholder-Retailer, cause the cancellation of any prior claim, hypothecary registration, security, encumbrance or right whatsoever that may charge the hypothecated property or prevail over or affect the rights, guarantees and security granted pursuant to this Commercial By-law, with the exception of those, if any, that the Corporation has agreed to allow to remain uncancelled, and the Shareholder-Retailer shall, upon request, instruct the Corporation to sign any document and do anything necessary or advisable for such purpose.

Notwithstanding the foregoing, the coming into force of this Commercial By-law of the Corporation shall not have the effect of modifying or cancelling any security or hypothec then in effect between the Shareholder-Retailer and the Corporation.

5.2 Guarantee

Every Shareholder-Retailer shall, upon request of the Corporation, provide one or more guarantees satisfactory to the Corporation ensuring the payment by the Shareholder-Retailer of all his debts and obligations toward the Corporation and the Authorized Suppliers.

Where the Shareholder-Retailer is a corporation, a guarantee and subordination must be provided by all persons holding 10% or more of the voting shares of the share capital of such corporation. In addition, upon the acquisition by any person of 10% or more of the voting shares of a Shareholder-Retailer that is a corporation, such Shareholder-Retailer shall be required to so notify the Corporation within ten (10) days.

The Corporation may require the following conditions to be attached to any guarantee required in accordance with this Commercial By-law:

5.2.1 that the undertakings by the sureties be solidary;
5.2.2 that all the obligations of the Shareholder-Retailer toward any of the sureties be subordinated to and rank after the debts and obligations of the Shareholder-Retailer toward the Corporation;
5.2.3 that the guarantee not be connected with any particular position held by the surety;
5.2.4 that the obligations of the surety shall be extinguished only in accordance with the provisions of the guarantee or with the written consent of the Corporation.

Every Shareholder-Retailer shall in addition sign and remit to the Corporation, upon request, any other document, agreement, security or guarantee that may be required by the Corporation from time to time in order to secure the obligations of the Shareholder-Retailer toward the Corporation.

5.3 Compensation

The Corporation may deduct from every rebate, discount, loyalty incentive or other amount payable, if any, to a Shareholder-Retailer under any commercial program and from any other sums that may be owed by the Corporation to the Shareholder-Retailer any amount owed by the Shareholder-Retailer to the Corporation provided that compensation or set-off is effected between the debt owed by the Shareholder-Retailer to the Corporation and the amount so deducted.

6. NULLITY AND REPEAL

This Commercial By-Law will be automatically deemed to be null and repealed on the date as of which there is no longer any food store under the Metro banner (or any other banner recognized for such purpose by the Board of Directors of the Corporation) operated for such purpose by a Shareholder-Retailer.

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EXHIBIT F

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Canadian Securities Administrators Corporate Governance Guidelines	Observations
BOARD OF DIRECTORS 1. The board should have a majority of independent directors.	1. The Board of Directors currently consists of a majority of independent directors given that, of the 14 directors currently serving on the Board of Directors, 11 are considered independent directors. In order to determine whether or not a director is independent, the Board analyses information provided by the directors or the nominees by way of an annual questionnaire. The independent directors are Mesdames Marie-José Nadeau and Paule Gauthier and Messrs. Marc DeSerres, Claude Dussault, Paul Gobeil, Christian W.E. Haub, Michel Labonté, Christian M. Paupe, Réal Raymond, Michael T. Rosicki and John H. Tory. Mr. Pierre H. Lessard cannot be considered independent because he is holding the position of Executive Chairman of the Board. Mr. Eric R. La Flèche cannot be considered independent because he is a senior executive of the Corporation. Mr. Serge Ferland cannot be considered independent since he is the owner of food stores operating under the Metro banner and therefor has business dealings with the Corporation. On January 31, 2012, after the annual meeting, if the nominees proposed by the Corporation are elected, the Board will continue to consist of a majority of independent directors, since 11 of the 14 nominees proposed, that is the abovementioned directors as well as Mr. Russell Goodman are considered to be independent directors. A record of the attendance of each director at Board and Committee meetings held since the beginning of the Corporation's most recently completed financial year is included on page 12 of this Circular.
2. If a director is presently a director of any other reporting issuer, identify both the director and the other issuer.	2. The information concerning the directors sitting on the board of another reporting issuer can be found on pages 5 to 11 of this Circular.
3. The chair of the board should be an independent director.	3. Since the Executive Chairman of the Board is not an independent director and in order to ensure that the Board functions in accordance with the best corporate governance practices, the directors have chosen from among themselves an independent Lead Director. Mr. Réal Raymond holds this position

Canadian Securities Administrators Corporate Governance Guidelines	Observations
	since January 26, 2010. The role and responsibilities of the Executive Chairman of the Board as well as those of the Lead Director are described in Exhibit G to this Circular.
4. The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.	4. At the end of each Board meeting, a meeting with directors who are not members of the management takes place and a meeting of independent directors only also takes place.
BOARD MANDATE 5. The board should adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the issuer.	5. The Board of Directors has adopted a mandate in which it acknowledges its stewardship responsibility. The Board's mandate can be found in Exhibit G to this Circular.
POSITION DESCRIPTIONS 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.	6. The Board has adopted a written mandate regarding the duties of the Executive Chairman of the Board, the Lead Director and the Chair of each Board committee. The text of these mandates is attached to this Circular as Exhibit G. The mandate of the President and Chief Executive Officer is described in the Corporation's By-Laws. Reporting to the Board of Directors, the President and Chief Executive Officer assumes responsibilities that include: directing all the Corporation's business subject to the powers vested exclusively in the Board of Directors or its shareholders; without limiting the scope 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 them; and performing all other duties which may be assigned to him from time to time by the Board of Directors of the Corporation. At the beginning of every year, the Human Resources Committee approves the objectives for each executive officer, and ensures that these objectives are met.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
ORIENTATION AND CONTINUING EDUCATION 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.	7. There is an education program for new members of the Board of Directors. Pursuant to this program, the new directors are provided with reports on the Corporation's business operations and internal affairs. The new directors meet with the Executive Chairman of the Board and the President and Chief Executive Officer to discuss the Corporation's internal workings and its expectations of directors. The Executive Chairman of the Board also informs new directors about the Corporation's corporate governance practices and, in particular, the role of the Board, its committees and each director. Under this program, the new directors can visit the Corporation's principal facilities and meet the executive officers. Recognizing that good performance of the Board of Directors depends on its directors being well informed, the Board has had a handbook prepared for all directors which contains relevant documents and information about the Corporation, including the Information policy and the Directors' Code of Ethics. At every meeting of the Board of Directors, directors have an opportunity to hear presentations by executive officers on various topics regarding the Corporation's operations. Visits of the Corporation's facilities and food stores intended for members of the Board are also organized at least once a year. Each year, the Corporate Governance and Nominating Committee reviews the areas in which information sessions for Board members would be appropriate; Board members also have the opportunity to give their input in this regard. This year, one of the information sessions that took place was provided by representatives of Dunnhumby who informed Board members about the broad trends in the retail business, helping them determine how the Corporation could position itself regarding such trends. That meeting was followed by a strategic planning session attended by Board members and executives. An Information session was also held this year on real estate. The Corporation ensures that all directors are members of the Institute of Corporate Directors (ICD). The ICD is a member-based organization that represents the director community in Canada which offers educational and training activities.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
BUSINESS ETHICS 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.	8. The Board has adopted a code of ethics for directors and a code of ethics for executives and employees. These codes are available on SEDAR and on the Corporation's website (www.metro.ca). They address the issues recommended in Policy Statement 58-201 to corporate Governance Guidelines of the Canadian Securities Administrators ("Policy Statement 58-201"). The Board has also adopted a "Director Resignation Policy" requiring a director to submit his resignation to the Executive Chairman of the Board of Directors, subject to acceptance by the Board, if he no longer meets the legal requirements or those set up by the Board, or if there is a material change in his functions, responsibilities or duties or if he has breached or notes a potential breach to the Directors' Code of Ethics. Finally, the Board of Directors has adopted, during the 2011 financial year, a policy forbidding employees and directors of the Corporation from short selling Corporation's shares or stock options, or trading in put or call options as well as an executive compensation clawback policy (for more details on these policies, please refer to the "Other key Compensation Policies of the Corporation" section on page 45 of this Circular).
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.	9. The Corporate Governance and Nominating Committee is responsible for overseeing compliance with the Code of Ethics of directors. The 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 as well as corporate governance matters. The Human Resources Committee is responsible for overseeing compliance with the Code of Ethics which applies to senior executives. The Corporation's Vice-President, human resources, makes recommendations to the Human Resources Committee whenever amendments need to be made to the Employees' Code of Ethics. Furthermore, each year, or as needed, he reports to the Human Resources Committee on any non-compliance to the Employees' Code of Ethics 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.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
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.	10. The Directors' Code of Ethics provides that: "every director must avoid situations involving a conflict of interest between his or her personal interests and his or her obligations as a director. Every director must disclose to the Board any direct or indirect interest in any organization, business or association that could place the director in a conflict of interest. A director should not participate in any discussion or decision relating to the organization, business or association in which he has such an interest. The director should also withdraw from the meeting for the duration of any discussions and votes on the matter." In addition, "any transaction outside the ordinary course of business between a director and the Corporation must be submitted to the Corporate Governance and Nominating Committee for its prior approval. If a member of the Committee is concerned, that member should be excluded from the Committee's proceedings and the discussions relating to the matter". Moreover, the Employees' Code of Ethics which applies to executives specifies that "all executives and employees must avoid placing themselves in situations of conflict of interest. Furthermore, their private interests must not conflict with their duties". Every year, the directors and senior executives of the Corporation must declare all conflict of interest in a questionnaire. They must also subsequently advise the Corporation about any change in their situation. The Corporation's Vice-President, General Counsel and Secretary, reviews the directors' questionnaires and reports to the Corporate Governance and Nominating Committee about all potential or actual breach of the Directors' Code of Ethics regarding conflicts of interest. The Corporation's Vice-President, human resources, plays the same role with regards to possible or actual conflict of interest of any senior executives by informing the Human Resources Committee, as the case may be.
11. The board must take steps to encourage and promote a culture of ethical business conduct.	11. The rules of conduct for employees which can be found in the code of ethics applicable to them entitled "Policy on Conflicts of Interest and Professional Ethics" (the "Policy" or the "Employees' Code of Ethics") specify, *inter alia*, that all executives and employees must act with care, honesty, diligence, efficiency, commitment and loyalty to safeguard the Corporation's reputation for quality, dependability and integrity. The Policy also requires that employees perform

Canadian Securities Administrators Corporate Governance Guidelines	Observations
	their duties in the best interest of the Corporation and its shareholders while respecting human rights and the law. In addition, the Policy encourages employees not only to avoid all conflicts of interest in connection with their work but also not to accept gifts unless they constitute a business practice defined in the Policy. Upon being hired, all employees must sign a form confirming that they have read the Policy, and undertake to comply therewith. They also sign a disclosure of private interests form which is renewed at regular intervals. All new candidates for the position of director receive a copy of the Director's Code of Ethics and confirm in writing that they have read and understood said Code of Ethics and undertake to respect it. The list of competencies and expectations of directors provides that directors of the Corporation must act with integrity and respect the highest ethical and fiduciary standards.
NOMINATION OF DIRECTORS 12. The board should appoint a nominating committee composed entirely of independent directors.	12. The Corporate Governance and Nominating Committee is responsible for recommending nominees to the Board for election as directors of the Corporation. The Committee is made up of five (5) directors, all of whom are independent.
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.	13. The Board has adopted a mandate for the Corporate Governance and Nominating Committee and an administrative resolution governing the procedure of all committees. The Committee, pursuant to these documents, assumes all the responsibilities recommended in Policy Statement 58-201 and its mandate also provides that the Committee has the authority to retain the services of an outside advisor, if necessary. For more details, a summary of the Corporate Governance and Nominating Committee's mandate can be found on page 46 of this Circular. This summary describes the responsibilities, powers and operations of the Committee.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
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.	14. The Board has established and adopted the "List of competencies and expectations of Directors", a copy of which is reproduced in Exhibit G to this Circular. The Corporate Governance and Nominating Committee ensures that the choice of nominees takes into account the competencies and skills that the Board, as a whole, should possess, and reports to the Board accordingly. The Corporate Governance and Nominating Committee also has set up a matrix identifying the skills and experience of the directors currently sitting on the Board. This matrix can be found in Exhibit G hereof.
15. The board should also consider the appropriate size of the board, with a view to facilitating effective decision-making by the board.	15. Each year, the Board examines its size and has concluded that it will continue to be effective with 14 members, this size being large enough to permit a diversity of views and staff the committees without being so large as to detract from efficiency.
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.	16. The Corporation's Corporate Governance and Nominating Committee is responsible for identifying and recommending to the Board the new director nominees. In this regard, the Committee maintains an "evergreen" list of potential nominees. Prior to the selection of any new nominee for the position of director, the Executive Chairman of the Board, the President and Chief Executive Officer and the Chairman of the Corporate Governance and Nominating Committee meet with the potential candidate in order to evaluate his competencies and his independence.
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.	17. Members of the Corporate Governance and Nominating Committee ensure that the composition of the Board is such that all required competencies and skills are represented on the Board and that the nominees make up a competent and dynamic team which can carry out the Board of Directors' mandate efficiently.
COMPENSATION 18. The board should appoint a compensation committee composed entirely of independent directors.	18. The Human Resources Committee is comprised of four (4) directors, all of whom are independent.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
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.	19. The Board has adopted a mandate for the Human Resources Committee and an administrative resolution governing the procedure of all committees. The Committee, pursuant to these documents, assumes all the responsibilities recommended in Policy Statement 58-201, and its mandate also provides that the Committee has the authority to retain the services of an outside advisor, if necessary. For more details, a summary of the Human Resources Committee's mandate can be found on page 46 of this Circular. This summary describes the responsibilities, powers and operations of the Committee.
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.	20. These responsibilities are specified in the Human Resources Committee's mandate. The way by which the Board sets the compensation of executives is described in the "Executive Compensation" section which can be found on pages 30 to 46 of this Circular. Compensation of directors is recommended to the Board by the Corporate Governance and Nominating Committee. In so doing, the Committee considers the involvement of the directors, their responsibilities, the risks which they assume and best practices in Canada.
21. If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.	21. The Human Resources Committee has retained the services of PCI-Perrault Conseil Inc. A description of PCI-Perrault Conseil Inc.'s mandate may be found in the heading "Information Sources" section on page 30 hereof.
OPERATIONS OF THE BOARD OF DIRECTORS 22. Identify the standing committees of the board other than the audit, nominating and compensation committees, and describe their function.	22. The standing committees of the Board are the Executive Committee, the Human Resources Committee, the Audit Committee and the Corporate Governance and Nominating Committee. The powers of these committees are described on page 46 of this Circular, except for the mandate of the Audit Committee, which can be found in Exhibit G to this Circular.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
23. The board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution.	23. The Corporate Governance and Nominating Committee is responsible for overseeing the Corporation's corporate governance matters. Each year, the Committee sends a questionnaire to each member of the Board to assess the effectiveness of the Board as a whole, its committees and each member of the Board, and reports its findings to the Board. Each year, the Committee ensures that the mandate of each committee of the Board is being carried out. The assessment also deals with the way the Executive Chairman of the Board and the committee chairs fulfill their duties. The individual assessment of each member of the Board is made using a two-part questionnaire which is completed by each director. The first part is a performance analysis of the directors by each director and the second part is a self-assessment. This assessment is completed by meetings between the Executive Chairman of the Board and each director. The results of this analysis are given to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee Chair presents the full report on the analysis results to the Board of Directors. In light of this analysis, the Corporate Governance and Nominating Committee and the Board assess the need for changes to the composition of the Board and its committees or to their chairs. Following the Corporate Governance and Nominating Committee's analysis of the report, management is advised of the recommendations for improvements which pertain to it, in particular with regard to training and development programs for directors that require management involvement.

EXHIBIT G

MANDATE OF THE AUDIT COMMITTEE

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 Corporation's financial statements;
- 1.1.2 the internal and external auditor qualifications and independence;
- 1.1.3 the performance of the Corporation's internal audit function and external auditor;
- 1.1.4 the effectiveness of internal controls;
- 1.1.5 the Corporation's compliance with legal and regulatory requirements; and
- 1.1.6 the identification of the material risks that may affect the Corporation 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 Corporation'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 Corporation's annual financial statements and reviewing the Corporation's quarterly financial statements.

1.4 The internal auditor is responsible, by bringing a systematic and disciplined approach, for evaluating and improving the effectiveness of the Corporation'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 "Corporation" refers to Metro Inc., its subsidiaries and their divisions.

3. COMPOSITION AND ORGANIZATION

3.1 The Committee is composed of a minimum of three (3) and a maximum of six (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 Corporation.

4. SPECIFIC RESPONSIBILITIES

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

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.
- 4.1.2 The Committee reviews with the management of the Corporation 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 Corporation's disclosure to the public of information extracted or derived from the Corporation'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 Corporation, the Annual Information Form and the Management Proxy Circular.

4.2 Internal Control

4.2.1 The Committee verifies that Corporation 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 Corporation Management the conclusions of the work supporting the certification letters to be filed with the authorities.
4.2.3 The Committee reviews with the Corporation 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 examines 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 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. 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 Corporation 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 Corporation.
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 and that the firm respects any sanctions and restrictions imposed by this Board. The Committee takes into account the opinions of management and the Corporation's internal auditor in assessing the qualifications, performance and independence of the external auditor.
4.4.8 The Committee reviews and approves the Corporation's hiring policy concerning (current and former) partners and (current and former) employees of the (current and former) external auditor.
4.4.9 At least, once a year, the external auditor reports to the Committee about: i) the external auditor's internal quality-control procedures; ii) its inscription as a duly registered participant of the Canadian Public Accountability Board ("CPAB") and whether it holds proper authority to audit Canadian issuers; and iii) the evaluation of the quality of its work via an in camera session with the Quebec Managing Partner or his representative.

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 Corporation 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

4.6.1 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 Corporation's business.

4.7 Risk Management

4.7.1 The Committee reviews the material risks identified by Corporation Management. The Committee examines the effectiveness of the measures put in place to manage these risks by questioning the management of the Corporation 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 Corporation Management and obtains from the management of the Corporation on a regular basis reasonable assurance that the Corporation'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.

MANDATE OF THE BOARD OF DIRECTORS

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 (5) 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 communication policy with shareholders and the public at large; 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 or its Executive Committee makes all important decisions with regard to, among other matters, major investments, divestitures of significant assets and major labour relations issues.

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 procedure 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 partners of the Corporation.

MANDATE OF THE EXECUTIVE CHAIRMAN OF THE BOARD OF DIRECTORS

The mandate of the Executive Chairman of the Board of Metro Inc. sets out the responsibilities of the Executive Chairman of the Board and what is expected of him. These responsibilities and expectations are in addition to the Executive Chairman of the Board's responsibilities pursuant to legislation. The Executive Chairman of the Board shall also have the responsibilities and powers assigned to the Chairman of the Board pursuant to the Corporation's articles and by-laws as well as those which may be specifically assigned to the Executive Chairman of the Board from time to time by the Board of Directors.

The Executive Chairman of the Board of Metro Inc. has the following responsibilities:

EFFECTIVENESS OF THE BOARD

- He ensures that the members of the Board of Directors work as a team, in an effective and productive manner, and he demonstrates the necessary leadership to achieve this objective;
- He ensures that the Board of Directors has the administrative support necessary to perform its work;
- He ensures that the directors receive the appropriate information to perform their duties.

MANAGEMENT OF THE BOARD

- He ensures that the Board of Directors fulfills its mandate;
- He chairs the meetings of the Board of Directors and those of the external directors;
- He establishes with the President and Chief Executive Officer the agenda for each meeting of the Board of Directors;
- He takes 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 the potential nominees for the position of director of the Corporation have been identified by the Corporate Governance and Nominating Committee, he meets with such nominees to explore their interest and aptitude to sit on the Corporation's Board of Directors;
- When he deems it appropriate, he attends the meetings of Board committees and gives his comments and advice to members of these committees, as needed.

SENIOR EXECUTIVES, SHAREHOLDERS AND OTHER STAKEHOLDERS OF THE CORPORATION

- He fosters a strong working relationship between the Board of Directors and senior management. Specifically, he periodically meets with the President and Chief Executive Officer to discuss issues relating to governance and the Corporation's results, and keeps him informed of any comments and advice of directors;
- he acts in an advisory capacity to the President and Chief Executive Officer and to the other senior management members on all matters concerning the interests and management of the Corporation;
- he chairs the meetings of shareholders;
- he and the President and Chief Executive Officer foster strong relationships between the Corporation and key stakeholders including investors, shareholders, the industry in general and the community;
- he participates in the strategic development of the Corporation.

MANDATE OF THE LEAD DIRECTOR

The mandate of the Lead Director of Metro Inc. sets out the responsibilities of the Lead Director and what is expected of him. These responsibilities and expectations are in addition to the Lead Director's responsibilities pursuant to the legislation as well as those which may be assigned to him from time to time by the Board of Directors of Metro Inc.

The Lead Director of Metro Inc. has the following responsibilities:

- He provides independent leadership to the Board of Directors to ensure that the Board functions independently of management of the Corporation;
- he works with the Executive Chairman of the Board to facilitate the proper functioning and effectiveness of the Board of Directors;
- he chairs the meetings of independent directors;
- he serves as communication channel between the independent directors and the Executive Chairman of the Board of Directors and senior management;
- he brings support to the Corporate Governance and Nominating Committee in the process of assessing the effectiveness of the Board of Directors.

MANDATE OF COMMITTEE CHAIRMEN

The mandate of the chairmen of Metro Inc. Board committees sets out the responsibilities of each committee chairman and what is expected of him. The chairman of a committee has the following responsibilities:

EFFICIENCY OF THE COMMITTEE

- He 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;
- he ensures that the committee has the administrative support necessary to perform its work;
- he ensures that the directors receive the appropriate information to perform their duties.

MANAGEMENT OF THE COMMITTEE

- He ensures that the committee fulfills its mandate;
- he chairs the meetings of the committee;
- he establishes with the Chairman of the Board and the President and Chief Executive Officer the agenda for each meeting of the committee;
- he 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 chairman periodically provides the Board with a report on the work and all the decisions or recommendations of the committee.

LIST OF COMPETENCIES AND EXPECTATIONS OF DIRECTORS

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.

CURRENT DIRECTORS' SKILLS AND EXPERIENCE MATRIX

Name of Current Directors / Skills and Experience	M. De Serres	C. Dussault	S. Ferland	P. Gauthier	P. Gobeil	C. W. E. Haub	M. Labonté	E. R. La Flèche	P. H. Lessard	C.M. Paupe	M.-J. Nadeau	R. Raymond	M. T. Rosicki	John H. Tory
CEO / Senior Officer	√	√	√		√	√	√	√	√	√	√	√	√	√
Financial Expert					√		√		√	√		√		
Government / Public Sector					√		√				√			√
Human Resources / Compensation		√		√		√		√	√	√		√	√	√
Information Technologies	√	√					√			√				
Large Corporation		√		√	√	√	√	√	√	√	√	√	√	√
Legal				√				√			√			√
Marketing	√	√	√		√			√	√		√		√	
Prior or current Board Experience		√		√	√	√	√		√		√	√	√	√
Real Estate	√					√		√	√					
Retail Business / Food Business	√		√		√	√		√	√				√	