metro

Notice of 2021 Annual General Meeting of Shareholders and Management Proxy Circular

Contents

VOTE BY PROXY

Internet

Phone

Email

Fax

Mail

For more information regarding how to vote your shares, please refer to pages 2 to 5 of this Circular.

Please vote early to ensure that the voting rights associated to your shares are exercised during the Meeting. AST Trust Company (Canada), our transfer agent, must have received your vote by 5:00 p.m. (Eastern Standard Time), on January 22, 2021.

Detailed voting instructions are provided on page 2 of this Circular.

Your vote is important!

Notice of 2021 Annual General Meeting of Shareholders

When

Tuesday, January 26, 2021 at 10:00 a.m. (Eastern Standard Time)

Where

Virtually via a live webcast at https://web.lumiagm.com/491747398

Business of the Meeting

1. receiving the Consolidated Financial Statements of the Corporation for the financial year ended September 26, 2020 and the report of the independent auditors thereon;
2. electing directors;
3. appointing auditors;
4. considering and, if deemed appropriate, passing an advisory resolution on the Corporation's approach to executive compensation as described on page 6 of the Management Proxy Circular (the "Circular");
5. considering and, if deemed advisable, adopting an ordinary resolution (the "By-Laws Resolution") ratifying, confirming and approving certain amendments to the Corporation's By-Laws, all as more particularly described on page 7 of the Circular; and
6. transacting such other business as may properly be brought forward at the Meeting.

The holders of common shares of record at the close of business (Eastern Standard Time) on December 11, 2020 are entitled to receive notice of, to attend and to vote at this Meeting.

Documents related to the Meeting

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

If paper copy of the Meeting materials is required, we recommend sending the request as soon as possible, and ideally before January 14, 2021, in order to allow shareholders sufficient time to receive and review said Meeting materials and return the form of proxy or voting instruction form in the prescribed time.

Note:

The holders of common shares who are unable to attend the Meeting are requested to proceed according to the instructions provided in the Circular, and to return the form of proxy or voting instruction form at their earliest convenience, but before 5:00 p.m. (Eastern Standard Time) on January 22, 2021.

Shareholders may register and log into the live webcast platform from 9:00 a.m. (Eastern Standard Time) on January 26, 2021. We would appreciate your early registration so that the Meeting may start promptly at 10:00 a.m. (Eastern Standard Time).

By order of the Board of Directors,

Simon Rivet
Corporate Secretary
Montréal, Québec
December 11, 2020

1. Voting information

This Management Proxy Circular (the "Circular") is provided in connection with the solicitation of proxies for the Annual General Meeting of Shareholders (the "Meeting") of METRO INC. (the "Corporation", "METRO" or "we") to be held on **Tuesday, January 26, 2021**, at the place and time and for the purposes set forth in the enclosed notice of said Meeting (the "Notice of Meeting"), and all adjournments thereof.

The proxy is being solicited by the management of the Corporation. The solicitation will be made primarily by mail, but the directors, officers and employees of the Corporation may also solicit proxies by telephone, by fax, over the Internet, through advertisements or in person. The Corporation will also retain the services of other parties to solicit proxies, in particular D.F. King Canada. The solicitation costs will be at the expense of the Corporation, including any costs in connection with the services provided by D.F. King Canada which are estimated at approximately $35,000.

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

1.1 How to vote

Holders of shares of record at the close of business in Montréal (Québec), on December 11, 2020 (the "Record Date") will be entitled to attend the Meeting and any adjournment thereof and exercise the voting rights attached to their shares.

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

Registered shareholders

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

Voting rights exercised by proxy

Voting instructions can be given in multiple manners:

Internet
Go to www.astvotemyproxy.com and follow the instructions.

Phone
Dial 1 888 489-7352 and follow the instructions.

Email
Fill your form of proxy, scan it and send it by email at proxyvote@astfinancial.com.

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

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

All forms of proxy must be received by 5:00 p.m. (Eastern Standard Time) on January 22, 2021.

Voting during the live webcast

If you wish to vote during the live Meeting, you do not have to return a form of proxy. You must register online at least 15 minutes before the Meeting using an Internet connected device such as a laptop, computer, tablet or mobile phone at https://web.lumiagm.com/491747398, enter the 13-digit control number that appears on your form of proxy, as your control number, and "metro2021" (case sensitive) as your password. A vote during the webcast of the Meeting will cancel any vote submitted through a form of proxy before the Meeting.

Non-registered shareholders

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

Voting rights exercised by proxy

Applicable securities laws and regulations require that the representative of a non-registered shareholder seeks the latter's voting instructions prior to the Meeting. If you are a non-registered shareholder you will receive a voting instruction form from your representative with respect to the number of shares held on your behalf. The voting instruction form sent by the representative will contain instructions pertaining to the execution and transmission of the document, which instructions should be carefully read and followed to ensure that your voting rights are exercised accordingly at the Meeting.

If you are a non-registered shareholder and are unable to attend the online Meeting but wish that your voting rights be exercised on your behalf by a proxyholder, you must follow the voting instructions provided by your representative. The person named as proxyholder in the voting instruction form will exercise the voting rights attached to the common shares held on your behalf, in accordance with the instructions set forth in the voting instruction form.

All voting instruction forms must be returned to your intermediary by 5:00 p.m. (Eastern Standard Time) on January 22, 2021.

Voting during the live webcast

If you wish to vote during the live Meeting, you must name yourself as proxyholder on your voting instruction form. To do so, you have to write your name in the space provided for such purpose on the voting instruction form and return it following the instructions provided. **YOU MUST ALSO CALL AST at 1 866 751-6315 (toll free in Canada and the United States) or 1 212 235-5754 (other countries) by 5:00 p.m. (Eastern Standard Time) on January 22, 2021 to register your proxyholder, so that AST may provide you with a 13-digit proxyholder control number via email. To be able to participate, interact, ask questions or vote at the Meeting, you**

must have the 13-digit proxyholder control number and you have to appoint yourself as Proxyholder in the voting instruction form. Otherwise, you will only be able to attend as a guest.

You must register online at least 15 minutes before the Meeting using an Internet connected device such as a laptop, computer, tablet or mobile phone at https://web.lumiagm.com/491747398, enter the 13-digit proxyholder control number as control number and “metro2021” (case sensitive) as your password.

QUESTIONS

If you have any questions with respect to the foregoing, wish to receive an additional copy of this Circular or need help to vote, we invite you to contact D.F. King Canada by calling toll-free at 1 800 246-2916, if you are in North America, or at 1 416 682-3825, if you are outside North America, or by emailing your request at inquiries@dfking.com.

1.2 Rules of conduct for the virtual Meeting

This year, as a precautionary measure to proactively address the impact of the COVID-19 pandemic, the Corporation has decided to hold the Meeting virtually in order to mitigate health and safety risks for the Corporation’s shareholders, employees and directors as well as the other people attending the Meeting. As such, shareholders will not be able to attend the Meeting in person. To ensure the effective conduct of the Meeting, the following rules will apply during the Meeting.

Only registered shareholders and duly appointed and registered proxyholders will be eligible to vote and have the opportunity to ask questions during the Meeting, provided they are connected to the Internet and comply with the requirement set out herein. Non-registered shareholders who did not appoint themselves as proxyholders and registered themselves with AST to obtain a 13-digit proxyholder control number by the 5 p.m. (Eastern Standard Time) voting deadline on January 22, 2021 will only be able to log in to the Meeting as guests. In such case, it will not be possible for them to vote or ask questions.

For any question on joining or attending the Meeting or on voting procedures, please refer to the “Virtual Meeting User Guide” which is included in the mailing envelope sent to shareholders and is available on the Corporation’s website (corpo.metro.ca) and on SEDAR (sedar.com). For live technical assistance during the Meeting, please contact AST at 1 800 387-0825.

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

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

It is recommended to shareholders and proxyholders to submit their questions as soon as possible during the Meeting so they can be addressed at the right time. There are two (2) ways to ask questions during the Meeting. Questions may be submitted in writing by using the relevant dialog box in the function “Ask a question” by clicking on the icon during the Meeting. Questions may also be asked over the telephone. To do so, the shareholder or proxyholder will need to submit its telephone number by using the relevant dialog box in the function “Ask a question” by clicking on the icon during the Meeting in order to be reached by telephone at the appropriate time. Your telephone number will not be shared with the other Meeting attendees. Only shareholders and duly appointed and registered proxyholders may ask questions during the question period.

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

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

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

- are irrelevant to the Corporation’s operations or to the business of the Meeting;
- are related to non-public information about the Corporation;
- are related to personal grievances;
- constitute derogatory references to individuals or that are otherwise offensive to third parties;
- are repetitious or have already been asked by other shareholders;
- are in furtherance of a shareholder’s personal or business interest; or
- are out of order or not otherwise appropriate as determined by the Chair or Secretary of the Meeting in their reasonable judgment.

For any questions asked but not answered during the Meeting, shareholders may contact the Corporation’s Corporate Secretary at secretaire.corpo@metro.ca.

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

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

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

1.3 Appointment of a proxyholder

As a shareholder, you have the right to appoint another person (a "Proxyholder") to attend the Meeting and exercise your voting rights. **You have the right to appoint a Proxyholder other than the persons whose names already appear as Proxyholders in the form of proxy or voting instruction form, by inserting the name of the Proxyholder of your choice in the blank space provided for that purpose in the form of proxy or voting instruction form. YOU MUST ALSO CALL AST at 1 866 751-6315 (toll free in Canada and the United States) or 1 212 235-5754 (other countries) by 5:00 p.m. (Eastern Standard Time) on January 22, 2021 to properly register yourself, so that AST may provide such proxyholder with a 13-digit proxyholder control number via email. Such 13-digit proxyholder control number will differ from the control number set forth on the form of proxy.**

To be able to participate, interact, ask questions or vote at the Meeting if you are a non-registered shareholder, you must have the 13-digit proxyholder control number and you have to appoint yourself as Proxyholder. Otherwise, you will only be able to attend as a guest.

The Proxyholder needs not be a shareholder of the Corporation. If the shareholder is a corporation, the form of proxy or voting instruction form must be executed by a duly authorized officer or a representative thereof.

You may enter your voting instructions by following the instructions indicated on the front and back of the form of proxy or voting instruction form.

The following steps apply to shareholders who wish to appoint a Proxyholder other than the persons whose names already appear as Proxyholders in the form of proxy or voting instruction form, including non-registered shareholders who wish to appoint themselves as Proxyholder to attend, participate or vote at the Meeting. Registered shareholders have received their 13-digit control number with their form of proxy. This control number is only valid for the registered shareholder. A registered shareholder who wishes that his Proxyholder attend the Meeting and be able to vote must proceed as follows to obtain a 13-digit proxyholder control number.

Shareholders who wish to appoint a third party Proxyholder to attend and participate at the Meeting as their proxyholder and vote their shares **MUST** submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder **AND** register that Proxyholder online, as described below. Registering your Proxyholder is an additional step to be completed **AFTER** you have submitted your form of proxy or voting instruction form. Failure to register the Proxyholder will result in the Proxyholder not receiving a 13- digit control number that is required to vote at the Meeting and only being able to attend as a guest.

Step 1: Submit your form of proxy or voting instruction form: To appoint a Proxyholder other than someone whose name already appears on the form, insert that person's name in the blank space provided in the form of proxy or voting instruction form and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed before registering such Proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.

Step 2: Register your Proxyholder: To register a Proxyholder, shareholders must call AST at 1 866 751-6315 (toll free in Canada and the United States) or 1 212 235-5754 (other countries) by 5:00 p.m. (Eastern Standard Time) on January 22, 2021 to properly register themselves so that AST may provide the Proxyholder with a 13-digit proxyholder control number via email. Without this 13-digit proxyholder control number, Proxyholders will not be able to vote at the Meeting but will be able to participate as a guest.

1.4 Revocation of a proxy

A shareholder who executes and returns the form of proxy or voting instruction form may revoke same in any manner permitted by law, including by way of written notice duly executed by the shareholder, by the representative who has written authorization to act on the shareholder's behalf or, if the shareholder is a corporation, by a duly authorized officer or a representative thereof, and submit said revocation to the transfer agent of the Corporation, AST or, in the case of non-registered shareholders, to their intermediary, by 5:00 p.m. (Eastern Standard Time) on January 22, 2021.

1.5 Exercise of discretion

The form of proxy or the voting instruction form, once completed, confers discretionary authority upon the Proxyholder with respect to all amendments to matters set forth in the Notice of Meeting and any other matter which may properly be brought before the Meeting. As at the date of this Circular, the management of the Corporation is unaware of any such amendments or other matters to be brought at the Meeting.

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

- ✓ **FOR electing each director nominated by management**
- ✓ **FOR the appointment of Ernst & Young LLP, Chartered Professional Accountants as external auditors of the Corporation**
- ✓ **FOR the advisory resolution on executive compensation**
- ✓ **FOR the adoption of a resolution approving certain amendments to the Corporation's By-Laws**

1.6 Notice and access rules

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

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

If you would like to receive a printed copy of the Meeting materials by mail, at no cost, you must request same from D.F. King Canada by calling toll-free at 1 800 246-2916, if you are in North America, or at 1 416 682-3825, if you are outside North America, or by emailing your request at inquiries@dfking.com.

To ensure that you receive the materials in advance of the voting deadline and the Meeting, we recommend that you send your request before January 14, 2021 to ensure timely receipt. If you request a paper copy of the materials, please take note that no additional form of proxy or voting instruction form shall be sent to you. Therefore, please make sure that you retain the form that you received with the Notice of Meeting for voting purposes.

To obtain a printed copy of the materials after the Meeting, please contact D.F. King Canada by calling toll-free at 1 800 246-2916, if you are in North America, at 1 416 682-3825, if you are outside North America, or by emailing your request at inquiries@dfking.com.

1.7 Voting securities and principal holders thereof

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

As at December 4, 2020, there were 249,600,486 Shares of the Corporation issued and outstanding, representing 100% of the votes attached to all Shares of the Corporation.

To the knowledge of the directors and officers of the Corporation, the only person who, as at December 4, 2020, exercised or claimed to exercise beneficial ownership, control or direction over 10% of the Corporation's Shares was:

Name	Approximate number of Shares	Approximate percentage of Shares
Fidelity Management & Research Company[(1)]	41,640,304	16.60%

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

2. Business of the Meeting

2.1 Receiving the financial statements

The Consolidated Financial Statements of the Corporation for the financial year ended September 26, 2020 and the report of the independent auditors thereon will be submitted at the Meeting. These Consolidated Financial Statements appear in the Corporation's 2020 Annual Report (the "Annual Report") that will be mailed to shareholders who requested it together with the Notice of Meeting. The Annual Report is available on SEDAR (sedar.com) as well as on the Corporation's corporate website (corpo.metro.ca).

2.2 Electing directors

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

According to a policy of the Corporation, any person who was a director of the Corporation on January 30, 2012 may subsequently stand for election as a director, provided that at the time of such director's election he or she is under the age of 72. Any other person may stand for election as a director of the Corporation provided that at the time of such director's election, such director is under the age of 72 and has been a director of the Corporation for less than 15 years.

MAJORITY VOTING POLICY

The Board of Directors has adopted a policy providing that a nominee for the position of director who receives a greater number of votes "withheld" than votes "for" with respect to the election in an uncontested election of directors during an annual general meeting of the shareholders will promptly offer his or her resignation to the Chair of the Board following said meeting of shareholders. The Corporate Governance and Nominating Committee (the "Corporate Governance Committee") will consider such offer to resign and make a recommendation to the Board to accept it unless exceptional circumstances justify otherwise.

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

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

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

Unless contrary instructions are indicated, the persons named as Proxyholder in the form of proxy or voting instruction form intend to vote "FOR" the election, as directors of the Corporation, of each of the nominees whose names are set forth in this Circular.

2.3 Appointing the auditor

Ernst & Young LLP, Chartered Professional Accountants, (the "Auditors") were first appointed as auditors of the Corporation on January 27, 1998, and have been acting in that capacity ever since. The Audit Committee has examined the quality of the work performed by the Auditors and has declared itself satisfied therewith. For more information on the review of the quality of the work of the Auditors, please refer to page 20 of this Circular.

At the 2020 annual general meeting of shareholders, the appointment of the Auditors was approved by 95.98% of the votes.

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

Unless contrary instructions are indicated, the persons named as Proxyholders in the form of proxy or voting instruction form intend to vote "FOR" the appointment of Ernst & Young LLP, Chartered Professional Accountants as auditors of the Corporation at the Meeting.

AUDITOR'S INDEPENDENCE

For the 2020 financial year, the Corporation's Audit Committee obtained written confirmation from the Auditors of their independence and objectivity with respect to the Corporation, pursuant to the Code of Ethics of the Québec Order of Chartered Professional Accountants.

FEES FOR THE SERVICES OF THE AUDITORS

For each of the financial years ended September 26, 2020 and September 28, 2019, the following fees were billed by the Auditors for audit services, audit-related services, tax services and other services provided by the Auditors:

	2020	2019
Audit fees	$1,774,200	$2,139,457
Audit-related fees	$278,211	$381,601
Tax fees	$114,336	$154,011
All other fees	—	—
Total	**$2,166,747**	**$2,675,069**

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

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

2.4 Considering an advisory resolution on executive compensation

The Board of Directors approved a say-on-pay advisory vote policy with respect to executive officers. The purpose of the say-on-pay advisory vote is to give shareholders the opportunity to vote on the Corporation's approach to executive compensation at each annual general meeting of the shareholders. The Corporation's approach to executive compensation is further described in the "Executive Compensation Discussion and Analysis" section on pages 25 to 40 of this Circular.

At the 2020 annual general meeting of shareholders, the Corporation's approach to executive compensation was approved by 96.80% of the votes.

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

"RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Corporation's Management Proxy Circular delivered in advance of the 2021 annual meeting of shareholders of the Corporation."

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

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

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

2.5 Considering By-Laws Resolution

The By-Laws of the Corporation, which regulate the business and affairs of the Corporation, were last modified in 2012. Since then, the technological landscape as well as the Corporation's governance practices have evolved. In addition, due to the COVID-19 pandemic, proposed changes allowing virtual meetings are necessary to mitigate health and safety risks and to follow public health guidelines. Consequently, the Board has resolved to amend the Corporation's By-Laws to: (i) allow virtual meetings of shareholders; (ii) allow virtual meetings of the Board; (iii) align the By-Laws with the Corporation's majority voting policy; and (iv) allow notices, documents, information and signatures to be provided electronically. The proposed modifications are reflected in Exhibit A of the Circular. At the Meeting, shareholders of the Corporation will be asked to consider and, if deemed appropriate, to adopt the By-Laws Resolution set out in Exhibit B (the "By-Laws Resolution").

The proposed amendments grant the discretion to the Board to determine that a meeting of shareholders, such as the Meeting, shall be held solely by means of any telephonic, electronic or other communication equipment made available to the shareholders by the Corporation, provided that the chairman of the meeting is satisfied that all participants will be able to communicate directly with each other during such meeting. The proposed amendments also provide that the directors may, if they all consent, participate in a meeting of the Board of Directors held by such means.

In addition, the proposed amendments allow to better align the By-Laws with the Corporation's majority voting policy, by removing language that is no longer applicable.

Finally, the proposed amendments introduce a new provision to the effect that a requirement under the By-Laws to provide a notice, document, information or signature in writing may be satisfied by providing it electronically.

The Board of Directors and management recommend that shareholders vote "**FOR**" the adoption of the By-Laws Resolution.

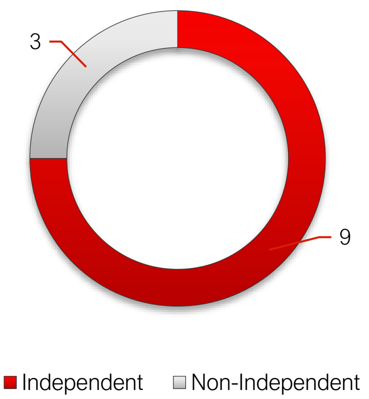
Unless contrary instructions are indicated, the persons named as Proxyholders in the form of proxy or voting instruction form intend to vote "FOR" the adoption of the By-Laws Resolution. It should be noted that to be adopted, this resolution requires a favorable vote of a simple majority of the votes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

2.6 Shareholder proposals

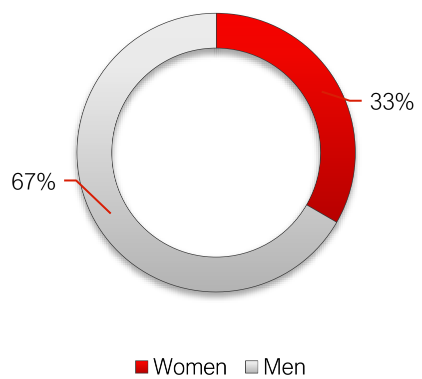
Exhibit C to this Circular sets forth two (2) proposals received from a shareholder. However, it was agreed with this shareholder not to hold a vote on these proposals at the Meeting for the reasons set forth in Exhibit C to this Circular.

3. Information on director nominees

CURRENT SIZE OF THE BOARD AND INDEPENDENCE



ACTUAL GENDER DIVERSITY



TOTAL EQUITY HOLDINGS OF DIRECTOR NOMINEES

The following table discloses the total holdings in Shares and deferred share units ("DSUs") of the Corporation of the director nominees as of December 4, 2020 and December 4, 2019. The total value of Shares and DSUs is determined by multiplying the number of Shares and DSUs held by each director nominee by the closing price of the Shares on the Toronto Stock Exchange on December 4, 2020 ($59.51) and on December 4, 2019 ($57.58).

	December 4, 2020	**December 4, 2019**
Shares	336,380	326,393
DSUs	227,172	201,800
Total value	**$33,536,980**	**$30,413,353**

DIRECTOR NOMINEES

Nominees for the position of director are the current directors of the Corporation, except for Mr. Réal Raymond, Chairman of the Corporation, who will be retiring at the end of the Meeting. The Board has appointed Mr. Pierre Boivin, an independent director, to succeed Mr. Raymond as Chair of the Board. Mr. Boivin's appointment as Chair of the Board will come into effect following the Meeting and is subject to Mr. Boivin being re-elected at said Meeting.

Unless contrary instructions are indicated, the persons named as Proxyholder in the form of proxy or voting instruction form sent to shareholders intend to vote "FOR" the election, as directors of the Corporation, of each of the 12 nominees whose names are set forth herein.

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

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

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

Maryse Bertrand
Ad. E.
Westmount (Québec) Canada

Corporate Director and Business Advisor

Age: **61**

Status: **Independent**

Director since: **2015**

2020 annual meeting votes in favour: **99.45%**

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

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	6/6	3/3	9/9
Audit	5/5	–	5/5
Corporate Governance (Chair)	4/4	–	4/4
Total attendance		**100%**	

Other public company board membership

	Since
Gildan Activewear Inc.	2018
National Bank of Canada	2012

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares(1)	1,800(3)	1,800(3)
DSUs(1)	9,495	8,232
Total value at risk(1)	**$672,165**	**$577,643**
Value at risk as multiple of base annual retainer(2)	**5.84**	**5.25**
Variation	**16%**	

Minimum holding requirement met	**Target**
✓	3 x base annual retainer

Pierre Boivin
Montréal (Québec) Canada

President and Chief Executive Officer –Claridge Inc.

Age: **67**

Status: **Independent**

Director since: **2019**

2020 annual meeting votes in favour: **99.30%**

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

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	6/6	3/3	9/9
Corporate Governance	4/4	–	4/4
Human Resources	4/4	–	4/4
Total attendance		**100%**	

Other public company board membership

	Since
National Bank of Canada	2013

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares(1)	5,054	–
DSUs(1)	2,194	34
Total value at risk(1)	**$431,328**	**$1,958**
Value at risk as multiple of base annual retainer(2)	**3.75**	**0.02**
Variation	**n/a**	

Minimum holding requirement met	**Target**
✓	3 x base annual retainer

François J. Coutu
Montréal (Québec) Canada

Pharmacist
Age: **65**
Status: **Non-Independent**
Director since: **2018**

2020 annual meeting votes in favour: **98.47%**

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	5/6	3/3	8/9
Total attendance		**89%**	

Other public company board membership

n/a

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

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares(1)	–	–
DSUs(1)	2,407	414
Total value at risk(1)	**$143,241**	**$23,838**
Value at risk as multiple of base annual retainer (2)	**1.25**	**0.22**
Variation	**n/a**	

Minimum holding requirement met(4)	Target
✓	3 x base annual retainer

Michel Coutu
Town of Mount Royal (Québec) Canada

President – MMC Investments Inc.
Age: **67**
Status: **Non-Independent**
Director since: **2018**

2020 annual meeting votes in favour: **98.65%**

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	6/6	3/3	9/9
Total attendance		**100%**	

Other public company board membership

n/a

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

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares(1)	180	180
DSUs(1)	4,969	2,935
Total value at risk(1)	**$306,417**	**$179,362**
Value at risk as multiple of base annual retainer (2)	**2.66**	**1.63**
Variation	**71%**	

Minimum holding requirement met(4)	Target
✓	3 x base annual retainer

Stephanie Coyles
Toronto (Ontario) Canada

Corporate Director

Age: **53**

Status: **Independent**

Director since: **2015**

2020 annual meeting votes in favour: **99.64%**

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

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	6/6	3/3	9/9
Audit	5/5	–	5/5
Total attendance		**100%**	

Other public company board membership

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

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares(1)	1,000	1,000
DSUs(1)	13,816	11,649
Total value at risk(1)	**$881,700**	**$728,329**
Value at risk as multiple of base annual retainer (2)	**7.67**	**6.62**
Variation	**21%**	

Minimum holding requirement met	Target
✓	3 x base annual retainer

Claude Dussault
Québec (Québec) Canada

President – ACVA Investing Corporation

Age: **66**

Status: **Independent**

Director since: **2005**

2020 annual meeting votes in favour: **96.29%**

Mr. Dussault is President of ACVA Investing Corporation, a private portfolio management company, and has also been chair of the board of directors of Intact Financial Corporation since January 1, 2008. He has held various management positions within the ING Group for more than 20 years, including President and Chief Executive Officer of ING Canada Inc. (now Intact Financial Corporation). Mr. Dussault is an actuary and 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 University of Pennsylvania (Wharton School of Business).

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	6/6	3/3	9/9
Human Resources (Chair)	4/4	–	4/4
Corporate Governance	4/4	–	4/4
Total attendance		**100%**	

Other public company board membership

	Since
Intact Financial Corporation	2000

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares(1)	12,000	12,000
DSUs(1)	41,362	39,586
Total value at risk(1)	**$3,175,573**	**$2,970,322**
Value at risk as multiple of base annual retainer(2)	**27.61**	**27.00**
Variation	**7%**	

Minimum holding requirement met	Target
✓	3 x base annual retainer

Russell Goodman
FCPA, FCA
Lac-Tremblant-Nord (Québec)
Canada

Corporate Director
Age: **67**
Status: **Independent**
Director since: **2012**

2020 annual meeting votes in favour: **97.87%**

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

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	6/6	3/3	9/9
Audit (Chair)	5/5	–	5/5
Corporate Governance	4/4	–	4/4
Total attendance		**100%**	

Other public company board membership

	Since
Gildan Activewear Inc.	2010
Northland Power Inc.	2014

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares[1]	8,100	8,100
DSUs[1]	12,699	11,272
Total value at risk[1]	**$1,237,748**	**$1,115,440**
Value at risk as multiple of base annual retainer [2]	**10.76**	**10.14**
Variation	**11%**	

Minimum holding requirement met	**Target**
✓	3 x base annual retainer

Marc Guay
Oakville (Ontario) Canada

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

2020 annual meeting votes in favour: **99.85%**

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

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	6/6	2/3	8/9
Audit	5/5	–	5/5
Human Resources	4/4	–	4/4
Total attendance		**94%**	

Other public company board membership

	Since
Boston Pizza Royalties Income Fund	2018

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares[1]	4,213	3,350
DSUs[1]	9,580	7,307
Total value at risk[1]	**$820,821**	**$613,630**
Value at risk as multiple of base annual retainer [2]	**7.14**	**5.58**
Variation	**34%**	

Minimum holding requirement met	**Target**
✓	3 x base annual retainer

Christian W. E. Haub
Munich, Germany

Chief Executive Officer – The Tengelmann Group

Age: **56**

Status: **Independent**

Director since: **2006**

2020 annual meeting votes in favour: **97.89%**

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	6/6	3/3	9/9
Human Resources	4/4	–	4/4
Total attendance		**100%**	

Other public company board membership

n/a

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

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares(1)	13,500	13,500
DSUs(1)	58,583	55,737
Total value at risk(1)	**$4,289,659**	**$3,986,666**
Value at risk as multiple of base annual retainer (2)	**37.30**	**36.24**
Variation	**8%**	

Minimum holding requirement met	Target
✓	3 x base annual retainer

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

President and Chief Executive Officer of the Corporation

Age: **58**

Status: **Non-Independent**

Director since: **2008**

2020 annual meeting votes in favour: **98.67%**

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	6/6	3/3	9/9
Total attendance		**100%**	

Other public company board membership

	Since
Bank of Montreal	2012

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

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares(1)	270,508	266,438
DSUs(5)	—	—
Total at risk value(1)	**$16,097,931**	**$15,341,500**
Value at risk as multiple of base annual retainer (5)	**—**	**—**
Variation	**5%**	

Minimum holding requirement met(6)	Target
✓	5 x base salary

Christine Magee
Oakville (Ontario) Canada

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

Age: **61**

Status: **Independent**

Director since: **2016**

2020 annual meeting votes in favour: **98.99%**

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	6/6	3/3	9/9
Corporate Governance	4/4	–	4/4
Total attendance		**100%**	

Other public company board membership

	Since
Sleep Country Canada Holdings Inc.	2015
TELUS Corporation	2018

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

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares(1)	1,125	1,125
DSUs(1)	11,072	8,947
Total value at risk(1)	**$725,843**	**$579,946**
Value at risk as multiple of base annual retainer (2)	**6.31**	**5.27**
Variation	**25%**	

Minimum holding requirement met	**Target**
✓	3 x base annual retainer

Line Rivard
Montréal (Québec) Canada

Corporate Director

Age: **61**

Status: **Independent**

Director since: **2014**

2020 annual meeting votes in favour: **99.84%**

Meeting attendance during the 2020 financial year

	Regular	Ad hoc	Total
Board	6/6	3/3	9/9
Audit	5/5	–	5/5
Human Resources	4/4	–	4/4
Total attendance		**100%**	

Other public company board membership

n/a

Ms. Rivard serves on the board of directors of Ivanhoe Cambridge Inc. and is chair of its Investment Committee and member of its Human Resources, Governance and Audit Committees. From 1989 to 2009, she has held various positions at BMO Capital Markets, including Vice-President and Managing Director, Corporate and Investment Banking – Montréal. From February 2014 to 2015, she acted as Special Advisor to the Governor of the Bank of Canada. She holds an MBA from Concordia University (John Molson School of Business) and is a graduate of the Directors Education Program of the Institute of Corporate Directors (ICD).

Information on equity holdings

	December 4, 2020	December 4, 2019
Shares(1)	900	900
DSUs(1)	18,930	16,515
Total value at risk(1)	**$1,180,083**	**$1,002,756**
Value at risk as multiple of base annual retainer (2)	**10.26**	**9.12**
Variation	**18%**	

Minimum holding requirement met	**Target**
✓	3 x base annual retainer

Notes on the tables of director nominees:

(1) Calculated by using the Shares' closing price on the Toronto Stock Exchange on December 4, 2020 ($59.51) and on December 4, 2019 ($57.58).

(2) Calculated using the annual base retainer as of September 26, 2020 ($115,000) and as of September 28, 2019 ($110,000).

(3) Ms. Bertrand also controls 6,870 Shares of which she does not have beneficial ownership.

(4) Given the large number of shares of the Corporation held by the Coutu family, the Board of Directors considers that the shareholding guidelines have been met by Messrs. François J. Coutu and Michel Coutu.

(5) As President and Chief Executive Officer of the Corporation, Mr. La Flèche does not receive compensation for acting as director and does not receive DSUs.

(6) As President and Chief Executive officer of the Corporation, Mr. La Flèche is not subject to the Corporation's shareholding guidelines for directors. He is subject to shareholding requirements for executive officers. More information on these requirements can be found in the "Shareholding requirements for NEOs" section at page 34 of this Circular.

SUMMARY OF BOARD AND COMMITTEE MEETINGS HELD

The following table lists the number of meetings held by the Board and its committees during fiscal 2020:

Board and Committee meeting summary

	Regular	Ad hoc	Total
Board of Directors	6	3	9
Audit Committee	5	—	5
Corporate Governance Committee	4	—	4
Human Resources Committee	4	—	4

In addition to the regular Board meetings held in fiscal 2020, there were three (3) ad hoc Board meetings held to discuss mainly the impact of the COVID-19 pandemic on the Corporation's operations. In addition to these meetings, Board members continued to be regularly engaged and updated on the pandemic through numerous written updates from management.

3.1 Director nominees' skills and experience matrix

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

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

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

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

	M. Bertrand	P. Boivin	F. J. Coutu	M. Coutu	S. Coyles	C. Dussault	R. Goodman	M. Guay	C. W. E. Haub	E. R. La Flèche	C. Magee	L. Rivard
Independence	✓	✓			✓	✓	✓	✓	✓		✓	✓
Leadership: CEO / Senior officer of public or private company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prior or current public company board experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial / Accounting	✓	✓			✓	✓	✓	✓		✓	✓	✓
Real estate	✓		✓	✓			✓		✓	✓	✓	✓
Retail / Marketing			✓	✓	✓			✓	✓	✓	✓	✓
Human resources / Compensation	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Digital / E-commerce / Information technology		✓			✓	✓				✓		
Supply chains			✓	✓	✓			✓	✓	✓	✓	
Social & environmental responsibility	✓	✓				✓		✓		✓	✓	

On average, director nominees have 7.3 years of experience as directors of the Corporation and their years of service go up to 15.9 years.

Additional information on the director nominees for the position of director who have held or hold positions in other corporations can be found in the "Directors and Officers" section of the Corporation's 2020 Annual Information Form (the "Annual Information Form"). The Annual Information Form is available on SEDAR (sedar.com) as well as on the Corporation's corporate website (corpo.metro.ca).

3.2 Policy on external boards

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

In addition, no more than two (2) directors of the Corporation shall hold a director seat at the same board of another public company. The Corporate Governance Committee of the Corporation takes into consideration the external directorships of potential director nominees and does not propose a slate of directors for election by shareholders if the election of those directors would result in more than two (2) simultaneous situations where two (2) directors hold a director seat at the same board of another public company. A director of the Corporation must obtain the prior approval of the Corporate Governance Committee before submitting his or her candidacy as director of another public company.

3.3 Diversity

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

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

At this time, the Corporation does not have a director nominee who is aboriginal, a member of a visible minority or has a disability. However, in making its decision to select a director nominee, the Corporate Governance Committee takes into consideration the profiles of each director already serving on the Board and aims to foster diversity, particularly in terms of competence, experience, skills, geographical representation, and personal attributes, including cultural, ethnic and gender diversity. For more information on director succession planning, please refer to the "Director succession planning" section below.

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

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

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

	Board of Directors				Senior management(2)			Management (excluding senior management)		
	Target	Number of women	Total number	% of women	Number of women	Total number	% of women	Number of women	Total number	% of women
2021 Financial year(1)	30%	4	12	33%	—	—	—	—	—	—
2020 Financial year	30%	4	13	31%	13	57	23%	108	316	34%
2019 Financial year	30%	5	15	33%	9	55	16%	99	290	34%

Notes:

(1) In accordance with the nominees proposed in this Circular.

(2) This group includes the President and Chief Executive Officer of the Corporation and the Vice-Presidents of the Corporation and its major subsidiaries.

3.4 Director succession planning

The Board of Directors recognizes the importance of ensuring proper succession planning for its directors. The Board has delegated its responsibilities in the recruitment and succession planning of candidates to the Board of Directors to the Corporate Governance Committee.

The Corporate Governance Committee reviews the competence, experience and skills of each of the nominees for the position of director and recommends to the Board of Directors the nominees who best meet the required profile at the time of nomination. To this effect, the Corporation has traditionally maintained an evergreen list of potential candidates. In 2020, the Corporate Governance Committee also hired a recruitment firm to increase the pool of diverse candidates on the evergreen list. This list may be used in the event that a vacancy occurs on the Board of Directors or when a director announces his or her intent not to be a director nominee at the next annual general meeting. As mentioned above, the Corporate Governance Committee may also use the services of recruitment specialists who identify possible director candidates for vacancies on the Board. These recruitment specialists can

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

focus on particular skills needed as identified by the Corporate Governance Committee and seek candidates who increase diversity on the Board.

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

Both the Chair of the Board and the Corporate Governance Committee are in charge of director succession planning. The Corporate Governance Committee maintains the evergreen list of potential director nominees while reviewing the experience and expertise needs of the Board on an annual basis. The candidacy of each potential director nominee is examined, and the Corporate Governance Committee determines if he or she should remain on the evergreen list. The Chair of the Board and the Chair of the Corporate Governance Committee meet with potential director nominees to discuss their interest and the contributions they could bring to the Board of Directors. After this first meeting, if found suitable, a potential director nominee will meet with the President and Chief Executive Officer of the Corporation. These discussions are reported to the Corporate Governance Committee which decides whether to recommend or not the potential director nominee. The Chair of the Board and the Chair of the Corporate Governance Committee review annually the retirement dates of all directors according to the Board Retirement Policy to ensure succession is planned accordingly.

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

The Board of Directors has designed a comprehensive effectiveness assessment for itself, the committees and the directors under the supervision of the Corporate Governance Committee. This assessment occurs on an annual basis using questionnaires that were reviewed by the Corporate Governance Committee. These questionnaires cover a variety of subjects, including but not limited to corporate governance and include both quantitative and qualitative questions. Every three (3) years, a detailed questionnaire replaces the usual questionnaire and only includes qualitative questions. During the assessment process, the Corporate Governance Committee also ensures that the mandate of each committee of the Board of Directors is carried out and assesses the manner in which the Chair of the Board of Directors and the Chairs of each committee fulfill their duties.

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

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

The results of this assessment are reviewed by the Corporate Governance Committee. The Chair of the Corporate Governance Committee submits a complete report of this analysis to the Board of Directors. In light of the foregoing, the Chair of the Board of Directors, with the help of the Corporate Governance Committee, assesses the process, the effectiveness and/or the need for change in the composition of the Board of Directors, its committees or their Chairs.

Following the Corporate Governance Committee and the Board of Directors' analysis of the above-mentioned report, management is advised of the relevant recommendations for improvements, in particular with respect to training and development programs for directors, which require its involvement.

3.6 Director orientation and continuing education

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

The Corporation acknowledges that a board of directors' good performance stems from directors who are well informed; as such, the Corporation provides each director with a handbook that contains relevant documentation and information about the Corporation, including the Information Policy and the Code of Ethics of the Directors of Metro Inc. (the "Directors' Code of Ethics").

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

In addition, two (2) formal educational sessions took place and focused on environmental, social and governance (ESG) management and international trends in supply chain, which allowed Board members to keep themselves up to date on these fast-changing aspects of the business. All directors attended these sessions.

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

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

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

3.7 Conflicts of interests and related party transactions

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

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

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

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

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

3.8 The Board of Directors and its committees

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

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

The Chair of the Board is appointed by resolution of the Board of Directors. The current Chair of the Board is Mr. Réal Raymond who will be retiring at the end of the Corporation's Meeting. The Board has appointed Mr. Pierre Boivin, an independent director, to succeed Mr. Raymond as Chair of the Board. Mr. Boivin's appointment as Chair of the Board will come into effect following the Meeting and is subject to Mr. Boivin being re-elected at said Meeting.

HUMAN RESOURCES COMMITTEE

The Human Resources Committee has five (5) members, all of whom are independent directors. This Committee met four (4) times during the 2020 financial year. The text of the Human Resources Committee's mandate is included in Exhibit E to this Circular. The composition of this Committee is described in the "Human Resources Committee" section on page 25 of this Circular.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

The Corporate Governance Committee has five (5) members, all of whom are independent directors. This Committee met four (4) times during the 2020 financial year. The text of the Corporate Governance Committee's mandate is included in Exhibit G to this Circular.

AUDIT COMMITTEE

The Audit Committee has five (5) members, all of whom are independent directors and are financially literate. The Committee met five (5) times during the 2020 financial year. The text of the mandate of the Audit Committee is included in Exhibit F to this Circular.

At the end of the 2020 financial year, the Audit Committee was composed of the following independent directors who possess the skills and experience that are relevant to the performance of their duties on the Audit Committee and to be considered financially literate:

- Russell Goodman, Chair of the Audit Committee, is a Chartered Professional Accountant who acquired his experience by serving as a partner at PricewaterhouseCoopers LLP for a period of 24 years. Mr. Goodman is also a director and Chair of the Audit Committees of Gildan Activewear Inc. and of Northland Power Inc. He was also a director and Chair of the Audit Committee of Whistler Blackcomb Holdings Inc.
- Maryse Bertrand is a member of the Audit Committee of National Bank of Canada and of Gildan Activewear Inc., and a member of the

Investment and Risk Committee of PSP Investments. She was special counsel at Borden Ladner Gervais LLP in matters of risk management and governance and holds a Master's degree in Risk Management.

- Stephanie Coyles acquired her experience while she acted as Senior Vice-President and Chief Strategic Officer of LoyaltyOne Co. which reported its results in accordance with the International Financial Reporting Standards ("IFRS"). She is also a member of the Audit Committee of Sun Life Financial Inc.
- Marc Guay served as president for a period of 15 years, first at Frito Lay Canada Inc. and then at PepsiCo Foods Canada Inc. Mr. Guay is also a member of the Audit Committees of Boston Pizza Royalties Income Fund and of Boston Pizza GP Inc., the general partner of the administrator of Boston Pizza Royalties Income Fund, Boston Pizza Royalties Limited Partnership.
- Line Rivard has held, for more than 20 years, various positions at BMO Capital Markets, including Vice-president and Managing Director, Corporate Investment Banking - Montréal. She also serves on the board of directors of Ivanhoe Cambridge Inc. for which she is also Chair of the Investment Committee as well as a member of its Audit Committee. She was also Special Advisor to the Governor of the Bank of Canada.

Pre-approval policies and procedures

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

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

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

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

Policy regarding complaints

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

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

Policy regarding the hiring of partners or employees of the auditors

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

Review of the quality of the work of the Auditors

The Audit Committee has examined the qualifications, performance and independence of the Auditors and has ensured that the Auditors are registered with the Canadian Public Accountability Board as compliant participants. The Audit Committee examines every year the quality of the work performed by the Auditors in order to make an informed recommendation concerning the appointment of the audit firm which will act as external auditors of the Corporation.

3.9 Risk management

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

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

One of the responsibilities of the Audit Committee is to review all material risks identified by management and to examine the effectiveness of the measures put in place to manage these risks. In order to do so, the Audit Committee regularly receives from the Internal Audit Department risk assessments with respect to various business units of the Corporation. These assessments contain a description of the material risks that could affect any given business unit, and the measures put in place to manage such risks. In addition, the

Audit Committee receives, at least once a year, a report from the crisis prevention and management committee. The Audit Committee regularly reports back to the Board of Directors regarding risk management. The Board of Directors also receives reports from management on material risks that could affect the Corporation. Periodically, the Audit Committee receives a presentation of all material risks affecting the Corporation and the measures put in place to manage such risks. A similar presentation is made to the Board at least once a year.

The Board of Directors and the Human Resources Committee also review the identification and management of risks arising from the Corporation's compensation policies and practices and the disclosure related thereto. More information about risks arising from the Corporation's compensation policies and practices may be found under the "Summary of the Corporation's compensation policies and practices and associated risks" section, on page 27 of this Circular.

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

3.10 Strategic planning

In conformity with the mandate of the Board of Directors, which can be found in Exhibit D to this Circular, the Board of Directors adopts a strategic planning process for the Corporation and its subsidiaries. To this effect, the President and Chief Executive Officer, together with other members of senior management of the Corporation, prepare and submit a strategic plan to the Board of Directors, for discussion and approval. The strategic planning process includes, among other things, the following elements: designing a strategic plan for a specific timeframe, setting corporate financial objectives, developing annual business plans and reviewing performance and progress towards achieving the strategic plan.

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

4. Director compensation

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

The Board of Directors' policy is to offer its directors competitive compensation. In that respect, the Board of Directors compares on a yearly basis the compensation of the Corporation's directors with that of Canadian public companies included in the same reference group as the Corporation. For more information about said reference group, including the criteria used by the Corporation to select the companies included in the group, please refer to the section entitled "Reference Group" on page 29 of this Circular. During the 2020 financial year, the Corporate Governance Committee reviewed the compensation of directors in order to determine if it was still appropriate. The Corporate Governance Committee recommended that the following changes be made to director compensation: an increase to the base annual retainer for the Chair of the Board and for directors as well as an increase to the Audit Committee Chair retainer. These changes were made in order to ensure that director compensation is substantially equivalent to the median compensation for the reference group. The Board of Directors has approved said increase, which came into effect on September 29, 2019.

Director compensation for the financial year ended September 26, 2020 consisted of the following elements:

Elements of compensation	Director	Amount
Base annual retainer	Chair of the Board	$265,000
	Director	$115,000
Committee chair retainers	Chair of the Audit Committee	$20,000
	Chair of the Corporate Governance Committee	$10,000
	Chair of the Human Resources Committee	$10,000
Additional compensation for a second committee	All directors who sit on more than one (1) committee	$10,000

4.1 Director shareholding guidelines

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

Until each director holds three (3) times his or her base annual retainer in DSUs and/or in Shares each director must receive his or her base annual retainer or, at such director's option, his or her total annual compensation in DSUs. Afterwards, each director will continue to receive at least 25% of his or her total compensation in DSUs. Based on the current base annual retainer of $115,000 for directors who are not employees of the Corporation and $265,000 for the Chair of the Board, the minimum shareholding requirement represents $345,000 for non-employee directors and $795,000 for the Chair of the Board.

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

Name	Shareholding requirement	Total value of DSUs and Shares held at the end of the financial year ($)	Value of DSUs and Shares as a multiple of base annual retainer	Guidelines met or deadline to meet guidelines
Maryse Bertrand	3 x base annual retainer ($345,000)	672,165	5.84	✓
Pierre Boivin	3 x base annual retainer ($345,000)	431,328	3.75	✓
François J. Coutu(1)	3 x base annual retainer ($345,000)	—	—	✓(2)
Michel Coutu(1)	3 x base annual retainer ($345,000)	—	—	✓(2)
Stephanie Coyles	3 x base annual retainer ($345,000)	881,700	7.67	✓
Claude Dussault	3 x base annual retainer ($345,000)	3,175,573	27.61	✓
Russell Goodman	3 x base annual retainer ($345,000)	1,237,748	10.76	✓
Marc Guay	3 x base annual retainer ($345,000)	820,821	7.14	✓
Christian W. E. Haub	3 x base annual retainer ($345,000)	4,289,659	37.30	✓
Christine Magee	3 x base annual retainer ($345,000)	725,843	6.31	✓
Line Rivard	3 x base annual retainer ($345,000)	1,180,083	10.26	✓

Notes:

(1) At the closing of the Transaction (as defined below), following the issuance of Shares of the Corporation as consideration, the Coutu family held approximately height percent (8%) of the Corporation's issued and outstanding Shares.

(2) Given the large number of shares of the Corporation held by the Coutu family, the Board of Directors considers that the shareholding guidelines have been met by Messrs. François J. Coutu and Michel Coutu.

4.2 Deferred Share Unit Plan

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

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

4.3 Director compensation table

The following table shows all components of the compensation earned by the directors in relation to the 2020 financial year of the Corporation.

Directors who are not employees or former employees of the Corporation are not eligible to receive pension plan benefits under the terms of any of the Corporation's Pension Plans and are not entitled to any Option grants under the Corporation's Option Plan.

Name	Retainer ($)[1]	Other compensation ($)	Total ($)
Maryse Bertrand	131,660[2]	–	131,660
Pierre Boivin	125,000	–	125,000
François J. Coutu	115,000	344,000[3]	459,000
Michel Coutu	115,000	–	115,000
Stephanie Coyles	115,000	–	115,000
Marc DeSerres[4]	52,900	–	52,900
Claude Dussault	135,000	–	135,000
Russell Goodman	145,000	–	145,000
Marc Guay	125,000	–	125,000
Christian W.E. Haub	115,000	–	115,000
Christine Magee	115,000	–	115,000
Marie-José Nadeau[5]	41,756	–	41,756
Réal Raymond [6]	265,000	–	265,000
Line Rivard	125,000	–	125,000

Notes:

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

(2) Ms. Bertrand became Chair of the Corporate Governance Committee on January 28, 2020 at which point she started receiving the retainer for the Chair of the Corporate Governance Committee.

(3) During fiscal 2020, Mr. François J. Coutu received $344,000 in consulting fees under the terms of a consulting agreement with the Corporation.

(4) Mr. DeSerres ceased to be a director of the Corporation on January 28, 2020.

(5) Ms. Nadeau ceased to be a director of the Corporation on January 28, 2020.

(6) Mr. Raymond will be retiring from the Board of Directors at the end of the Meeting.

4.4 Director compensation payment table

The following table illustrates how the fees earned for acting as directors of the Corporation in relation to the 2020 financial year have been paid.

Name	Payment in cash ($)	Payment in cash (% of total compensation)	Payment in DSUs ($)	Payment in DSUs (% of total compensation)	Fees ($)
Maryse Bertrand	65,830	50%	65,830	50%	131,660
Pierre Boivin	—	—	125,000	100%	125,000
François J. Coutu	—	—	115,000	100%	115,000
Michel Coutu	—	—	115,000	100%	115,000
Stephanie Coyles	—	—	115,000	100%	115,000
Marc DeSerres[1]	26,450	50%	26,450	50%	52,900
Claude Dussault	67,500	50%	67,500	50%	135,000
Russell Goodman	72,500	50%	72,500	50%	145,000
Marc Guay	—	—	125,000	100%	125,000

Name	Payment in cash ($)	Payment in cash (% of total compensation)	Payment in DSUs ($)	Payment in DSUs (% of total compensation)	Fees ($)
Christian W.E. Haub	—	—	115,000	100%	115,000
Christine Magee	—	—	115,000	100%	115,000
Marie-José Nadeau(2)	31,317	75%	10,439	25%	41,756
Réal Raymond(3)	132,500	50%	132,500	50%	265,000
Line Rivard	—	—	125,000	100%	125,000

Notes:

(1) Mr. DeSerres ceased to be a director of the Corporation on January 28, 2020.

(2) Ms. Nadeau ceased to be a director of the Corporation on January 28, 2020.

(3) Mr. Raymond will be retiring from the Board of Directors at the end of the Meeting.

4.5 Share-based awards

The following table shows, as at December 4, 2020, the share-based awards under the DSU Plan held by each Director since his or her appointment, which have vested but have not yet been paid. There are no option-based awards for directors. These DSU awards have been granted solely as payment for the fees earned by the directors. The DSU awards include, however, DSUs granted to cover dividends paid on Shares of the Corporation.

	Share-based awards	
Name	**Share-based awards that have vested (number) – DSUs(1)**	**Market or payout value of share-based awards that have vested but have not been paid ($)(2)**
Maryse Bertrand	9,495	565,047
Pierre Boivin	2,194	130,565
François J. Coutu	2,407	143,241
Michel Coutu	4,969	295,705
Stephanie Coyles	13,816	822,190
Marc DeSerres(3)	45,157	2,687,293
Claude Dussault	41,362	2,461,453
Russell Goodman	12,699	755,717
Marc Guay	9,580	570,106
Christian W.E. Haub	58,583	3,486,274
Christine Magee	11,072	658,895
Marie-José Nadeau(4)	38,769	2,307,143
Réal Raymond(5)	42,065	2,503,288
Line Rivard	18,930	1,126,524

Notes:

(1) The number of DSUs include DSUs granted as dividend payment on the DSUs held by each director.

(2) Based on the closing price on December 4, 2020 ($59.51).

(3) Mr. DeSerres ceased to be a director of the Corporation on January 28, 2020.

(4) Ms. Nadeau ceased to be a director of the Corporation on January 28, 2020.

(5) Mr. Raymond will be retiring from the Board of Directors at the end of the Meeting.

5. Executive compensation discussion and analysis

This section is intended to give shareholders of the Corporation a description of the policies, programs and decisions regarding compensation of the NEOs (as hereinafter defined) for the Corporation's financial year ended September 26, 2020. In this Circular, the term "NEO(s)" individually and collectively refers to the President and Chief Executive Officer, the Executive Vice-President, Chief Financial Officer and Treasurer and the Corporation's three (3) most highly paid executive officers at the end of the most recently completed financial year of the Corporation, namely: the Executive Vice-President, Ontario Division Head and National Supply Chain, the Executive Vice-President, Québec Division Head and e-commerce and the President of The Jean Coutu Group (PJC) Inc. (the "Jean Coutu Group"). Although this section essentially aims to describe the compensation policies and programs for NEOs, these programs also apply to the other members of management of the Corporation. Unless otherwise indicated, the information disclosed in this section is up to date as at September 26, 2020.

5.1 Compensation governance

ROLE AND MANDATE OF THE HUMAN RESOURCES COMMITTEE

The Board of Directors has given the Human Resources Committee the mandate to, among other things, review and recommend senior executive compensation components and policies, to ensure that they are consistent with best practices while also considering new compensation trends. The text of the mandate of the Human Resources Committee can be found in Exhibit E to this Circular.

HUMAN RESOURCES COMMITTEE

At the end of the 2020 financial year, the Human Resources Committee was comprised of the following independent directors: Claude Dussault (Chair), Pierre Boivin, Marc Guay, Christian W.E. Haub and Line Rivard.

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

- Claude Dussault (Chair) acquired his human resources experience while acting as President and Chief Executive Officer of ING Canada Inc. (now Intact Financial Corporation).
- Pierre Boivin acquired his experience by being the Chair of the National Bank of Canada Human Resources Committee. He has also been a member of the Canadian Tire Limited Human Resources Committee and chief executive officer of a number of major corporations and currently serves as Chief Executive Officer of Claridge Inc., a private investment firm.
- Marc Guay acquired his experience in human resources while acting as President of PepsiCo Foods Canada Inc. and of Frito Lay Canada Inc. for numerous years.
- Christian W.E. Haub acquired his experience while acting as President and Chief Executive Officer of The Great Atlantic and Pacific Tea Company, Inc., formerly a large American food retail chain, and as Chief Executive Officer of The Tengelmann Group, a large German Corporation operating in the retail sector.
- Line Rivard acquired experience in human resources, from 1989 to 2009, as she held several management positions at BMO Capital Markets, including Vice-President and Managing Director, Corporate and Investment Banking – Montréal. She is also a member of the Human Resources Committee of Ivanhoe Cambridge Inc.

CONFLICTS OF INTEREST

None of the members of the Human Resources Committee is or has been indebted towards the Corporation or any of its subsidiaries or has or has had an interest in any material transaction involving the Corporation in the course of the 2020 financial year. None of the members of the Human Resources Committee is or has been an officer, employee or executive of the Corporation.

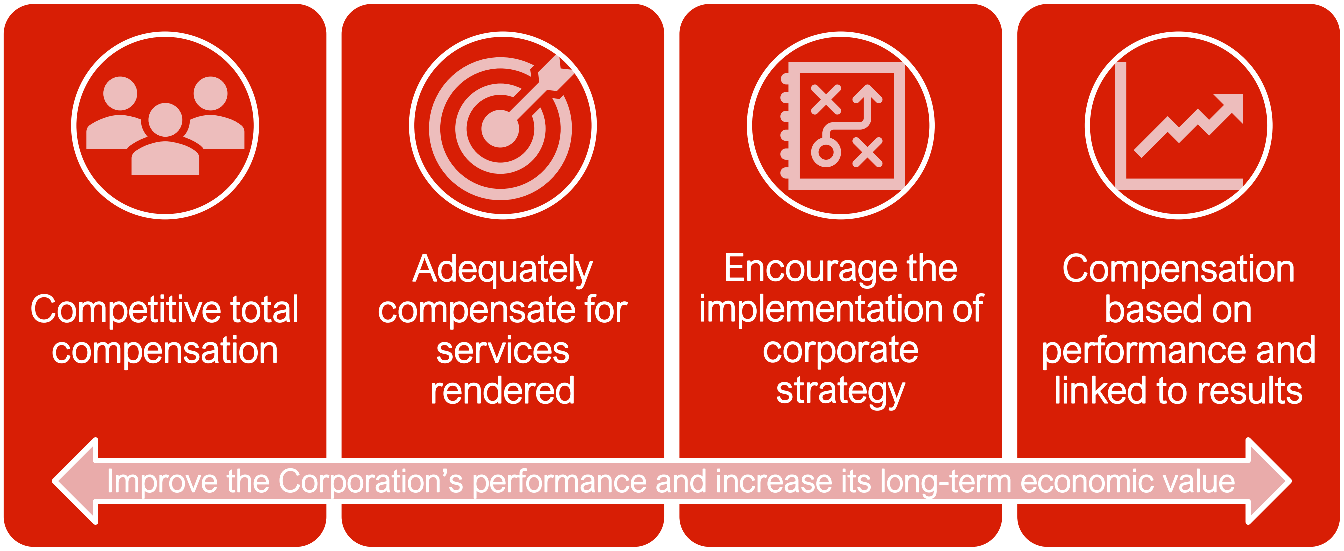
SUCCESSION PLANNING

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

To ensure the long-term development of the leadership and talent within the Corporation, succession plans include, in particular: emergency plans in response to unforeseen events, identifying potential candidates and their readiness level to assume different types of positions and functions, succession planning on a continuous and integrated basis for the short term, middle term and long term, adjustments to succession plans when necessary, implementing and updating individual and organizational development programs, and regular reviews of the processes relating to succession planning and talent management. The process for succession planning and talent management also applies to all management and professional positions of the Corporation.

5.2 Compensation objectives

In order to recruit, retain and motivate qualified senior executives who are devoted to improving the Corporation's performance on multiple levels and creating as well as protecting long-term value for its shareholders, the Corporation has developed a compensation structure for executive officers based on the following objectives:



5.3 Overview of NEO compensation

The following table illustrates the elements of executive compensation for the 2020 financial year. Further information and detail on each element of NEO compensation is found in the section "NEO compensation components" at page 30 of this Circular.

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

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

The Corporation's compensation policies and practices encourage and promote the alignment of senior management's interests with those of the shareholders while protecting the Corporation from excessive risk taking. The Human Resources Committee reviews risk identification and management with regards to the Corporation's compensation policies and practices and related disclosure. As shown in the following table, many components of the Corporation's compensation policies and practices limit risk-taking by senior management in a number of ways.

Pay for performance

What the Corporation does	What the Corporation doesn't do
• Executive officers are primarily compensated in relation to the Corporation's financial results, which are approved by the Board of Directors after having been reviewed by the Auditors and the Audit Committee. • Executive compensation is determined in accordance with a reference group which is updated as needed and with market surveys of companies comparable to the Corporation, in order to ensure its competitiveness. • Some AIP objectives are based on the Corporation's budget, which is approved by the Corporation's Board of Directors. • Compensation payable to executive officers under the AIP in the event that certain performance objectives have been partially achieved may be adjusted when justified by the circumstances up to a total amount equal to five percent (5%) of the base salary of all executive officers and must be approved by the Human Resources Committee or,in the case of the President and Chief Executive Officer and the Chief Financial Officer, by the Board.	• The Corporation does not grant to its executive officers compensation that is solely based on fixed compensation. • The Corporation does not offer variable compensation that is not predominantly linked to the Corporation's financial results. • The Corporation does not allow the President and Chief Executive Officer to receive a portion of his compensation under the AIP if certain performance objectives have not been fully achieved, even if justified by the circumstances, without the approval of the Board of Directors.

Promote sound risk taking

What the Corporation does	What the Corporation doesn't do
• The Human Resources Committee reviews the identification and management of risks arising from the Corporation's compensation policies and practices. • The Human Resources Committee's external advisor evaluates the risks associated with the executive officers' compensation and advises the Human Resources Committee. • The base salary for executive officers is fixed to provide regular income that is in no way connected to Share price and the overall operational performance of the Corporation, thus discouraging excessive risk-taking. • Performance objectives are diversified and include absolute performance objectives, as well as performance objectives relative to a peer group. • Amounts payable under the AIP are capped. • Stock options ("Options") and PSUs vest over a long-term period therefore minimizing short-term risk-taking. • The Corporation's Code of conduct (the "Code of Conduct") includes compensation clawback provisions for the recovery of compensation paid to the executive officers in the event of misappropriation and provisions prohibiting hedging transactions.	• The Corporation does not base performance objectives solely on absolute performance objectives. • The Corporation does not pay compensation under the AIP without the approval of the Human Resources Committee and, with respect to the President and Chief Executive Officer and the Chief Financial Officer, of the Board of Directors. • The Corporation does not allow hedging on its securities.

Aligning with shareholders' interests

What the Corporation does	What the Corporation doesn't do
• Performance objectives for the executive officers under the AIP and the LTIP are diversified, realistic and coherent. • Options and PSUs are awarded to encourage sustained, long-term performance. • Option and PSU grants are limited to a set number following an established policy. • The Human Resources Committee receives an annual presentation on the cost of the LTIP and on the potential dilution that could result from the exercise of Options awarded. • Minimum shareholding (in Shares and PSUs) requirements have been established for executive officers and other members of management.	• The Corporation does not allow executive officers and other members of management to sell all of the Shares acquired upon exercise of Options or vesting of PSUs until the minimal shareholding requirement has been met.

COMPENSATION RISKS

The Human Resources Committee has retained the services of an external compensation consultant, PCI-Perrault Consulting Inc. ("PCI"), to review the risks arising from the Corporation's compensation policies and practices. After conducting an in-depth review of the risks associated with compensation, the Corporation concluded that there were no risks that could have a material adverse effect on the Corporation. For more information on the Human Resources Committee's external compensation consultant, please refer to the "External compensation consultant" section at page 29 of this Circular.

EXECUTIVE COMPENSATION CLAWBACK

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

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

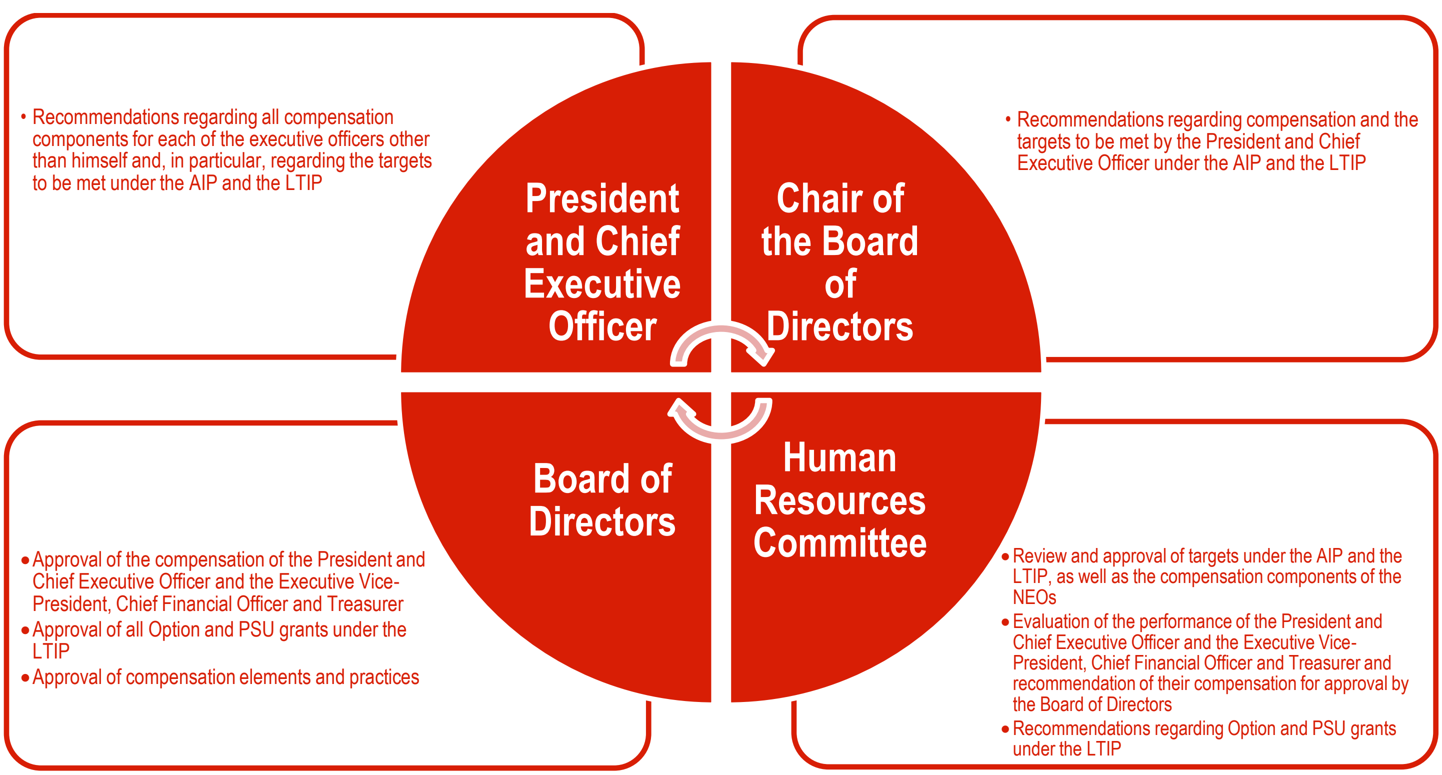
b) the executive committed a material breach of the Code of conduct or the Corporation's policies or engaged in inappropriate conduct resulting in significant losses, fines or penalties or any behaviour that could have a significant negative impact on the reputation, market performance or financial performance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

NO HEDGING

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

5.5 Decision-making process

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



5.6 External compensation consultant

Since April 2009, the Human Resources Committee has been retaining the services of PCI, an external compensation consultant, to obtain information and independent advice regarding NEO compensation programs. PCI reviews the recommendations of the Corporation and its consultants with respect to executive compensation trends, companies which should be part of the reference group, information relating to said companies and, generally, the NEOs compensation. PCI is hired directly by the Human Resources Committee and does not receive other mandates from the Corporation unless said committee gives its prior consent. During the 2019 and 2020 financial years, PCI did not receive any mandates from management of the Corporation although the firm continued a mandate given by the Jean Coutu Group's senior management prior to the acquisition by the Corporation, which was in compliance with corporate governance rules in force at the Jean Coutu Group at the time. For the 2019 and 2020 financial years, the Corporation paid PCI the following fees:

	2020	2019
Executive compensation – Related fees	$83,765	$81,178
Other fees	$8,776	$60,112
Total	**$92,541**	**$141,290**

5.7 Sources of information

In addition to the information provided by the external compensation consultant, the Human Resources Committee also takes into account compensation data publicly disclosed by various specialized organizations and by Canadian public companies included in the reference group described in the "Reference Group" section below. The Corporation regularly commissions compensation surveys from other consulting firms which are then submitted to the Human Resources Committee which takes such surveys into consideration when making decisions relating to compensation.

5.8 Reference group

The reference group used by the Corporation to determine all aspects of NEO's compensation and to review its policies in such regard has been updated during the 2020 financial year to account for the fact that the Hudson's Bay Company became a privately held company. The reference group is now comprised of 11 publicly traded Canadian companies. The following table shows the Corporation's position compared to the other companies of the reference group with respect to various financial measures:

	Sales(1)	Operating Income(2)	ROE(3)	Market Capitalization(4)
Alimentation Couche-Tard Inc.	$72,418	$6,053	24.8%	$51,910
Maple Leaf Foods Inc.	$3,942	$293	3.8%	$3,424
Loblaw Companies Limited	$48,037	$4,812	9.4%	$25,295
Dollarama Inc.	$3,787	$1,111	n/a	$15,707
Empire Company Limited	$26,588	$1,892	14.7%	$10,302
The North West Company Inc.	$2,094	$220	20.1%	$1,764
Premium Brands Holdings Corporation	$3,649	$285	8.9%	$3,766
Quebecor Inc.	$4,294	$1,839	89.0%	$8,405
Restaurant Brands International Inc.	$7,496	$2,932	31.4%	$22,787
Saputo Inc.	$14,944	$1,420	9.7%	$13,639
Canadian Tire Corporation, Limited	$14,534	$2,107	18.2%	$8,193
Median of the reference group	*$7,946*	*$1,839*	*16.5%*	*$10,302*
METRO INC.	***$16,768***	***$1,322***	***12.3%***	***$16,056***

Notes:

(1) In millions of dollars. The financial data of the Corporation is for the 2019 financial year. The financial data of the companies that are part of the reference group is for the most recently completed financial year and has been obtained from annual reports and financial websites. Amounts that are not disclosed in Canadian dollars have been converted to Canadian dollars using the Bank of Canada daily rate on September 25, 2020 ($1.3378).

(2) Operating Income before depreciation and amortization and associate's earnings. In millions of dollars. The financial data of the Corporation is for the 2019 financial year. The financial data of the companies that are part of the reference group is for the most recently completed financial year and has been obtained from annual reports and financial websites. Amounts that are not disclosed in Canadian dollars have been converted to Canadian dollars using the Bank of Canada daily rate on September 25, 2020 ($1.3378).

(3) ROE: Return on Equity. The financial data of the Corporation is for the 2019 financial year. The financial data of the companies that are part of the reference group is for the most recently completed financial year and has been obtained from annual reports and financial websites.

(4) In millions of dollars. The market capitalization data is dated September 25, 2020, and reflects the number of shares outstanding, obtained from the most recent annual and quarterly reports, multiplied by the closing price on that date.

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

- comparable sales and stock market capitalization;
- comparable industry sectors, namely: retail, distribution or Canadian food manufacturing;
- sale of consumer staples;
- operations carried out under various banners or trade names; and/or
- comparable geographical scope of operations.

5.9 Performance-based compensation

The compensation policies for executives are intended to adequately compensate their services while establishing a correlation between their compensation and the Corporation's financial performance. The NEOs' total compensation percentage under the AIP is shown in the column entitled "AIP" of the following table. The NEOs' total compensation percentage under the LTIP is shown in the column entitled "LTIP" of said table. The base salary of the NEOs is fixed whereas the portion of the compensation attributed under the AIP and the LTIP varies in accordance with the performance of the Corporation and the results obtained. A significant part of the NEOs' compensation is therefore based on performance and includes a risk-based component, as further indicated in the following table. It should also be noted that the amount of at-risk compensation increases as the level of responsibility associated with a given position increases.

	Percentage of total target direct compensation for the 2020 financial year(1)			
Name and principal occupation	**Base salary**	**AIP**	**LTIP(2)**	**At-risk compensation(3)**
Eric R. La Flèche President and Chief Executive Officer	24%	24%	52%	76%
François Thibault Executive Vice-President, Chief Financial Officer and Treasurer	35%	26%	39%	65%
Carmine Fortino Executive Vice-President, Ontario Division Head and National Supply Chain	35%	26%	39%	65%
Marc Giroux Executive Vice-President, Québec Division Head and e-commerce	35%	26%	39%	65%
Alain Champagne President, Jean Coutu Group	35%	26%	39%	65%

Notes:

(1) Target total direct compensation includes base salary as well as short-term and long-term compensation but excludes benefits and pension plans.

(2) The LTIP includes the Stock Option Plan and the Performance Share Unit Plan. The target under the Performance Share Unit Plan is set at Level 2.

(3) At risk compensation represents the sum of the AIP and the LTIP.

5.10 NEO compensation components

BASE SALARY

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

The median of the reference group and compensation surveys conducted by the Corporation or by consulting firms are used to establish the base salary of each NEO, which base salary is then adjusted to take into account specific circumstances such as an individual's level of responsibility and experience.

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

ANNUAL INCENTIVE PLAN (AIP)

The AIP is intended to compensate the achievement and overachievement of performance goals for a given financial year. The AIP consists of a percentage of the Corporation's executives' base salary payable annually as a cash bonus in consideration for the executives' and the Corporation's achievement or overachievement of certain annual goals. Except with the approval of the Board of Directors, no amount is payable under the AIP with respect to any given goal if the minimum threshold or the goal is not achieved. The President and Chief Executive Officer may grant executive officers (excluding himself) part of their compensation under the AIP even if certain performance goals have been partially achieved, when justified by the circumstances. All such adjustments made by the President and Chief Executive Officer are subject to the Human Resources Committee's prior approval, and in the case of the Executive Vice-President, Chief Financial Officer and Treasurer, the Board's approval. The Board can also adjust in like manner the President and Chief Executive Officer's compensation under the AIP. All such adjustments are limited to an aggregate amount equal to five percent (5%) of all executive officers' base salaries.

The goals to be met under the AIP are threefold:

i) corporate goals based on the budgeted annual adjusted net earnings* as described in the "Highlights for the 2020 financial year" section on page 35 of this Circular;

ii) divisional goals based on the budgeted sales and contribution of the main operating divisions of the Corporation; and

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

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

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

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

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

More information on bonuses paid under the AIP is available in the "Annual Incentive Plan for the 2020 Financial Year" section on page 35 of this Circular.

LONG-TERM INCENTIVE PLAN (LTIP)

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

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

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

** These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by the IFRS and therefore may not be comparable to similar measurements presented by other public companies. For more details on the calculation of the adjusted net earnings, please refer to the Consolidated Financial Statements for the year ended September 26, 2020 which can be found in the 2020 Annual Report .*

Option Plan

The number of Shares underlying each Option grant is calculated according to a multiple of the salary class of the NEO, or the base salary in the case of the President and Chief Executive Officer, divided by the closing price of the Shares on the trading day preceding the Option grant.

The grant of Options to NEOs is determined as follows:

i) the number of underlying Shares for Options granted to the President and Chief Executive Officer is established using a multiple of five (5) times his base salary divided by the closing price of the Shares on the trading day preceding the grant; and

ii) the number of underlying Shares for Options granted to other NEOs is established using a multiple of 1.75 times the salary class divided by the closing price of the Shares on the trading day preceding the grant.

To determine the estimated fair value of all standard Option grants for compensation purposes, the Corporation uses an average historical factor of 20% of the product obtained by multiplying the number of underlying Shares of the granted Options by the exercise price (which is equal to the closing price of the Shares on the trading day preceding the Option grant). This compensation value factor represents a historical value for comparison purposes with the reference group but does not correspond exactly to the Black-Scholes value declared in note 21 of the 2020 Consolidated Financial Statements of the Corporation. The Corporation considers that this valuation method for Options reflects adequately the evolution in NEO compensation and makes it easier to compare with the reference group.

PSU Plan

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

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

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

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

ii) Level 2 = achievement of at least eight (8) of the 15 performance criteria; and

iii) Level 3 = achievement of at least 12 of the 15 performance criteria.

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

The Human Resources Committee reviews the goals and criteria of the PSU Plan on an annual basis to foster the highest level of performance while remaining realistic and reachable to avoid undue risk taking. After having decreased in 2019 the ROE levels to take into account the significant increase in Shareholders' equity as a result of the acquisition of the Jean Coutu Group by the Corporation on May 11, 2018 (the "Transaction"), in 2020, the Board of Directors of the Corporation, upon recommendation of the Human Resources Committee, increased the Corporation's ROE target levels to take into consideration the number of shares bought back by the Corporation as well as the higher earnings level.

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

2020	2019	2018
ROE higher than 11.5%	ROE higher than 11%	ROE higher than 13%
ROE higher than 12%	ROE higher than 11.5%	ROE higher than 14%
ROE higher than 12.5%	ROE higher than 12%	ROE higher than 15%
EPSG higher than Loblaw Companies Limited's EPSG	EPSG higher than Loblaw Companies Limited's EPSG	EPSG higher than Loblaw Companies Limited's EPSG
EPSG higher than Empire Company Limited's EPSG	EPSG higher than Empire Company Limited's EPSG	EPSG higher than Empire Company Limited's EPSG

The number of PSUs granted is calculated by dividing a percentage of the NEO's salary class by the closing price of the Share on the trading day preceding the PSUs grant, except for Mr. La Flèche, for whom the number of PSUs is calculated according to a percentage of his salary as determined in his employment contract (for more details on Mr. La Flèche's employment contract, please refer to the "Employment Contracts" section on page 33 of this Circular).

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

Other Information

The other terms and conditions of the Option Plan and the PSU Plan are more fully described in the "Stock Option Plan (Option Plan)" section on page 45 of this Circular and in the "Performance Share Unit Plan (PSU Plan)" section on page 47 of this Circular. More information on Option and PSU grants in 2020 is available in the "Long-Term Incentive Plan For The 2020 Financial Year" section on page 38 of this Circular.

PENSION PLANS

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

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

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

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

BENEFITS AND PERQUISITES

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

EMPLOYMENT CONTRACTS

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

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

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

According to his employment contract, Mr. La Flèche is eligible to the AIP up to a maximum of 150% of his base salary as President and Chief Executive Officer of the Corporation. His participation in the Corporation's Option Plan is equal to a multiple of five (5) times his base salary divided by the closing price of the Shares on the trading day preceding the Option grant.

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

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

The conditions of exercise of Mr. La Flèche's and Mr. Fortino's Options and PSUs are the same as those of Options and PSUs granted pursuant to the Plans. The performance criteria for the PSUs granted to Mr. La Flèche and Mr. Fortino are the same as those described in the "Long-Term Incentive Plan (LTIP)" section on page 31 of this Circular.

For other specific conditions applicable to Messrs. La Flèche and Fortino, please refer to the "Termination of Employment or Change of Control Benefits" section on page 48 of this Circular.

5.11 Shareholding requirements for NEOs

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

The President and Chief Executive Officer is required to hold Shares and PSUs of a value equal to at least five (5) times his annual base salary. Executive Vice-Presidents and other officers who have an equivalent role are required to hold Shares and PSUs of a value equal to at least two (2) times their annual base salary. Senior Vice-Presidents are required to hold Shares and PSUs of a value equal to at least one and a half (1.5) times their annual base salary. The other executives are required to hold Shares and PSUs of a value at least equal to one (1) time their annual base salary. The minimum holding requirement must be met within seven (7) years of the date upon which executives received their first Option or PSU grant or within three (3) years of the appointment of the executives to their current position if said executives previously held a management position within the Corporation that had a lower shareholding requirement. All PSU and Option holders must keep a portion of the Shares they receive on the vesting or exercise date, as the case may be, if they have not yet met this minimum holding requirement. The President and Chief Executive Officer is required to continuously hold Shares and PSUs in accordance with the minimum holding requirement herein above-mentioned for one (1) year following retirement or resignation. The other NEOs are required to comply with the minimum holding requirement for six (6) months following retirement or resignation.

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

Name	Shareholding requirement	Value of securities held at the end of the financial year(1)	Value of securities as multiple of base salary(2)	Shareholding requirement met or deadline to meet the requirement
Eric R. La Flèche	5 x base salary	$19,996,519	20.00	✓
François Thibault	2 x base salary	$2,729,429	5.17	✓
Carmine Fortino	2 x base salary	$2,496,332	4.41	✓
Marc Giroux	2 x base salary	$1,270,669	2.84	✓
Alain Champagne	2 x base salary	$491,994	0.98	May 13, 2026(3)

Notes:

(1) Value calculated using the closing price on September 25, 2020 ($64.02).

(2) The multiple of base salary is calculated using the base salary set out in the summary compensation table in the "Compensation for the 2020 financial year" section at page 41 of this Circular.

(3) Mr. Champagne joined the Corporation on May 13, 2019.

The dollar value of each NEO's equity-based holdings, based on the closing price of the Shares on September 25, 2020 ($64.02), are set forth in the following table. More information on Options and PSUs held by NEOs is available in the "Outstanding Share-Based Awards and Option-Based Awards" section on page 42 of this Circular.

Name	Value of Shares held ($)	Value of unexercised in-the-money Options ($)		Value of PSUs not vested ($)	Total ($)
		Vested	Not vested		
Eric R. La Flèche	17,317,922	13,420,846	7,630,112	5,357,194	43,726,074
François Thibault	1,800,498	1,150,265	1,478,136	1,857,860	6,286,760
Carmine Fortino	1,466,890	1,445,265	1,515,185	2,058,883	6,486,223
Marc Giroux	831,172	984,148	632,275	878,995	3,326,589
Alain Champagne	—	—	404,236	983,987	1,388,223

5.12 Compensation decisions for the 2020 financial year

HIGHLIGHTS OF THE 2020 FINANCIAL YEAR

The Corporation achieved strong financial and operational results in 2020.

Effective the first quarter of 2020, the Corporation adopted IFRS 16 Leases. The Corporation adopted the standard using a modified retrospective approach. The operating results of the previous fiscal year have not been restated.

Sales for fiscal 2020 totalled $17,997.5 million versus $16,767.5 million for fiscal 2019, an increase of 7.3%. Excluding the impact of IFRS 16, sales were up 7.7%.

Net earnings for fiscal 2020 were $796.4 million, an increase of 11.5% from fiscal 2019 while fully diluted net earnings per Share were $3.14, up 12.9%. Adjusted net earnings* for fiscal 2020 totalled $829.1 million, up 13.3% from fiscal 2019, and adjusted fully diluted net earnings per Share* amounted to $3.27 up 15.1%.

The Corporation's financial results were fueled in part by the strong increase in sales due to the COVID-19 pandemic which was declared at the end of the second quarter. Food sales grew at higher rates than normal since part of restaurant and food service revenues transferred to grocery stores. However, the Corporation incurred higher operating expenses, in particular for labour, security measures, maintenance and cleaning. Expenses linked to the COVID-19 pandemic totaled $137 million for fiscal 2020. Teams were fully dedicated to responding to the higher demand while ensuring employees' and customers' safety through rigorous hygiene and control measures.

Pharmacy front-end sales were impacted during the third quarter as a result of the emphasis put on prescription drugs and other medical products together with strict safety measures which reduced store access for customers. Front-end sales rebounded in the fourth quarter as opening hours returned to normal and promotional activities resumed.

Financial results are also the product of the Corporation's sustained investments in its stores and its supply chain as well as in its merchandising and marketing programs.

The Corporation was therefore already well positioned to have a strong financial performance before the pandemic started. Excluding the impact of the pandemic, same store sales for food stores were up 3.3%** during the first 24 weeks of fiscal 2020 and pharmacies' same store sales were up 3.3%**. In addition, for the first 24 weeks of fiscal 2020, adjusted net earnings* excluding the impact of COVID-19, are estimated at $356 million***, an increase of 8.8% from fiscal 2019.

For more information on adjustments to net earnings, please refer to the "Net earnings adjustments" section at page 19 of the 2020 Annual Report.

BASE SALARY FOR THE 2020 FINANCIAL YEAR

The base salary of each NEO was determined according to the factors referred to in the "Base Salary" section on page 30 of this Circular. The President and Chief Executive Officer's base salary is unchanged from 2019. The Human Resources Committee is satisfied that the base salaries are adequate compared to the reference group.

ANNUAL INCENTIVE PLAN FOR THE 2020 FINANCIAL YEAR

The Corporation has exceeded the maximum threshold for all its corporate and divisional goals in fiscal 2020. While a portion of this performance was fuelled by the additional sales resulting from the pandemic, the Human Resources Committee recommended to the Board and the Board accepted the Human Resources Committee's recommendation that the annual incentive amounts related to these financial goals be paid at the maximum levels for all NEOs, including the President and Chief Executive Officer. In support of this decision, the Human Resources Committee and the Board noted that the Corporation was well on its way to meet or exceed budgetary targets prior to the pandemic and, most importantly, the Human Resources Committee and the Board determined that the Corporation's management of the pandemic crisis was excellent, in terms of employee and customer safety, community support, as well as in terms of superior relative financial performance, driven by market share gains and strong operating leverage. Most NEO's personal goals were reached and, in light of the above, the Human Resources Committee, as it has sometimes done in past years, agreed to certain minor adjustments to personal goals that were substantially achieved. No adjustments were made for the President and Chief Executive Officer's personal goals. More details on these adjustments can be found in the "Adjustments" section on page 37 of this Circular.

** These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by the IFRS and therefore may not be comparable to similar measurements presented by other public companies. For more details on the calculation of the adjusted net earnings, please refer to the Consolidated Financial Statements for the year ended September 26, 2020 which can be found in the 2020 Annual Report.*

*** As the pandemic started with about two (2) weeks left in the second quarter, we estimated its impact on our financial results based on the performance we had realized up to that point in time. Based on the trends in sales for the first ten (10) weeks of the quarter (out of a total of 12 weeks), we estimated the percentage of increase in same store sales excluding the impact of the pandemic.*

**** As disclosed in the Interim Report for the second quarter of fiscal 2020, the impact of the pandemic on net earnings per share for the 12-week period ending March 14, 2020, is estimated at approximately $0.03, or approximately $8 million in net earnings. The adjusted net earnings for the 24-week period of fiscal 2020 stands at $364 million. Removing the estimated COVID-19 impact of $8 million brings the adjusted net earnings* to a level of about $356 million. As the pandemic started with about two (2) weeks left in the second quarter, we estimated its impact on our financial results based on the performance we had realized up to that point in time. Based on the trends in sales for the first ten (10) weeks of the quarter (out of a total of 12 weeks), we estimated the additional sales due to COVID-19 to represent about $125 million. The contribution on these sales, taking into account an appropriate level of operating expenses, including some pandemic-related costs, was estimated at $8 million on an after-tax basis.*

The goals to be met under the AIP for the 2020 financial year were as follows:

Name	Corporate Goals(1) Minimum	Corporate Goals(1) Maximum	Divisional Goals(1) Quebec Division Minimum	Quebec Division Maximum	Ontario Division Minimum	Ontario Division Maximum	Pharmacy Division Minimum	Pharmacy Division Maximum	Personal or Sector-based Goals
Eric R. La Flèche	96%	105%	96%	103%	96%	105%	96%	103%	Various key performance indicators, strategic or business goals relating to the specific sector for which the NEO is responsible, such as: achieving and exceeding sales, contribution, customer satisfaction and cost savings targets as well as achieving the successful implementation of digital strategy, succession planning and successful deployment of other significant operational initiatives.
François Thibault	96%	103%	96%	103%	96%	105%	96%	103%	
Carmine Fortino	96%	103%	—	—	96%	105%	—	—	
Marc Giroux	96%	103%	96%	103%	—	—	—	—	
Alain Champagne	96%	103%	—	—	—	—	96%	103%	

Note:

(1) Goals are established as a percentage of budgeted adjusted net earnings* or divisional contribution and sales.

Corporate goals

The following table shows the percentage of the base salary representing the bonus that each NEO would earn according to the level of achievement with respect to the annual adjusted net earnings* as well as the results achieved for the 2020 financial year.

Name	Minimum Threshold $724.9M	Target $755.1M	Maximum Threshold $777.8M(1)	Results Achieved $823.4M
Eric R. La Flèche	36%	60%	90%	90%
François Thibault	20%	38%	50%	50%
Carmine Fortino	12%	23%	30%	30%
Marc Giroux	12%	23%	30%	30%
Alain Champagne	12%	23%	30%	30%

Note:

(1) This is the maximum threshold for all NEOs except for Mr. La Flèche. The maximum threshold for Mr. La Flèche is $792.9M. If the maximum threshold is exceeded, the NEOs will receive a bonus representing the same percentage of their base salary as if the actual results were equal to the maximum threshold.

** These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by the IFRS and therefore may not be comparable to similar measurements presented by other public companies. For more details on the calculation of the adjusted net earnings, please refer to the Consolidated Financial Statements for the year ended September 26, 2020 which can be found in the 2020 Annual Report.*

Divisional goals

The table below shows the percentage of base salary representing the bonus that each NEO would receive according to the level of achievement of certain thresholds of the divisional goals as well as the results achieved for the 2020 financial year. For confidentiality reasons more fully described at the end of this section, the Corporation will not disclose the amount of those targets.

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

Note:

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

Personal or Sector-based goals

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

The table below shows, as a percentage of salary, the target and maximum bonuses payable for the achievement of all personal goals for each of the NEOs and the bonus actually achieved, inclusive of minor adjustments as more fully described in the following section.

Name	Target	Maximum Threshold	Results Achieved
Eric R. La Flèche	22%	30%	23%
François Thibault	14%	20%	18%
Carmine Fortino	14%	20%	20%
Marc Giroux	14%	20%	20%
Alain Champagne	14%	20%	18%

Adjustments

The Human Resources Committee, upon recommendation of the President and Chief Executive Officer, and the Board of Directors with respect to the Executive Vice-President, Chief Financial Officer and Treasurer, granted NEOs compensation adjustments amounting to $47,805 under the AIP with respect to certain personal or sector-based goals given that the Human Resources Committee and the Board determined that these goals had been substantially achieved despite the conditions under which the Corporation operated for half of fiscal 2020 due to the COVID-19 pandemic. No adjustments were made for the achievement of the President and Chief Executive Officer's personal goals.

Bonus earned

The following table shows the target bonus, maximum bonus and bonus earned by each NEO for the 2020 financial year:

Name	Target bonus as % of base salary	Maximum bonus as % of base salary	Bonus earned as % of base salary	Bonus earned ($)(1)
Eric R. La Flèche	105%	150%	143%	1,430,000
François Thibault	75%	100%	98%	519,792
Carmine Fortino	75%	100%	100%	591,600
Marc Giroux	75%	100%	100%	450,000
Alain Champagne	75%	100%	98%	490,000

Note:

(1) The bonus is calculated based on the base salary in effect on January 1, 2020 and thereafter if modified following adjustments to the base salary during the year.

Undisclosed goals

The Corporation will not provide further details regarding the AIP goals as it believes that the disclosure of such information could seriously prejudice its interests, as same constitutes strategic confidential information. Since the Corporation does not publicly disclose its overall budgetary targets and does not wish to give forward-looking information, the Corporation believes that it is not desirable to disclose such information. Furthermore, the divisional and personal or sector-based goals are aligned with the divisions' main priorities and consist of financial targets and specific projects that are highly strategic and have yet to be completed; the disclosure of same could therefore greatly jeopardize their completion. Lastly, it is the Corporation's policy not to disclose information on an unconsolidated basis. Consequently, the Corporation will not disclose additional information on divisional and personal or sectorial goals. The Corporation considers that the performance goals determined in accordance with the AIP which are not fully disclosed are established at a high yet reachable level, to encourage NEOs to exceed expectations which, in the opinion of the Corporation, has a positive impact on the Corporation's performance.

The percentage of the target compensation associated with undisclosed goals for the 2020 financial year is as follows for each of the NEOs:

Name and principal occupation	Percentage of target compensation relating to undisclosed objectives
Eric R. La Flèche President and Chief Executive Officer	13%
François Thibault Executive Vice-President, Chief Financial Officer and Treasurer	17%
Carmine Fortino Executive Vice-President, Ontario Division Head and National Supply Chain	25%
Marc Giroux Executive Vice-President, Québec Division Head and e-commerce	24%
Alain Champagne President, Jean Coutu Group	24%

LONG-TERM INCENTIVE PLAN FOR THE 2020 FINANCIAL YEAR

The Option and PSU awards granted during the 2020 financial year were determined according to the factors described in the "Long-Term Incentive Plan (LTIP)" section on page 31 of this Circular.

The following table shows, for each NEO, the percentage of the salary class, or, as the case may be, the salary that was used to determine the number of PSUs granted per level as well as the number of PSUs granted per level and their value for the 2020 financial year. The PSUs were granted to each NEO on January 30, 2020, and the level reached will be determined in January 2023 at the time of payment. Four (4) out of the five (5) performance criteria were met for the 2020 financial year for a total of ten (10) out of 15 for the three-year performance period ending in 2020. Therefore, Level 2 will be paid out in 2021 for the PSUs granted in 2018.

	Level 1			Level 2			Level 3		
Name	% of salary(1)	Number of PSUs(2)	Value ($)(3)	% of salary (1)	Number of PSUs(2)	Value ($)(3)	% of salary (1)	Number of PSUs(2)	Value ($)(3)
Eric R. La Flèche	90%	16,630	899,849	120%	22,180	1,200,160	150%	27,720	1,499,929
François Thibault	50%	5,080	274,879	75%	7,620	412,318	100%	10,160	549,758
Carmine Fortino	50%	5,310	287,324	75%	7,970	431,257	100%	10,630	575,189
Marc Giroux	50%	4,390	237,543	75%	6,580	356,044	100%	8,780	475,086
Alain Champagne	50%	4,850	262,434	75%	7,280	393,921	100%	9,700	524,867

Notes:

(1) Percentage of the salary class or of the salary, as the case may be.

(2) The number of PSUs indicated per level is not cumulative.

(3) Value calculated using the closing price of the Share on the trading day preceding the January 2020 PSU grant ($54.11).

The following table provides details about the Options granted to each NEO for the 2020 financial year:

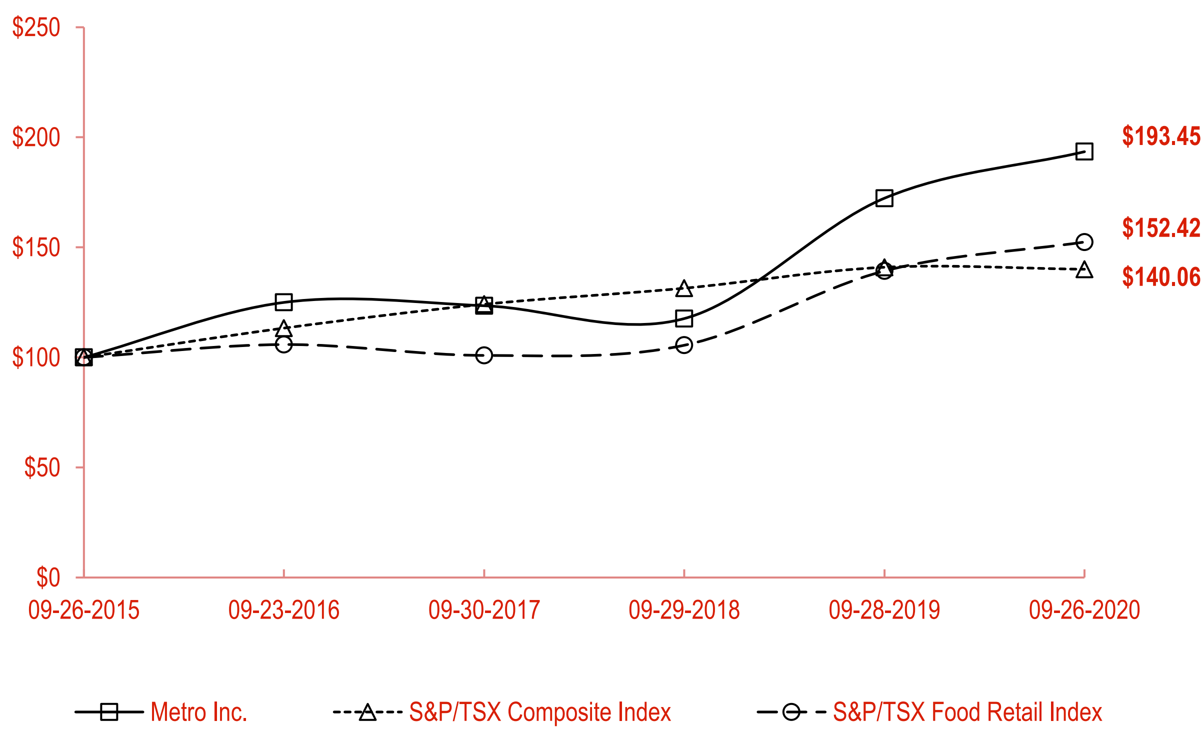
Name	Grant date	Underlying securities	Expiry date	Options value ($)[(1)]
Eric R. La Flèche	December 12, 2019	87,800	January 29, 2027	999,515
François Thibault	December 12, 2019	16,900	January 29, 2027	192,390
Carmine Fortino	December 12, 2019	17,700	January 29, 2027	201,497
Marc Giroux	December 12, 2019	14,600	January 29, 2027	166,206
Alain Champagne	December 12, 2019	16,100	January 29, 2027	183,282

Note:

(1) Value equal to 20% of the result obtained by multiplying the number of underlying Shares by the closing price of the Share on the trading day preceding the Option grant, namely $56.92. For additional details on the calculation method, refer to the "Long-Term Incentive Plan (LTIP)" section on page 31 of this Circular.

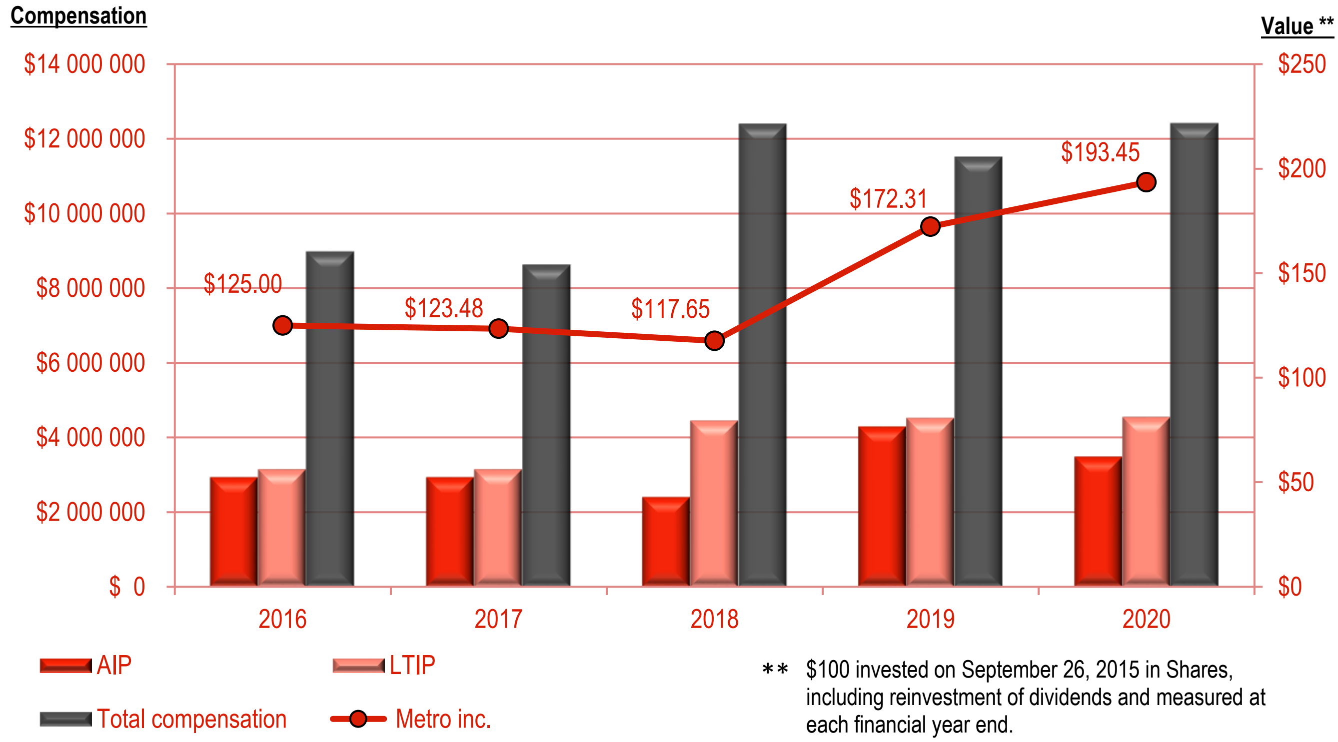
5.13 Stock performance graph

The following graph illustrates the cumulative total shareholder return on $100 invested in Shares of the Corporation in comparison to an investment in the S&P/TSX Composite Index and in the S&P/TSX Food Retail Index for the period beginning September 26, 2015 and ending September 26, 2020.



	2015	2016	2017	2018	2019	2020
Metro Inc.	100.00	125.00	123.48	117.65	172.31	193.45
S&P/TSX Composite Index	100.00	113.31	124.15	131.44	140.96	140.06
S&P/TSX Food Retail Index	100.00	105.85	100.91	105.52	139.28	152.42

The following graph illustrates the cumulative total shareholder return on $100 invested in Shares of the Corporation with dividend reinvestments compared to the total annual NEO* compensation for the 2016 to 2020 period.



** $100 invested on September 26, 2015 in Shares, including reinvestment of dividends and measured at each financial year end.

In 2017, both the total annual NEO compensation value and the shareholder return decreased slightly from the 2016 level although the shareholder return decrease was much smaller than the decrease of the total annual NEO compensation. In 2018, the total shareholder return also decreased slightly while total compensation was up. The main reasons for this increase in compensation were the changes to the pension benefit of the President and Chief Executive Officer, which resulted in a one-time charge of $1.976 million, as well as the one-time special PSUs grant relating to the Transaction. Without these one-time events, Mr. La Flèche's compensation would only have been slightly up in 2018 compared to 2017. In 2019, compensation charges grew at a similar rate than in 2018 if the one-time charges incurred in 2018 had been excluded. Total shareholder return increased by more than 45% during that period. In 2020, compared to 2019, compensation grew at a lower rate (7.9%) than shareholder return (12.3%). Between 2016 and 2020, the total annual NEO compensation increased from $9.0 million to $12.5 million. The Share price increased from $44.09 in 2016 to $64.02 in 2020.

It should be noted that the above graph does not illustrate the compensation earned by NEOs between years 2016 and 2020, but rather the compensation awarded to the executive officers mentioned in each of the summary compensation tables as they appear in each of the Corporation's management proxy circulars of years 2016 to 2020.

Further details regarding total annual NEO compensation components are available in the "Summary Compensation Table" section on page 41 of this Circular.

Aggregate compensation paid to the NEOs during the 2020 financial year represented 1.56% of net earnings and 0.08% of market capitalization.

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

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

6. Compensation for the 2020 financial year

6.1 Summary compensation table

The following table sets forth the NEO's compensation for the financial years ended September 26, 2020, September 28, 2019 and September 29, 2018.

Name and principal occupation	Financial year	Salary ($)	Share-based awards ($)(1)	Option-based awards ($)(2)	Non-equity incentive plan compensation / Annual incentive plans ($)	Pension value ($)(3)	Other compensation ($)(4)	Total compensation ($)
Eric R. La Flèche	2020	1,000,000	1,200,160	999,515	1,430,000	433,000	4,729	5,067,404
President and Chief Executive Officer	2019	1,000,000	1,200,103	999,610	1,393,800	359,000	5,525	4,958,038
	2018	932,212	1,491,638(5)	899,758	1,025,733	2,226,000(6)	5,387	6,580,728
François Thibault	2020	527,600	412,318	192,390	519,792	150,000	2,551	1,804,651
Executive Vice-President, Chief Financial Officer and Treasurer	2019	515,962	393,858	183,389	501,280	135,000	2,985	1,732,474
	2018	502,500	539,608(5)	175,342	397,096	123,000	3,148	1,740,694
Carmine Fortino	2020	565,501	431,257	201,497	591,600	115,000	2,782	1,907,637
Executive Vice-President, Ontario Division Head and National Supply Chain	2019	542,278	716,451(7)	201,442	563,539	97,000	3,111	2,123,821
	2018	533,175	374,968	175,342	480,613	96,000	3,086	1,663,184
Marc Giroux(8)	2020	447,910	356,044	166,206	450,000	494,000	2,267	1,916,427
Executive Vice-President, Québec Division Head and e-commerce	2019	339,084	157,733	70,315	192,374	74,000	2,056	835,562
	2018	331,223	157,643	69,972	194,864	83,000	2,110	838,812
Alain Champagne(9)	2020	500,000	393,921	183,282	490,000	155,000	2,436	1,724,640
President, Jean Coutu Group	2019	182,692	393,821	184,010	—	49,000	1,114	810,638
	2018	—	—	—	—	—	—	—

Notes:

(1) The value of PSUs does not constitute a cash amount received by the NEO. It is an at-risk value. Indeed, the number of PSUs may increase or decrease depending on the number of financial objectives reached and in certain cases, the value of such PSUs may even be null. The compensation value of PSUs granted was determined using Level 2, which constitutes the target level. The accounting value of the PSUs reflected in the Consolidated Financial Statements of the Corporation is different from the value on the grant date indicated in the table above. The difference is due to the fact that in the financial statements, the Corporation considers the maximum number of PSUs provided for at Level 3, given that the applicable accounting principles require it. More information on the determination of the accounting value of the PSUs can be found in note 21 to the 2020 Consolidated Financial Statements. The table in the "Long-term incentive plan for the 2020 financial year" section on page 38 of this Circular provides assistance in determining the accounting value of the PSUs for the 2020 financial year (Level 3) as well as the difference between the value on the grant date (Level 2) and the accounting value.

(2) The Option values are all estimated values and not cash amounts received by a NEO. In addition, these amounts are not guaranteed and are fully at-risk. The compensation value of Options appearing in the above table was determined using a 20% factor. Whereas the Corporation calculates the accounting value using the Black-Scholes model. Additional information regarding the manner upon which the accounting value of the Options was determined may be found in note 21 to the 2020 Consolidated Financial Statements. The accounting value of the Options granted in 2020 as determined using the Black-Scholes model is $8.10 per Option and the compensation value used in this Circular is $11.38 per Option.

(3) The variations attributable to compensation components represent the value of the projected pension benefits earned during the periods beginning October 1, 2019 and ending September 30, 2020, for the 2020 financial year, beginning October 1, 2018 and ending September 30, 2019, for the 2019 financial year, and beginning October 1, 2017 and ending September 30, 2018, for the 2018 financial year, taking into account all gains and losses in connection with salary variations. The amounts shown above are in accordance with the information set forth in note 23 to the 2020 Consolidated Financial Statements.

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

(5) These amounts include a one-time special PSU grant in 2018 in recognition for Messrs. La Flèche's and Thibault's contribution to the Transaction.

(6) Mr. La Flèche's pension value includes a one-time charge of $1.976 million added to his pension benefits as a result of the changes brought to his pension plan during the 2018 financial year where his pension benefits were increased to allow him to henceforth reach a maximum annual pension of $1 million per year starting at age 63.

(7) This amount includes a one-time special PSU grant in 2019 to reflect Mr. Fortino's additional responsibilities for the national supply chain.

(8) Mr. Giroux became Executive Vice-President, Québec Division Head and e-commerce on September 30, 2019. Prior to this date, he was Senior Vice-President – Metro Banner for the Québec division.

(9) Mr. Champagne joined the Corporation as President of the Jean Coutu Group on May 13, 2019. This table shows his compensation since that date.

6.2 Incentive plan awards

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table shows, as at September 26, 2020 and with respect to each NEO, the Option-based awards that have not been exercised, and the Share-based awards (under the PSU Plan) that have not yet vested.

	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 Share-based awards that have not vested(2)	Market or payout value of Share-based awards that have not vested ($)(3)	Vesting date
Eric R. La Flèche	180,000	—	21.90	April 17, 2021	7,581,600	—	7,581,600	36,240	2,320,085	Feb. 1, 2021
	96,560	24,140	35.42	April 23, 2022	2,761,616	690,404	3,452,020	25,260	1,617,145	Jan. 31, 2022
	65,100	43,400	40.31	Jan. 27, 2023	1,543,521	1,029,014	2,572,535	22,180	1,419,964	Jan. 30, 2023
	43,480	65,220	40.23	Jan. 25, 2024	1,034,389	1,551,584	2,585,973	—	—	—
	21,860	87,440	41.16	Jan. 31, 2025	499,720	1,998,878	2,498,598	—	—	—
	—	105,200	47.51	Jan. 30, 2026	—	1,736,852	1,736,852	—	—	—
	—	87,800	56.92	Jan. 29, 2027	—	623,380	623,380	—	—	—
Total	**407,000**	**413,200**	—	—	**13,420,846**	**7,630,112**	**21,050,958**	**83,680**	**5,357,194**	**—**
François Thibault	18,800	4,700	35.42	April 23, 2022	537,680	134,420	672,100	13,110	839,302	Feb. 1, 2021
	13,020	8,680	40.31	Jan. 27, 2023	308,704	205,803	514,507	8,290	530,726	Jan. 31, 2022
	8,680	13,020	40.23	Jan. 25, 2024	206,497	309,746	516,243	7,620	487,832	Jan. 30, 2023
	4,260	17,040	41.16	Jan. 31, 2025	97,384	389,534	486,918	—	—	—
	—	19,300	47.51	Jan. 30, 2026	—	318,643	318,643	—	—	—
	—	16,900	56.92	Jan. 29, 2027	—	119,990	119,990	—	—	—
Total	**44,760**	**79,640**	—	—	**1,150,265**	**1,478,136**	**2,628,401**	**29,020**	**1,857,860**	**—**
Carmine Fortino	7,500	—	24.69	Sep. 23, 2021	295,000	—	295,000	9,110	583,222	Feb. 1, 2021
	18,800	4,700	35.42	April 23, 2022	537,680	134,420	672,100	15,080	965,422	Jan. 31, 2022
	13,020	8,680	40.31	Jan. 27, 2023	308,704	205,803	514,507	7,970	510,239	Jan. 30, 2023
	8,680	13,020	40.23	Jan. 25, 2024	206,497	309,746	516,243	—	—	—
	4,260	17,040	41.16	Jan. 31, 2025	97,384	389,534	486,918	—	—	—
	—	21,200	47.51	Jan. 30, 2026	—	350,012	350,012	—	—	—
	—	17,700	56.92	Jan. 29, 2027	—	125,670	125,670	—	—	—
Total	**52,260**	**82,340**	—	—	**1,445,265**	**1,515,185**	**2,960,450**	**32,160**	**2,058,883**	**—**
Marc Giroux	12,600	—	21.90	April 17, 2021	530,712	—	530,712	3,830	245,197	Feb. 1, 2021
	7,920	1,980	35.42	April 23, 2022	226,512	56,628	283,140	3,320	212,546	Jan. 31, 2022
	4,440	2,960	40.31	Jan. 27, 2023	105,272	70,182	175,454	6,580	421,252	Jan. 30, 2023
	3,480	5,220	40.23	Jan. 25, 2024	82,789	124,184	206,973	—	—	—
	1,700	6,800	41.16	Jan. 31, 2025	38,862	155,448	194,310	—	—	—
	—	7,400	47.51	Jan. 30, 2026	—	122,174	122,174	—	—	—
	—	14,600	56.92	Jan. 29, 2027	—	103,660	103,660	—	—	—
Total	**30,140**	**38,960**	**—**	—	**984,148**	**632,275**	**1,616,423**	**13,730**	**878,995**	—
Alain Champagne	—	18,900	48.68	May 12, 2026	—	289,926	289,926	8,090	517,922	Jan. 31, 2022
	—	16,100	56.92	Jan. 29, 2027	—	114,310	114,310	7,280	466,066	Jan. 30, 2023
Total	—	**35,000**	**—**	**—**	**—**	**404,236**	**404,236**	**15,370**	**983,987**	**—**

Notes:

(1) Based on the difference between the closing price of the Share on September 25, 2020 ($64.02) and the Option exercise price.

(2) PSUs vesting in February 2021 have reached Level 2. The number and value of PSUs vesting in January 2022 and January 2023 were determined using Level 2 which constitutes the target Level.

(3) Based on the closing price on September 25, 2020 ($64.02). See the “Long-Term Incentive Plan” and “Employment Contracts” sections on pages 31 and 33 respectively of this Circular.

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

The following table shows, for the financial year ended September 26, 2020, with respect to each NEO, the value of the Options which vested, whether or not exercised, the value of the PSUs that vested during the year and the value of the compensation under the AIP earned during such financial year.

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	2,885,727	1,058,933	1,430,000
François Thibault	504,371	336,023	519,792
Carmine Fortino	591,393	336,023	591,600
Marc Giroux	213,810	164,494	450,000
Alain Champagne	—	—	490,000

Notes:

(1) This amount represents the amount that would have been earned in 2020 if the Options that vested during the 2020 financial year had all been exercised on their vesting date. For further details, see the table entitled “Options - Value on vesting date” on page 44 of this Circular.

(2) This amount represents the value of PSUs granted in 2017 that vested in 2020, based on the closing price on January 29, 2020 ($54.11), which is the trading day preceding their settlement date. For further details, see the table below entitled “PSUs granted in January 2017 and paid in January 2020”.

(3) This amount represents the amount earned in 2020 under the AIP.

Please refer to the “Long-Term Incentive Plan (LTIP)” and “Employment Contracts” sections on pages 31 and 33 respectively of this Circular for a description of the conditions for awarding Options and PSU grants. The values shown in the Option-based awards and Share-based awards columns of the above table were calculated using the information found in the following two (2) tables. As Mr. Champagne was not an employee of the Corporation at the time of these grants, he is not mentioned in the tables below.

PSUs granted in January 2017 and paid in January 2020

Name	Number of PSUs(1)	Value ($)(2)
Eric R. La Flèche	19,570	1,058,933
François Thibault	6,210	336,023
Carmine Fortino	6,210	336,023
Marc Giroux	3,040	164,494

Notes:

(1) Level 2 reached.

(2) Based on the Share closing price on January 29, 2020 ($54.11), which is the trading day preceding the settlement date.

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	April 18, 2014	36,000	59.72	21.90
	April 24, 2015	24,140	60.05	35.42
	January 28, 2016	21,700	56.02	40.31
	January 26, 2017	21,740	54.45	40.23
	February 1, 2018	21,860	53.95	41.16
François Thibault	April 18, 2014	5,400	59.72	21.90
	April 24, 2015	4,700	60.05	35.42
	January 28, 2016	4,340	56.02	40.31
	January 26, 2017	4,340	54.45	40.23
	February 1, 2018	4,260	53.95	41.16
Carmine Fortino	September 24, 2014	7,500	63.52	24.69
	April 24, 2015	4,700	60.05	35.42
	January 28, 2016	4,340	56.02	40.31
	January 26, 2017	4,340	54.45	40.23
	February 1, 2018	4,260	53.95	41.16
Marc Giroux	April 18, 2014	2,520	59.72	21.90
	April 24, 2015	1,980	60.05	35.42
	January 28, 2016	1,480	56.02	40.31
	January 26, 2017	1,740	54.45	40.23
	February 1, 2018	1,700	53.95	41.16

Note:

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

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth, as at December 4, 2020, information regarding equity compensation plans pursuant to which equity securities of the Corporation may be issued. Only the Option Plan qualifies as such.

Plan category	Number of securities to be issued upon exercise of Options (a)	Number of securities to be issued upon exercise of Options as % of issued and outstanding Shares (b)	Weighted-average exercise price of Options ($)(c)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (d)
Equity compensation plans approved by security holders	2,305,460	0.92%	41.29	1,613,076
Total	**2,305,460**	**0.92%**	**41.29**	**1,613,076**

6.3 Additional information on the long-term incentive plans

STOCK OPTION PLAN (OPTION PLAN)

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

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

Dilution impact of the Option Plan

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

Absolute maximum number of Shares issued after Options are exercised	30,000,000, which represents 12.0% of issued and outstanding Shares of the Corporation as at December 4, 2020
Annual maximum number of Shares that can be issued after Options are exercised or under any other compensation plan at all times	10% of issued and outstanding Shares of the Corporation
Maximum number of Shares that can be issued to insiders after Options are exercised or under any other compensation plan at all times	10% of issued and outstanding Shares of the Corporation
Maximum number of Options that can be held by an employee of the Corporation	Options representing not more than 5% of issued and outstanding Shares of the Corporation

Annual burn rate

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

	December 4, 2020	December 4, 2019	December 6, 2018
Shares that can be issued Number of Shares of the Corporation that can be issued on account of Option grants already made pursuant to the Option Plan.	2,305,460	2,245,020	3,042,420
Dilution Number of granted but unexercised Options, expressed as a percentage of the total issued and outstanding Shares on the specified date.	0.9%	0.9%	1.2%
Options that can be granted and Options that have not vested Number of Shares available for already made (but not vested) and future grants of Options, expressed as a percentage of the total issued and outstanding Shares on the specified date.	1.6%	1.6%	2.1%
Annual burn rate Number of Options awarded under the Options Plan divided by the weighted average number of Shares issued and outstanding as at the end of the applicable financial year.(1)	0.1%	0.2%	0.2%

Note:

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

Terms of the Option Plan

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

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

Subscription price	May under no circumstance be less than the market price(1) of the Shares when the TSX closes on the trading day preceding the date of the grant, and is payable in full when the Option is exercised. The Corporation has historically been using the market price(1) of the Shares when market closes on the trading day preceding the date of the grant.
Maximum term	Generally, no Option may be exercised after the expiration of the fifth (5th) year following the date upon which such Option may be first exercised, in whole or in part, or following a period of ten (10) years from the date of the grant. The exercise period for Options that expire during a trading prohibition period, as determined in the Information Policy of the Corporation, is extended by a seven (7) business day period following the expiration of such trading prohibition period.
Expiry of Options	Options expire: • 30 days following the resignation of the optionee or the date the Corporation or an affiliated entity terminates the optionee's employment without just cause; • on the date the Corporation or an affiliated entity terminates the optionee's employment for just cause; • two (2) years following the date of retirement or authorized leave of the optionee, it being understood that

	during said two-year period the Options continue to vest and the optionee is entitled to exercise Options. For a period of 364 days after said two-year period, the optionee will be entitled to exercise Options although such Options will not continue to vest; and • one (1) year after the optionee's death.
Transfer/Assignment	No Option is transferable or assignable unless dictated by will or pursuant to succession laws and, during the lifetime of the optionee, only he or she may exercise any Option.
Change of control	All Options granted under the Option Plan will vest and may be exercised at the discretion of the optionees.
Financial assistance	The Option Plan does not allow financial assistance to optionees in relation to the exercise of their Options.
Plan changes – approval of Shareholders	The approval of Shareholders is required in order to make the following changes: • any amendment to the number of securities issuable under the Option Plan (subject to any amendment resulting from a split, a consolidation or any other similar operation); • any amendment which would allow non-employee directors to participate to the Option Plan on a discretionary basis; • any amendment which would permit any Option granted under the Option Plan to be transferable or assignable other than by will or pursuant to succession laws; • the addition of a cashless exercise feature, payable in cash or securities, if the wording of such feature does not provide for a full deduction of the number of underlying securities from the Option Plan reserve; • 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; • any reduction in the purchase price (subscription price or exercise price) of any underlying Shares after the Option has been granted or any cancellation of an Option and the substitution of such Option with a new Option with a reduced exercise price, subject to any amendment resulting from a split, a consolidation or any other similar operation; • any extension to the term of an Option beyond its original expiry date (subject to the initial term being extended by seven (7) business days when an Option exercise period expires during a trading prohibition period); • any amendment to the method of determining the purchase price (subscription price or exercise price) of each Share linked to an Option granted pursuant to the Option Plan; and • the addition of any form of financial assistance and any amendment to a financial assistance provision which is more favorable to employees.
Plan changes by the Board of Directors	The Board of Directors may, subject to its receipt of the required approvals of the regulatory authorities, and at its sole discretion, make any other amendments to the Option Plan that are not mentioned above. Without limiting the generality of the foregoing, the Board of Directors may, among other things: • make any amendment of a "housekeeping" or clerical nature or in order to clarify the Option Plan's provisions; • make any amendment regarding any vesting period; • make any amendment to the provisions regarding the termination of an Option or the Option Plan so long as it does not entail an extension beyond the original expiry date; • make any amendment resulting from a split, a consolidation, a reclassification, a Share dividend declaration or any other amendment pertaining to the Shares; • discontinue the Option Plan; and • grant an Option of an initial term exceeding five (5) years from the date it can be exercised for the first time as long as its term does not exceed ten (10) years from the date upon which the Option was granted.
Termination of the rights of an optionee	Immediately upon the occurrence of one (1) of the two (2) following events: • if, during the optionee's service with the Corporation or an affiliated entity, or during the two-year period following the termination of such optionee's service, the optionee participates in a business operating in the grocery or pharmacy industry in either the province of Québec or the province of Ontario, thereby competing with the Corporation; or • if, during or after the optionee's service with the Corporation or an affiliated entity, the optionee no longer complies with the provisions of the Code of conduct of the Corporation.

Note:

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

PERFORMANCE SHARE UNIT PLAN (PSU PLAN)

The following table details the terms and conditions of the PSU Plan. This table is only a summary of the principal terms and conditions of the PSU Plan. The full text of the PSU Plan can be found on the Corporation's corporate website (corpo.metro.ca).

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

6.4 Pension plan benefits

DEFINED BENEFIT PLANS TABLE

The following table illustrates the annual benefits payable at the normal age of retirement (established at the age of 65) under the combined base and supplemental plans, according to the final average salary and years of credited service under these plans. There is no defined contribution pension plan for the NEOs.

		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 ($)(2)	Non-Compensatory change ($)(3)	Accrued value at year-end ($)
Eric R. La Flèche	29.1(4)	789,500	1,000,000	11,802,000	433,000	931,000	13,166,000
François Thibault	8.2	84,300	187,500	1,312,000	150,000	122,000	1,584,000
Carmine Fortino	6.1	51,600	81,300	623,000	115,000	55,000	793,000
Marc Giroux	11.3	84,200	218,100	1,308,000	494,000	160,000	1,962,000
Alain Champagne	1.4	13,900	122,000	60,000	155,000	21,000	236,000

Notes:

(1) As at September 26, 2020, Messrs. Eric R. La Flèche, François Thibault, Carmine Fortino, Marc Giroux and Alain Champagne had 29.7, 8.2, 6.1, 11.3 and 1.4 years of service respectively with the Corporation. However, there is no increase in benefits as a result of the difference between the number of years of service and the number of years of credited service.

(2) The variations attributable to compensatory elements represent the value of the projected retirement benefits earned during the period beginning September 28, 2019 and ending September 26, 2020, considering any gain or loss related to salary variation. The amounts indicated are consistent with the information presented in note 23 to the 2020 Consolidated Financial Statements.

(3) The variations attributable to non-compensatory elements include accrued interests on obligations at the beginning of the financial year, other realized gains and losses incurred, the amendments to actuarial assumptions as well as the contributions paid by the NEO during the period beginning September 28, 2019 and ending September 26, 2020.

(4) Including 1.3 year under the management and professional plan for Mr. Eric R. La Flèche which is considered for the purposes of the supplemental plan.

TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL BENEFITS

This section describes the benefits for NEOs in the event of termination of employment or change of control. In addition to the standard provisions of the Option Plan and the PSU Plan applicable, Messrs. La Flèche and Fortino each have an employment contract providing for payments or specific benefits in the event of a change of control or termination of employment. The general terms of the Option Plan and the PSU Plan are described in the section "Additional information on the long term incentive plans" at page 45 of this Circular.

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

Eric R. La Flèche

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

Notes:

(1) At the election of the President and Chief Executive Officer.

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

Carmine Fortino

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

Notes:

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

(2) Only in the event of termination without just and sufficient cause or constructive dismissal (double trigger).

The following table is a summary of estimated incremental payments (in $) to NEOs and the estimated value (in $) of Share-based awards as well as Option-based awards the vesting of which is accelerated in the event of termination of employment or change of control as if such event had occurred on September 26, 2020:

		Severance					
Name	**Event**	**Salary**	**AIP**	**Options**	**PSUs[(1)]**	**Other**	**Total**
Eric R. La Flèche	Termination with just and sufficient cause	—	—	—	—	—	—
	Termination without just and sufficient cause or constructive dismissal	2,000,000	2,860,000	4,572,663[(2)]	3,254,237[(3)]	—	12,686,900
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of control + termination within 24 months (double trigger)	2,000,000	2,860,000	7,630,112	5,357,194	—	17,847,306
François Thibault	Termination with just and sufficient cause	—	—	—	—	—	—
	Termination without just and sufficient cause or constructive dismissal	—[(4)]	—[(4)]	—	—	—	—
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of control	—	—	1,478,136	1,857,860	—	3,335,996
Carmine Fortino	Termination with just and sufficient cause	—	—	—	—	—	—
	Termination without just and sufficient cause or constructive dismissal	739 500	1,146,225	—	—	171,200	2,056,925
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of control	739 500[(5)]	1,146,225[(5)]	1,515,185	2,058,883	171,200[(5)]	5,630,993
Marc Giroux	Termination with just and sufficient cause	—	—	—	—	—	—
	Termination without just and sufficient cause or constructive dismissal	—[(4)]	—[(4)]	—	—	—	—
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of control	—	—	632,275	878,995	—	1,511,270
Alain Champagne	Termination with just and sufficient cause	—	—	—	—	—	—
	Termination without just and sufficient cause or constructive dismissal	—[(4)]	—[(4)]	—	—	—	—
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of control	—	—	404,236	983,987	—	1,388,223

Notes:

(1) Based on the closing price on September 25, 2020 ($64.02).

(2) The Options continue to vest for a period of two (2) years but we have used the value thereof as if accelerated on September 25, 2020.

(3) Since the PSUs continue to vest until the end of the performance period prorated to the number of days worked, we have used the value thereof at Level 2, as if accelerated on September 25, 2020.

(4) In accordance with applicable law.

(5) Only in the event of termination without just and sufficient cause or constructive dismissal (double trigger).

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

Change of control is defined in the Option Plan, PSU Plan and the employment contract of Mr. La Flèche, substantially as follows: i) the sale of the whole or a substantial part of the business of the Corporation to a person who is not an affiliate of the Corporation; ii) the merger or the consolidation of the Corporation or any other operation or transaction with a corporation or corporate entity which is not an affiliate of the Corporation, if the control of the surviving or resulting entity is thereby passed to one or several shareholders who are not affiliates of the Corporation; or iii) any change in the Share ownership of the Corporation or any other transaction resulting in control of the Corporation being granted to a person, or a group of persons, or persons acting in concert, or corporate entity associated or affiliated with any such person or group of persons. Without limiting the generality of the foregoing, a person or a group of persons holding a number of Shares and/or other securities which, directly or following conversion thereof, entitles or would entitle the holders thereof to cast 50% or more of the votes attaching to all the Shares of the Corporation entitled to vote in the election of directors of the

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

6.5 Other key policies of the Corporation

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

EMPLOYEE CODE OF CONDUCT

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

i) puts an emphasis on the duties of care, loyalty, confidentiality, non-solicitation of employees and duty to act in the best interest of the Corporation;

ii) aims at fostering a safe and respectful work environment exempt from any form of harassment;

iii) establishes rules regarding certain business practices, including gifts, invitations and solicitations; and

iv) sets out rules of conduct with respect to conflicts of interest.

The Code of conduct now integrates the compensation clawback policy and the no-hedging policy which are summarized in section "Summary of the Corporation's compensation policies and practices and associated risks" at page 27 of this Circular. The full text of the Code of conduct can be found on SEDAR (sedar.com) and on the Corporation's corporate Internet website (corpo.metro.ca).

INFORMATION POLICY

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

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

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

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

7. Governance

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

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

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

Additional information on the Board of Directors and its committees is set out in "The Board of Directors and its Committees" section found on page 19 of this Circular.

7.1 Environmental, social and governance matters

2020 marks the 10th anniversary of the Corporation's Corporate Responsibility ("CR") approach. In the last decade, the Corporation has implemented a rigorous approach in order to identify the significant environmental, social and governance ("ESG") factors to be addressed by our Corporation and implemented solid initiatives to guide our actions – such as our responsible procurement program.

From the outset, we have demonstrated transparency by publishing an annual corporate responsibility report outlining our achievements and progress on our commitments and objectives. With the publication of our 10th report in January 2021 and with one year to go before the disclosure of our 3rd plan, we are well positioned to further develop our practices and bring value to the Corporation and to society.

CR is at the core of the Corporation's business practices and is followed by all teams. This approach is based on four (4) pillars: delighted customers, respect for the environment, strengthened communities and empowered employees. Each carries specific priorities.

Information on the various programs and policies mentioned below are available on the Corporation's corporate website (corpo.metro.ca) and at page 10 of the 2020 Annual Report.

Delighted customers

In 2017, the Corporation published its Responsible Procurement Framework and Supplier Code of Conduct for Responsible Procurement. These initiatives enable the Corporation to provide its customers with the responsible products they are looking for and to communicate its expectations and requirements to its suppliers to better meet the challenges in its supply chain. These documents create a framework for policies in this area, such as the Corporation's sustainable fisheries and aquaculture and local purchasing policies. They are based on four (4) key principles: business ethics, respect for workers and contribution to socioeconomic development, protection of the environment and respect for animal health and welfare.

First adopted in May 2010, the Sustainable Fisheries and Aquaculture Policy, was updated in June 2018. The policy covers fresh, frozen and canned fish and seafood. It is designed to oversee procurement practices and foster the adoption of responsible and ethical fisheries and aquaculture practices. It is built around five (5) principles: healthy species, responsible operating methods, product traceability, respect for workers and socioeconomic development.

In 2019, the Metro banner in Québec launched a major marketing campaign, *Freshness You Can Trace*, to promote the quality of our seafood products and practices, including comprehensive information on labels (species identification, provenance and operating method). The campaign was adapted for several platforms (advertisements, stores, flyers and social networks) and was supported in-house through a training program for seafood counter employees. For a second consecutive year, SeaChoice, an organization whose mission is to monitor the actions by businesses to support seafood sustainability, ranked the Corporation among its leaders. As stated in our profile on the Seafood Progress online platform, the Corporation is recognized for the quality of its traceability program and transparency in labeling.

To meet the needs of our customers who want to adopt a healthy lifestyle, we continuously improve the profiles of our private brand products. Nearly all of our *Irresistibles* products (96%) contain no artificial colours or flavours. This is the case for all of our *Life Smart Mieux-être* products. In addition, 40% of our private brand products indicate a nutritional attribute such as reduced fat, fat free, reduced salt, high in iron or high in vitamins.

Respect for the environment

The Corporation's Environmental Policy specifies that the Corporation must take the necessary steps to comply with applicable legal requirements and improve its environmental performance on an ongoing basis. A committee comprised of members of management ensures the implementation of the policy and of programs to reduce the impact of the Corporation's operations on the environment.

In 2020, the Corporation submitted its 13th carbon footprint report to the Carbon Disclosure Project (2019 data). In 2019, we recorded a reduction in our greenhouse gas emissions intensity of nearly seven percent (7%) compared to the previous year. This improvement in our carbon footprint is attributable to our efficiency measures in transport, waste management, building energy consumption and the use of new refrigerants.

Corporate and franchised stores – Québec and Ontario	2015	2016	2017	2018	2019
Intensity: kg CO_2 eq./sq. ft.	25.85	25.31	25.63	23.88	22.29

In 2016, we undertook a review of our practices and equipment to identify the measures to be implemented to optimize the energy consumption of our stores. This approach led us to integrate new construction standards for our supermarkets, such as LED lighting and CO_2 refrigeration systems. These measures alone have resulted in an average decrease in energy consumption of approximately 25% compared to 2010.

In the past year, the Corporation launched a range of energy efficiency initiatives focused on transportation in Québec and Ontario to reduce our environmental footprint. For example, we optimized trailer loading and increased the number of road train trips (drawbar tractor and two 53-foot trailers) to reduce the number of trips required to transport goods. We also adopted strategies to travel less during periods of heavy traffic to consume less fuel.

Waste management, including food waste, is another key environmental program for the Corporation. In January 2019, we announced a goal to reduce food waste by 50% in our operations by 2025, compared to 2016. This measure helps address food insecurity and reduce the environmental impacts caused by the disposal of organic waste in landfills.

In 2019, the Corporation adopted the Packaging and Printed Materials Management Policy which covers the Corporation's corporate, food and pharmacy activities. The Corporation is implementing measures to lower the use of resources and decrease waste generation while contributing to the global movement to reduce single-use plastics. Rooted in two established concepts, life cycle approach and circular economy, the Policy is based on the following four (4) principles: reduce the use of packaging and printed materials, implement optimal design, select eco-responsible materials and facilitate recovery and recycling.

Over the past year, we have made progress on many fronts, including a reduction in the total weight of paper used for our food and pharmacy flyers of just over 10% compared to 2018 (the baseline for our commitment) and the launch of a training module for our private brand suppliers to help them meet our eco-responsible packaging requirements. To the Corporation's knowledge, requirements relating to environmental protection do not and will not have any significant impact on its capital spending, earnings or competitive position within the normal course of its operating activities.

Strengthened communities

The Corporation plays a part in the economic and social well-being of the communities in which it does business by investing in these communities and supporting local suppliers. Thanks to its well-established network, the Corporation makes regular donations, both in cash and food, and helps various community organizations with fundraising.

2020 has been a unique year given the needs created by the COVID-19 pandemic. This largely explains the 66% increase in cash contributions by the Corporation compared to last year.

The Corporation and its customers donated nearly $4.2 million to support Quebecers and Ontarians from the very beginning of the pandemic. Sensitive to the public's concerns, the Corporation quickly responded to the call from its long-standing community partners to act immediately and address the increase in the need for food aid and other essential services, including support for seniors and mental health services.

As part of this collective effort, the Corporation invited its customers in Québec and in Ontario to help. In Québec, metro&moi members donated their points for a total of $500,000 and in Ontario, the *Together We Can* campaign raised more than $650,000.

Food security has been important for the Corporation for many years. In 2014, we put in place the One More Bite food recovery program in Québec and Ontario. The implementation of this program is made possible by our partners: Food Banks of Québec and Second Harvest and Feed Ontario in Ontario. The program has grown consistently. In 2020, more than 3,950,000 kilograms of food were redistributed, leading to the distribution of close to eight (8) million meals to the community. The One More Bite program is a key component of our CR plan, as it enables us to provide food support to those in need, while reducing food waste.

Launched in 2013 in Québec and in 2016 in Ontario, the Corporation's Local Purchasing Policy is driven by the following guiding principles that enable the Corporation to optimize the accessibility and promotion of local products in Québec and Ontario: support the regional and provincial producers and processors and support innovative practices. Purchasing locally helps building a strong agri-food system and helps the local economy.

Our local purchasing program is now solidly established in Québec and Ontario. In 2020, over 360 regional suppliers in Québec and Ontario were offering more than 2,100 local fresh and grocery products in the Corporation's food retail stores. The keen interest in local purchasing took on a new dimension in the current period of economic fragility brought about by the pandemic. Despite the challenges this unique situation has given rise to, the teams in our Québec and Ontario banners took the measures necessary to support regional suppliers and provide customers with the local products they seek.

Empowered employees

We are committed to preventing occupational illness and injury in the workplace. Active employee participation, our collaboration with our union partners and the commitment by managers to identify risks all play a key role in preventing illnesses and injuries.

As soon as the COVID-19 pandemic started, our food stores and pharmacies played a central role in communities. We rapidly deployed prevention measures to ensure the safety of our employees and customers while our office workforce was quickly moved to teleworking in order to continue supporting the Corporation remotely. Sustained efforts focused on restocking our stores as customers felt the need to stock up on products. From the start of the pandemic, we have been transparent on COVID-19 cases in our stores and distribution centers. We have been working closely with public health authorities to help contact tracing and to ensure that all measures are in place to safeguard the health and safety of our employees and customers.

To adapt to the constant evolution of the Corporation's business environment, the Corporation developed a Code of conduct that came into effect in 2016 and replaced the conflicts of interest and professional ethics policy.

In 2015, the Corporation also adopted a policy on diversity among its employees, including its executive management. According to this policy, the Corporation considers personal attributes in selecting candidates for job positions, including the representation of men and women. To ensure that women candidates are considered for management positions, the policy also provides that, whenever possible, at least one (1) female candidate shall be among the group of identified candidates for each such position. We value diversity through a range of initiatives such as the annual Diversity Week, during which the perspectives, experiences and skills of employees from various backgrounds are shared with all of our employees to foster conversations on diversity throughout the year.

Launched in 2015, the WIN (Women's Inspirational Network) program includes activities to foster the career development of women within the organization by focusing on the exchange of ideas, experiences and contacts. The program offers skills development workshops, lunch and learn presentations, networking and volunteering activities and opportunities to participate in workshops on sensitive social issues that women face. The Corporation also seeks to encourage women to take on positions at more senior levels.

Board oversight and corporate responsibility governance

GOVERNANCE STRUCTURE

Corporate responsibility governance is part of the Corporation's management structure and involves key individuals at each decision-making and implementation stage.

Board of Directors
The Corporate Governance Committee of the Board of Directors is responsible for the oversight of the Corporation's activities and disclosure with regards to CR including ESG matters. The Board of Directors approves CR plans and reports.

Management Committee
Approves the CR strategy and ensures that the priorities are in line with the Corporation business strategy.

Vice President, Public Affairs and Communications
Defines the strategic CR directions and reports on progress to the Management Committee.

Manager, Corporate Responsibility
Oversees the implementation of the CR plan: coordinates the work of in-house teams and external stakeholder relations.

In-house teams
Report to their respective vice presidents, ensure the advancement of the projects as part of the four (4) pillars based on the objectives and targets that were set.

7.2 Shareholder engagement

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

- Corporate governance practices and disclosure;
- Board performance;
- Executive performance and compensation; and
- Board and Committee composition and qualifications.

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

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

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

The Board may also decide, in certain circumstances, to engage directly with shareholders to discuss Board Matters. In October 2020, the Chair of the Corporate Governance Committee met with two (2) significant shareholders of the Corporation, in order to discuss certain governance matters. Various subjects were discussed during these meetings, including succession planning, board renewal, ESG issues, stakeholders, diversity, and the Transaction.

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

8. Other business

Management of the Corporation knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to management should properly come at the Meeting, the form of proxy or, as the case may be, the voting instruction form confers discretionary authority upon the Proxyholders to vote on such matters.

9. Shareholder proposals for the 2022 annual meeting

Proposals for any matters that persons entitled to vote at the 2022 annual general meeting of the Shareholders wish to raise at said meeting must be received by the Corporation by September 13, 2021, at the latest.

10. Additional information

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

The Corporation will promptly provide a copy of any such document free of charge to shareholders of the Corporation who send a written request to the following address: 11 011, Maurice-Duplessis Blvd, Montréal (Québec) H1C 1V6, to the attention of the Finance Department.

11. Directors' approval

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

Montréal, December 11, 2020

Simon Rivet
Corporate Secretary

Exhibit A – Proposed amendments to the Corporation's by-laws

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 by telephonic, electronic or other communication means. Any person entitled to attend a shareholder meeting may participate in the meeting by means of any telephonic, electronic or other communication equipment made available to the shareholders by the Corporation, ~~enabling~~provided that the chairman of the meeting is satisfied that all participants will be able to communicate directly with ~~one another. The~~ each other during the meeting. Any shareholder participating in such a meeting may vote ~~may be entirely held~~ using any equipment made available by the Corporation, as the case may be, ~~enabling all participants~~ provided that the chairman of the meeting is satisfied that 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.

The Board of Directors may determine that a shareholder meeting shall be held solely by means of any telephonic, electronic or other communication equipment made available to the shareholders by the Corporation, provided that the chairman of the meeting is satisfied that all participants will be able to communicate directly with each other during such meeting.

Any person participating in a meeting in a manner set forth in this Article 4.2 shall be deemed to be present and attending at that meeting for all purposes. The provisions under Chapter Two of these By-Laws shall then be read with the necessary modifications. For greater clarity, with respect to any person who so participates in a meeting by means of telephonic, electronic or other communication equipment, any reference to the "place" of a meeting shall then refer to such telephonic, electronic or any other communication means, votes by "show of hands" shall only be permitted if the chairman of the meeting is satisfied that any communication means made available by the Corporation allows such votes, a "ballot" shall then refer to an online ballot, and any reference to "in person" attendance or to "persons present in the room" shall then refer to attendance via the telephonic, electronic or any other communication means made available by the Corporation.

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~~ is elected at an annual meeting of shareholders ~~by~~ for a term ~~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~~ of any telephonic, electronic or other communication equipment made available to the directors by the Corporation, provided that the chairman of the meeting is satisfied that all participants will be able to communicate directly with each other~~. They are then~~ during the meeting. If all directors consent, a meeting of the Board of Directors may be held solely by such means. Any person participating in a meeting by telephonic, electronic or any other communication means shall be deemed to be present and attending at th~~e~~at meeting for all purposes. The provisions under Chapter Three of these By-Laws shall then be read with the necessary modifications. For greater clarity, with respect to any person who so participates in a meeting by means of telephonic, electronic or other communication equipment, any reference to the "place" of a meeting shall then be deemed to refer to the telephonic, electronic or any other communication means made available by the Corporation.

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.

CHAPTER EIGHT

ELECTRONIC DOCUMENTS

Subject to applicable laws, a requirement under these By-Laws to provide a notice, document or other information in writing may be satisfied by providing such notice, document or information electronically, and a requirement under these By-Laws that a document be signed may be satisfied by applying an electronic signature or an equivalent thereof on the document.

Exhibit B – By-Laws Resolution

RESOLVED:

1. THAT Article 4.2 of Chapter 2 of the Corporation's By-Laws be and is hereby replaced by the following:

"***4.2 Participation by telephonic, electronic or other communication means.*** *Any person entitled to attend a shareholder meeting may participate in the meeting by means of any telephonic, electronic or other communication equipment made available to the shareholders by the Corporation, provided that the chairman of the meeting is satisfied that all participants will be able to communicate directly with each other during the meeting. Any shareholder participating in such a meeting may vote using any equipment made available by the Corporation, as the case may be, provided that the chairman of the meeting is satisfied that such equipment allows votes to be cast in a way that allows them to be verified afterwards and protects the secrecy of the vote.*

The Board of Directors may determine that a shareholder meeting shall be held solely by means of any telephonic, electronic or other communication equipment made available to the shareholders by the Corporation, provided that the chairman of the meeting is satisfied that all participants will be able to communicate directly with each other during such meeting.

Any person participating in a meeting in a manner set forth in this Article 4.2 shall be deemed to be present and attending at that meeting for all purposes. The provisions under Chapter Two of these By-Laws shall then be read with the necessary modifications. For greater clarity, with respect to any person who so participates in a meeting by means of telephonic, electronic or other communication equipment, any reference to the "place" of a meeting shall then refer to such telephonic, electronic or any other communication means, votes by "show of hands" shall only be permitted if the chairman of the meeting is satisfied that any communication means made available by the Corporation allows such votes, a "ballot" shall then refer to an online ballot, and any reference to "in person" attendance or to "persons present in the room" shall then refer to attendance via the telephonic, electronic or any other communication means made available by the Corporation."

2. THAT Article 1 of Chapter 3 of the Corporation's By-Laws be and is hereby replaced by the following:

"***ARTICLE 1. REQUIRED CONDITIONS AND TERM OF OFFICE.*** *Except as otherwise provided herein, each director is elected at an annual meeting of shareholders for a term of one (1) year 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.*"

3. THAT the second paragraph of Article 3 of Chapter 3 of the Corporation's By-Laws be and is hereby replaced by the following:

"*The directors may, if they all consent, participate in a meeting of the Board of Directors by means of any telephonic, electronic or other communication equipment made available to the directors by the Corporation, provided that the chairman of the meeting is satisfied that all participants will be able to communicate directly with each other during the meeting. If all directors consent, a meeting of the Board of Directors may be held solely by such means. Any person participating in a meeting by telephonic, electronic or any other communication means shall be deemed to be present and attending at that meeting for all purposes. The provisions under Chapter Three of these By-Laws shall then be read with the necessary modifications. For greater clarity, with respect to any person who so participates in a meeting by means of telephonic, electronic or other communication equipment, any reference to the "place" of a meeting shall then be deemed to refer to the telephonic, electronic or any other communication means made available by the Corporation.*"

4. THAT a new Chapter Eight provision be added to the Corporation's By-Laws, which shall read as follows:

"***CHAPTER EIGHT***

ELECTRONIC DOCUMENTS

Subject to applicable laws, a requirement under these By-Laws to provide a notice, document or other information in writing may be satisfied by providing such notice, document or information electronically, and a requirement under these By-Laws that a document be signed may be satisfied by applying an electronic signature or an equivalent thereof on the document."

5. THAT any director or any officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to sign and deliver, or have signed and delivered, such documents and to do and perform, or have done and performed, all such other acts and things as may be considered necessary or advisable in connection with the foregoing.

Exhibit C – Shareholder Proposals

The proposals below were submitted by the Mouvement d'éducation et de défense des actionnaires ("MÉDAC"), 82, Sherbrooke Street West, Montréal (Québec) H2X 1X3, a holder of Shares of the Corporation, for consideration at the Meeting. The proposals were submitted in French by the MÉDAC and translated into English by the Corporation for the purposes of this English version of the Circular. On the date the MÉDAC submitted its proposal, it held 80 Shares. These Shares had been held since June 24, 2010.

Following discussions between the MÉDAC and the Corporation, it was agreed not to hold a vote on these proposals at the Meeting for the reasons set forth below.

Proposal: Corporate Purpose and Commitment:

MÉDAC's wording (as translated by the Corporation):

It is proposed that the Board of Directors and management state Metro Inc.'s purpose as a corporation and that one of the board's committees has in its mandate to ensure the oversight of the deployment of the policies, commitments and initiatives put in place to realize this new strategic vision, especially with regards to health, environment, human resources and stakeholders relations.

MÉDAC's argument in support of its proposal:

In August 2019, the Business Roundtable, an association whose members are large American businesses' executive officers, published a statement providing that the purpose of a corporation cannot be limited to the sole pursuit of profits and should include all stakeholders which can be affected by its operations: customers, employees, suppliers, the community and shareholders. Without social value, corporations lose their reason to exist.

The purpose of a corporation refers to the way it intends to play a role in society outside of its sole economic activity. According to Jean-Dominique Senard, President of Renault, "The purpose of a corporation allows to join past and present; it is the corporation's DNA. It does not have economic meaning, but rather depends on vision and sense."[*] In the end, it is "the contribution that the corporation wishes to bring to key social, societal, environmental and economical issues in its area of activity through the involvement of its stakeholders."

Although a number of corporations have taken several good initiatives in this regard throughout the years, the reading of the various corporate reports does not reveal a purpose that would meet the definition cited above. In addition, there is no board committee mandated with the coordination of all the actions supporting the realization of the chosen purpose. More specifically, this committee should have the following mission:

- To prepare and inform the board with regards to the deployment of the policies, commitments and initiatives put in place by Metro as part of its strategic vision, especially with regards to health, environment and human resources;
- To communicate with the various stakeholders on the progression towards these objectives and report on these discussions to the board;
- To review the accountability and non-financial control systems as well as the key results of the non-financial information published by Metro;
- To inform shareholders on the various issues raised by its activities.

For such a purpose to become a reality and not solely remain a marketing tagline, it is important that it finds a tangible expression through the governance of an institution.

In the end, we should bear in mind that for a growing number of investors, corporations without social utility lose their reason to exist.

Response from the Corporation

As a leader in food and pharmacy in Eastern Canada, we provide essential services to the communities we serve, and they rely on us to advise and support them. Therefore, we have adopted a new purpose, which is *Nourish the health and well-being of our communities*, redefining and updating our vision of offering the best customer experience in each of our banners. Our purpose better reflects our aspirations while fitting perfectly in the framework of our corporate responsibility initiatives. It is a purpose that is simple, clear, and ambitious and which will continue to drive our teams to surpass themselves. This purpose goes beyond financial performance which remains essential to fulfill our mission over the long term.

The Corporation's corporate responsibility ("CR") approach, which integrates the ESG factors and covers all stakeholders, is perfectly in line with our new corporate purpose. Under the CR approach, the Corporation is committed to treating its employees fairly, creating an ethical and stimulating work environment, implementing responsible procurement practices for its customers, building successful business relationships with its suppliers, supporting the communities in which it does business, carrying out its activities in an ethical and environmentally responsible manner, and generating long-term value for its shareholders. This closely aligns with the commitments outlined in the Business Roundtable's statement on the purpose of corporations.

Over the years, the Corporation has adopted plans, policies and codes of conduct to ensure that its operations are aligned with its CR approach, and that ESG factors are taken into account when making decisions.

The Board of Directors plays a central role in CR matters as it approves corporate responsibility plans and reports. In addition, the Board and the Chair under each

[*] *Jean-Dominique Senard: « Le sens et le pourquoi nourrissent la motivation », Les Échos, June 8, 2018, https://www.lesechos.fr/idees-debats/leadership-management/jean-dominique-senard-le-sens-et-le-pourquoi-nourrissent-la-motivation-1245605*

of their mandates ensure that the Corporation maintains good relations with the various stakeholders and take such stakeholders' interests into account. Furthermore, the Corporate Governance Committee is responsible for the oversight of the Corporation's activities and disclosure related to its corporate purpose and CR, which include environmental, social and governance matters. Therefore, management of the Corporation must report to the Board on its various initiatives and is accountable for the Corporation's progress towards achieving its corporate purpose and CR objectives.

The Corporation's CR approach is serious and rigorous with clear and transparent reporting to ensure all stakeholders are made aware of its plans, policies and initiatives.

Following receipt of this shareholder proposal, the Corporation had discussions with the MÉDAC. Although the MÉDAC acknowledges that the Corporation has adopted a statement of Corporate purpose which reflects its CR approach, it confirmed its interest in seeing the Corporation report on the alignment between CR and financial performance using key performance indicators. According to the MÉDAC, the use of key performance indicators would help in better understanding the impact of the Corporation's programs and initiatives on its operations and financial results. While it develops its 2022-2026 CR Plan, the Corporation will review current practices to this effect and will assess the possibility of implementing such practices in the context within which the Corporation does business.

For more information on the Corporation's initiatives on CR and on ESG matters, please refer to the "Environmental, social and governance matters" section at page 52 of this Circular.

<u>Proposal: Virtual Meetings and shareholders' rights:</u>

<u>MÉDAC's wording (as translated by the Corporation):</u>

It is proposed that the Board of Directors adopts a policy detailing the terms and conditions under which virtual annual general meetings can be held.

<u>MÉDAC's argument in support of its proposal:</u>

Over the past year, banks and many other organizations used new teleconference technologies to hold their annual general meeting given the pandemic. While being well aware that these new technologies were often used for the first time by the organizations, the MÉDAC, like many other individuals or organizations making shareholder proposals or wishing to make comments or suggestions during these virtual meetings, has unfortunately gone through problematic situations which limited the scope of its participation. In particular, our perception of the 2020 virtual annual general meetings is as follows: "we unfortunately did not have a speaking right during these meetings. It was indeed impossible for shareholders to stand up to the microphone during these virtual meetings. The only individuals speaking during these meetings were the representatives [of the corporations], that is the chair (of the board and therefore of the meeting), CEOs, etc."* For small shareholders, this reduced presence at the annual general meetings can have an impact on the long-term success of their proposals as they cannot defend them in-person and therefore build additional support in case they present their proposals again.

These threats are concerning for shareholder participation which, following a failure to discuss with an issuer or for any other reasons, takes the path of shareholder proposals in management information circulars and during annual general meetings.

The experience of the last 20 years in shareholder participation and proposals allows us to observe the added value of these methods for corporate governance such as the separation of the roles of the president of the corporation and of the chair of the board, the advisory vote on executive compensation, the disclosure of the auditors' and compensation consultants' fees, the presence of women on boards and executive positions, proxy access for director nominations, etc.

We recommend that the board of directors adopts a policy detailing the terms and conditions under which shareholder participation can take place during virtual annual general meetings, including:

- verbal presentation of the shareholder proposals by the individuals or the organizations presenting these proposals for a duration at least equivalent to the time needed to read these proposals;
- electronic visual of the shareholders during their interventions as well as of the executive officers;
- possibility to ask spontaneous questions following management's interventions;
- real-time interaction between shareholders and the chair of the meeting;
- in the event that certain questions asked by shareholders cannot be answered during the annual general meeting, making management's answers available online on the corporation's website and on SEDAR within ten (10) days of the meeting.

Response from the Corporation

The Corporation recognizes the importance for shareholders to engage during annual general meetings. When planning for this year's virtual Meeting, the Corporation sought to maximize shareholder involvement in the Meeting taking into account the available electronic tools to hold the Meeting. By allowing shareholder to engage either online or over the telephone, the Board of Directors and the management team believe that a suitable solution has been found to maximize shareholder engagement with the available technology.

Shareholders who submitted shareholder proposals to the Corporation will have the opportunity to present their proposal(s) by telephone. They will have the same

** https://medac.qc.ca/1798/*

time to present their proposal(s) as they would have had during an in-person meeting, that is the time required to read their proposal(s) and the arguments accompanying the proposal(s). As in previous years, the question period will be held at the end of the Meeting and will be open to all shareholders who wish to ask a question. Shareholders will be able to ask their questions online or by telephone. Rules of conduct for the virtual Meeting can be found in the section "Rules of conduct for the virtual Meeting" at page 3 of this Circular. They have been developed to ensure the effective conduct of the virtual Meeting. These rules include procedures for the conduct of the Meeting which are similar to those the Corporation used in the past for in-person meetings.

Exhibit D – 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 matters, either directly or through one of its committees: the adoption of a strategic planning process for the Corporation and its subsidiaries at least once a year which takes into consideration, if need be, any opportunities and risks of the Corporation; the identification of the principal risks associated with the Corporation's activities and the implementation of appropriate systems to manage these risks; the appointment, training, evaluation, supervision and compensation of senior management as well as succession planning; a communications policy with shareholders and the public at large; oversight of major labor relations issues and the integrity of the Corporation's internal control and management information systems.

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

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

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

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

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

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

Exhibit E – Mandate of the Human Resources Committee

1. Mandate

   The Committee's mandate is to:

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

2. Outside advisor

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

3. Composition

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

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

Exhibit F – Mandate of the Audit Committee

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

1.1. The objectives of the Committee are to review the adequacy and effectiveness of the actions taken by the various parties herein involved to discharge themselves of their responsibilities herein described and to assist the Board in its oversight of:

1.1.1 the integrity of the Company's financial statements;

1.1.2 the internal and external auditor qualifications and independence;

1.1.3 the performance of the Company's internal audit function and external auditor;

1.1.4 the effectiveness of internal controls;

1.1.5 the Company's compliance with legal and regulatory requirements; and

1.1.6 the identification of the material risks that may affect the Company and the implementation of appropriate measures to manage such risks.

1.2. Management is responsible for:

1.2.1 the preparation, presentation and integrity of the Company's financial statements and for maintaining appropriate accounting policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations; and

1.2.2 identifying the material risks and putting in place appropriate measures allowing to manage such risks.

1.3. The external auditor is responsible for auditing the Company's annual financial statements and reviewing the Company's interim financial statements.

1.4. The internal auditor is responsible, by bringing a systematic and disciplined approach, for evaluating and improving the effectiveness of the Company's risk management and control processes.

2. Scope of mandate

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

3. Composition and Organization

3.1 The Committee is composed of a minimum of 3 and a maximum of 6 members of the Board of Directors who are all independent directors. All members must be financially literate.

3.2 At any time, the Committee may communicate directly with the external auditor, the internal auditor or the management of the Company.

4. Specific responsibilities

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

4.1 Financial Information

4.1.1 The Committee reviews, before their public disclosure, the audited annual and interim financial statements, the MD&A, and all press releases relating to the financial statements and/or financial outlook information.

4.1.2 The Committee reviews with the management of the Company and the external auditor the choice of accounting policies and its justification as well as the various estimates made by management which may have a significant impact on the financial position.

4.1.3 The Committee ensures that adequate procedures are in place for the review of the Company's disclosure to the public of information extracted or derived from the Company's financial statements, other than the information covered by paragraph 4.1.1 hereof, and periodically assesses the adequacy of such procedures.

4.1.4 The Committee reviews, before they are released, any prospectus relating to the issuance of securities by the Company, the Annual Information Form and the Management Proxy Circular.

4.2. Internal Control

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

4.2.2. Every quarter and every fiscal year, the Committee reviews with Company Management the conclusions of the work supporting the certification letters to be filed with the authorities.

4.2.3. The Committee reviews with the Company Management all material weaknesses and significant deficiencies identified pertaining to internal controls and financial reporting, as well as any fraud, and the corrective measures implemented.

4.3. Internal Audit

4.3.1. The Committee oversees and approves the appointment, replacement, reassignment or dismissal of the Senior Director of the Internal Audit Department and reviews the mandate, annual audit plan, and resources of the internal audit function.

4.3.2. The Committee meets the Senior Director of the Internal Audit Department to review the results of the internal audit activities, including all material risk assessments and audit reporting as well as any significant issues reported to management by the internal audit function and management's responses and/or corrective actions.

4.3.3. The Committee reviews the performance, degree of independence and objectivity of the internal audit function and adequacy of the internal audit process.

4.3.4. The Committee reviews with the Senior Director of the Internal Audit Department any issues that may be brought forward by him, including any difficulties encountered by the internal audit function, such as audit scope, access to information and staffing restrictions.

4.3.5. The Committee ensures the effectiveness of the coordination between the internal audit and the external audit.

4.4. External Audit

4.4.1. The Committee has the authority and the responsibility to recommend to the Board of directors:

i) the appointment and the revocation of any public accounting firm engaged for the purpose of preparing or issuing an audit report, or performing other audit, review or certification services (collectively the «external auditor»); and

ii) the compensation of the external auditor.

4.4.2. The external auditor communicates directly with the Committee. The Committee reviews the reports of the external auditors which are sent to it directly which include reports on its auditing of the Company's annual financial statements, on its review of the Company's interim financial statements and on its review of the Non-IFRS financial measures found in the quarterly or annual financial disclosure of the Company to determine if such measures are in line with the Company's Policy on Non-IFRS Financial Measures. The Committee also monitors all the work performed by the external auditors, its audit plans and the results of its audits.

4.4.3. The Committee discusses with the external auditors, by means of meetings, problems encountered during the audit, including the existence, if applicable, of restrictions imposed by the management of the Company or areas of disagreement with the latter about the financial information and ensures that such disagreements are resolved.

4.4.4. The Committee, or one or more of its members to whom it has delegated authority, pre-approves non-audit services that are assigned to the external auditors. The Committee may also adopt policies and procedures concerning the pre-approval of non-audit services that are assigned to the external auditors. It monitors the fees paid with respect to such mandates.

4.4.5. The Committee makes sure that the external auditor has obtained the cooperation of the employees and officers of the Company.

4.4.6. The Committee examines the post-audit letter or the recommendation letter of the external auditor as well as the reactions of management and management's response to the deficiencies observed.

4.4.7. The Committee examines the qualifications, performance and independence of the external auditor and ensures that the audit report accompanying the financial statements is issued by an audit firm that is a participant in the program of the Canadian Public Accountability Board ("CPAB") and that the firm respects any sanctions and restrictions imposed by this Board. The Committee takes into account the opinions of management and the Company's internal auditor in assessing the qualifications, performance and independence of the external auditor. In particular, the Committee examines each year the quality of the work performed by the external auditor in order to facilitate an informed recommendation concerning the appointment of the audit firm which will act as external auditor of the Company.

4.4.8. At least, once a year, or at any other time indicated below, the external auditor i) reports to the Committee on the external auditor's internal quality-control procedures in place; ii) reports to the Committee as to its internal evaluation of the quality of work of the members of the audit firm involved in the audit of the Company; iii) reports to the Committee as to its inscription as a duly registered participant of the CPAB and whether its holds proper authority to audit Canadian issuers; iv) provides the members of the Committee, in a timely fashion, with a copy of any report, notice, information and findings of the CPAB which the external auditor may or must provide copy of to the Committee, including any annual public report on the quality of audits performed by public accounting firms as well as any significant findings emerging from any inspection of the audit file of the Company, the content of which the external auditor must discuss with the members of the Committee.

4.4.9. The Committee reviews and approves the Company's hiring policy concerning (current and former) partners and (current and former) employees of the (current and former) external auditor.

4.5. Miscellaneous

4.5.1. The Committee establishes procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and to preserve confidentiality and the protection of the anonymity of persons who may file such complaints.

4.5.2. The Committee has the authority to engage any advisor it deems necessary in order to help it in the performance of its duties, and to set the compensation of such advisor as well as to obtain from the Company the funds necessary to pay such compensation.

4.5.3. The Committee analyses the conditions surrounding the departure or appointment of the officer responsible for finance and any other key financial executive who participates in the financial information process.

4.6. Compliance with legal and regulatory requirements

The Committee reviews the reports received from time to time regarding any material legal or regulatory issues that could have a significant impact over the Company's business.

4.7. Risk Management

4.7.1. The Committee reviews the material risks identified by Company Management. The Committee examines the effectiveness of the measures put in place to manage these risks by questioning the management of the Company regarding how risks are managed as well as obtaining opinions from management regarding the degree of integrity of the risk mitigation systems and acceptable thresholds;

4.7.2. The Committee reviews on a regular basis the management policies regarding material risks recommended by Company Management and obtains from the management of the Company on a regular basis reasonable assurance that the Company's risk management policies for material risks are being adhered to. The Committee also reviews reports on material risks, including financial hedging activities and environment;

Exhibit G – Mandate of the Corporate Governance and Nominating Committee

1. **Corporate Governance**

The Committee develops and monitors Company policy on corporate governance. The Committee ensures the Company's strict compliance with the corporate governance guidelines and standards of the legislative and regulatory authorities.

The Committee prepares the Company's Statement of Corporate Governance Practices for annual disclosure as required by the legislative and regulatory authorities.

Each year, the Committee supports the Chair of the Board of Directors of the Company (the "Board") in the conduct of an assessment of the effectiveness of the Board and its committees with respect to their mandate.

The Committee makes recommendations to the Board on the directors' compensation based on their involvement, duties, the risks they assume and on best Canadian practices. The Committee is also charged with regularly reviewing the indemnification procedure regarding directors' liability and directors' liability insurance coverage.

The Committee develops and provides an orientation and education program for new directors as well as a continuing education program for all directors. The program covers, among other things, the nature of the Company's operations, its strategies and what it expects from the directors.

The Committee oversees the Company's activities with regards to the Company's corporate purpose and corporate responsibility which includes environmental, social and governance matters (ESG). The Committee also reviews the Company's disclosure on these matters. The Committee reports to the Board on these activities when appropriate.

The Committee oversees the application of the Code of ethics of the Directors, including whether conflicts of interest are properly identified, reviewed and resolved. The Committee monitors, reviews and provides guidance in respect of potential conflicts of interest and will make recommendations to the Board as to the actions to be taken, if necessary, with respect to any situation giving rise to a conflict of interest.

The Committee ensures that the policy on communications to shareholders and the general public is updated as needed and that Company Management discharges its responsibilities under the policy.

Lastly, the Committee receives and rules on requests of directors seeking to engage outside advisors at the Company's expense.

2. **Candidates**

The Committee's mandate also includes recommending candidates to the Board for election as directors of the Company by seeking persons who have the required knowledge, experience, integrity and availability and who meet the selection criteria set from time to time by the Committee to fill the position of director. The Committee considers each candidate's profile in light of the competencies and skills that each current director possesses, the competencies and skills that the Board, as a whole, should possess and finally the requirements that the Board considers relevant such as independence, absence of conflicts of interest, diversity and others. The Committee maintains an up-to-date directors' skills matrix. The Committee is responsible for the succession planning of the Board and elaborates the selection process for new directors. The Committee makes recommendations to the Board with respect to the appropriate number of directors to compose the Board. Upon recommendation from the Chair of the Board, the Committee proposes to the Board the nomination of committee members and committee Chairs. The Committee also recommends to the Board the director who will serve as Chair of the Board.

3. **Outside advisor**

The Committee has the authority to retain, at the expense of the Company, any outside advisor necessary to allow it to carry out its duties.

4. **Composition**

The Committee is made up of at least three (3) independent directors appointed by the Board. The Committee members are appointed by the Board

Exhibit H – 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.

Exhibit I – Statement of corporate governance practices

Canadian Securities Administrators Corporate Governance Guidelines and Disclosure Requirements	Observations
Board of Directors	
1. The board should have a majority of independent directors.	1. At the end of the 2020 financial year, the Board of Directors was comprised of a majority of independent directors, in that out of the 13 directors who served on the Board of Directors at one time or another during the 2020 financial year, ten (10) were considered independent directors. In order to determine if a director is independent, the Board of Directors reviews information provided by the directors or the nominees in a questionnaire which is annually completed by them. During the 2020 financial year, the independent directors serving on the Board at one time or another were: Mses. Maryse Bertrand, Stephanie Coyles, Christine Magee, Marie-José Nadeau and Line Rivard and Messrs. Pierre Boivin, Marc DeSerres, Claude Dussault, Russell Goodman, Marc Guay, Christian W.E. Haub and Réal Raymond. Mr. Eric R. La Flèche cannot be considered independent because he holds a senior executive position with the Corporation. Mr. François J. Coutu cannot be considered independent because he held a senior executive position with the Jean Coutu Group, a subsidiary of the Corporation, within the last three (3) years and is a shareholder and an executive of companies which own drugstores operating under the Jean Coutu Group banners and therefore carries a business relationship with the Corporation. Mr. Michel Coutu also cannot be considered independent as one of his family members, his brother François J. Coutu, was, within the last three (3) years, a senior executive of the Jean Coutu Group, a wholly-owned subsidiary of the Corporation and his son holds a senior executive position with the Jean Coutu Group. If, following the Meeting on January 26, 2021, the nominees proposed by the Corporation are elected, the Board of Directors will continue to be comprised of a majority of independent directors, in that nine (9) of the 12 proposed nominees will be independent directors, namely the following director nominees: Mses. Maryse Bertrand, Stephanie Coyles, Christine Magee and Line Rivard and Messrs. Pierre Boivin, Claude Dussault, Russell Goodman, Marc Guay and Christian W.E. Haub. A record of attendance of each director nominee at Board of Directors and Committee meetings held since the beginning of the Corporation's most recently completed financial year is included in the director nominees profiles on pages 9 to 14 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 pertaining to the directors who serve on the board of another reporting issuer can be found on pages 9 to 14 of this Circular. The Board of Directors has adopted a policy limiting the number of directorships of its directors to a maximum of four (4) public companies, including the Corporation. In addition, no more than two (2) directors of the Corporation shall hold a director seat at the same board of another public company at the same time. Therefore, the Corporate Governance Committee of the Corporation takes into consideration the external directorships of potential director nominees and does not propose a slate of directors for election by shareholders if the election of those directors would result in more than two (2) simultaneous situations where two (2) directors hold a director seat at the same board of another public company. A director of the Corporation must obtain the prior approval of the Corporate Governance Committee before submitting his or her candidacy as director of another public company.
3. The chair of the board should be an independent director.	3. The role and responsibilities of the Chair of the Board of Directors are described in Exhibit J to this Circular. Mr. Réal Raymond, Chair of the Board of Directors, is an independent director. If, following the Meeting on January 26, 2021, the nominees proposed by the Corporation are elected, Mr. Pierre Boivin will replace Mr. Réal Raymond, who will be retiring as Chair of the Board of Directors at the end of the Meeting. Mr. Pierre Boivin is also independent.

4. The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.	4. A meeting of the directors without management present, chaired by the Chair of the Board, takes place at the end of each regular meeting of the Board of Directors**.**
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 text of said mandate can be found in Exhibit D to this Circular. Every year, the Corporate Governance Committee reviews the mandate of the Board of Directors to determine if it requires updating, and in such case, makes the recommendations to this effect to the Board of Directors.
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 of Directors has adopted a written mandate for the position of Chair of the Board of Directors, the text of which is included in Exhibit J to this Circular. The Board of Directors has also adopted a mandate for the position of Chair of each Board committee, the text of which is included in Exhibit K to this Circular. The mandate of the President and Chief Executive Officer is described in the Corporation's By-Laws. The President and Chief Executive Officer reports to the Board of Directors and his responsibilities include: i) directing and managing all of the Corporation's business, subject however to the powers vested exclusively to the Board of Directors or its shareholders; ii) without limiting the generality of the foregoing, establishing the objectives, action plans, policies and strategies of the Corporation and its subsidiaries and, with the approval of the Board of Directors, implementing same; and iii) performing all other tasks which may be assigned to him from time to time by the Board of Directors of the Corporation. At the beginning of each year, the President and Chief Executive Officer's objectives are approved by the Board of Directors, upon recommendation of the Human Resources Committee.
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 a training and orientation program intended for new members of the Board of Directors. Pursuant to this program, new directors are provided with reports on the Corporation's business operations and internal affairs. New directors meet with the Chair of the Board of Directors and the President and Chief Executive Officer to discuss the operations of the Corporation and the Corporation's expectations towards each director. The Chair of the Board of Directors also informs new directors about the Corporation's corporate governance practices and, in particular, the role of the Board of Directors, its committees and each director. This program also allows new directors to visit the Corporation's main facilities and to meet the executive officers. The Corporation acknowledges that a board of directors' good performance stems from directors who are well informed; as such, the Corporation provides each director with a handbook that contains relevant documentation and information about the Corporation, including the Information Policy and the Directors' Code of Ethics. At each meeting of the Board of Directors, the directors have the opportunity to hear presentations given by executive officers on various topics regarding the Corporation's operations. The directors also take part, periodically, in organized visits of the Corporation's facilities and its food stores and pharmacies network. The Corporate Governance Committee reviews and suggests matters upon which information sessions for Board members would be appropriate. Board members also have the opportunity to share their interest in that regard. This year, directors received educational and informational briefings on various operational, financial and strategic topics including retail innovation, marketing, real estate, customer loyalty and the COVID-19 pandemic. In addition, two (2) formal educational sessions took place and focused on environmental, social and governance (ESG) management and international trends in supply chain, which allowed Board members to keep themselves up to date on these fast-changing aspects of the business. All of the directors attended

	these sessions. Board members and executives also attended a strategic planning session. These briefings were presented by internal speakers and renowned experts in the applicable fields. The Corporation ensures that all directors are members of the Institute of Corporate Directors (ICD) and pays ICD membership fees.
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 of Directors has adopted a code of ethics for directors (the "Directors' Code of Ethics") and a Code of conduct for executives and employees. These codes are available on SEDAR (sedar.com) and on the Corporation's corporate website (corpo.metro.ca). These codes address the elements recommended in Policy Statement 58-201 of Corporate Governance Guidelines of the Canadian Securities Administrators ("Policy Statement 58-201"). These codes also have provisions prohibiting employees and directors of the Corporation from short selling, directly or indirectly, the Corporation's securities or Options or trading in put or call options, as well as provisions providing for the clawback of executives' compensation (for further details on these provisions, please refer to the "Summary of the Corporation's compensation policies and practices and associated risks" section on page 27 of this Circular).The Board has also adopted a "Director Resignation Policy" which requires a director to offer his or her resignation to the Chair of the Board of Directors, same being subject to the approval of the Board of Directors, in the event that: i) such director no longer meets the legal requirements or those set forth by the Board of Directors; or ii) there is a material change in the director's function, employment or assignment; or iii) such director has breached or noted a potential breach to the Directors' Code of Ethics.
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 Committee is responsible for overseeing compliance with the Directors' Code of Ethics. This committee is also responsible for reviewing the Directors' Code of Ethics to make sure that it is up to date and that it covers all regulatory requirements and corporate governance matters. The Human Resources Committee is responsible for overseeing compliance with the Code of conduct applicable to senior executives and employees of the Corporation. The Corporation's Vice-President, Human Resources, makes recommendations to the Human Resources Committee whenever the Corporation's senior management deems that amendments need to be made to the Code of conduct. Furthermore, every year, or otherwise when needed, she reports to the Human Resources Committee on any non-compliance with the Code of conduct by senior executives of the Corporation. No waivers have been sought for directors or senior executives and there are no breaches to report in this respect.
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 a definition of a conflict of interest that includes a non-exhaustive list of situations, real or apparent, where directors may be inclined to favour their interests over the interests of the Corporation, or where their loyalty or judgement may be affected. Directors must report to the Chair of the Board and to the Chair of the Corporate Governance Committee any real or apprehended situation that could give rise to a conflict of interest as soon as they become aware of the situation. The Corporate Governance Committee shall review any situation involving a conflict of interest or situation that could give rise to a conflict of interest and make recommendations to the Board. If a member of the Corporate Governance Committee is involved in the situation potentially giving rise to a conflict of interest, such member must be excluded from the Corporate Governance Committee's proceedings and the discussions relating to the matter. In addition, the Code of conduct specifies, among other things, that executives and employees must avoid situations of conflict of interests. Moreover, the Code of conduct specifies that: "Employees shall avoid situations where they may become involved, directly or indirectly, in a business similar to, or in competition with, METRO's or in any entity that does or seeks to do business with METRO". Every year, the directors and senior executives of the Corporation must

	declare all conflicts of interest in a questionnaire, and must furthermore notify the Corporation of any subsequent change in their situation. The Corporation's Vice-President, General Counsel and Corporate Secretary, reviews the directors' questionnaires and reports back to the Corporate Governance Committee about all actual or potential breaches of the Directors' Code of Ethics regarding conflicts of interest. The Corporation's Vice-President, Human Resources, executes the same duties with respect to actual or potential conflicts of interest of any senior executives by informing, whenever necessary, the Human Resources Committee.
11. The board must take steps to encourage and promote a culture of ethical business conduct.	11. The rules of conduct applicable to employees found in the Code of conduct specify, among other things, that all executives and employees must act with care, honesty, diligence, efficiency, commitment, loyalty and fidelity in order to ensure that the Corporation maintains a reputation of quality, dependability and integrity. The Code of conduct also requires that employees perform their duties in the best interest of the Corporation and its shareholders while respecting human rights and the law. In addition, not only does the Code of conduct requires employees to avoid all conflicts of interest throughout their work but it also requires them not to accept gifts unless same qualifies as a business practice defined in the Code of conduct. When hired, all employees must sign a form pursuant to which they acknowledge having read the Code of conduct and undertake to comply with same. They must also sign a disclosure of private interests form, which is updated on a regular basis. All new candidates to the position of director receive a copy of the Directors' Code of Ethics, acknowledge in writing that they have read and understood said Code of Ethics and undertake to respect same. The list of competencies and expectations of directors provides that the directors of the Corporation must act with integrity and respect the highest ethical and fiduciary standards.
Nomination of Directors 12. The board should appoint a nominating committee composed entirely of independent directors.	12. The Corporate Governance Committee is responsible for succession planning of the Board of Directors and recommending nominees to the Board of Directors for the position of directors of the Corporation. The committee is comprised 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 of Directors has adopted a mandate for the Corporate Governance Committee as well as an administrative resolution governing the procedure of all committees. The Corporate Governance Committee, pursuant to these documents, carries all of the responsibilities recommended in Policy Statement 58-201, and its mandate further provides that it has the authority to retain the services of an external advisor, if need be. Every year, the Corporate Governance Committee reviews its mandate to determine if it requires updating and in such case, makes recommendations to this effect to the Board of Directors. For further details, the text of the Corporate Governance Committee's mandate is included in Exhibit G to this Circular.
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 of Directors has established and adopted the "List of competencies and expectations of Directors", the text of which is included in Exhibit H to this Circular. In addition, the Corporate Governance Committee has also established a skills and experience matrix of the directors currently serving on the Board of Directors. This matrix showing the skills and experience of the nominees for the positions of director can be found on page 16 of this Circular. The Corporate Governance Committee ensures that the choice of nominees takes into account the competencies, experience and skills that the Board of Directors should overall possess, and reports back to the Board of Directors accordingly.

15. The board should also consider the appropriate size of the board, with a view to facilitating effective decision-making by the board.	15. The Board of Directors examines its size on a yearly basis. Regarding the upcoming year, the Board of Directors has concluded that it would remain efficient with 12 members. The Board of Directors considers that its composition allows a diversity of point of views without hindering its efficiency.
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 Corporate Governance Committee is responsible for identifying and recommending to the Board of Directors new nominees for the position of director. As such, the Corporate Governance Committee maintains an "evergreen" list of potential nominees. Prior to the selection of any new nominee for the position of director, the Chair of the Board of Directors, the President and Chief Executive Officer and the Chair of the Corporate Governance Committee meet with the potential nominee in order to evaluate his or her competencies and 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. The Corporate Governance Committee ensures that the Board of Directors possesses all the required competencies, experience and skills. It also ensures that all nominees for the position of director possess all required competencies, experience and skills to complete the Board's team and carry out the Board's mandate efficiently.
Compensation 18. The board should appoint a compensation committee composed entirely of independent directors.	18. The Human Resources Committee is comprised of five (5) directors, all of whom are independent.
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 of Directors has adopted a mandate for the Human Resources Committee as well as an administrative resolution governing the procedure of all committees. The Human Resources Committee, pursuant to these documents, carries all of the responsibilities recommended in Policy Statement 58-201, and its mandate further provides that it has the authority to retain the services of an external advisor, if need be. Every year, the Human Resources Committee reviews its mandate to determine if it requires updating and in such case, makes recommendations to this effect to the Board of Directors. For further details, the text of the Human Resources Committee's mandate is included in Exhibit E to this Circular.
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 "Executive Compensation Discussion and Analysis" section, which can be found on pages 25 to 40 of this Circular, indicates the manner in which the Human Resources Committee performs its task. The directors' compensation is recommended to the Board of Directors by the Corporate Governance Committee. Such recommendation is based on the compensation paid to directors of the companies included in the reference group that the Corporation uses to determine executives' compensation, the directors' involvement, their responsibilities and the risks that they assume, as well as the best practices in Canada.
Operations of the Board of Directors 21. Identify the standing committees of the board other than the audit, nominating and compensation committees, and describe their function.	21. The standing committees of the Board of Directors are: the Human Resources Committee, the Audit Committee and the Corporate Governance Committee. The texts of these committees' mandates are included in Exhibits E, F and G to this Circular.

22. The board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution.	22. The Board of Directors has designed a comprehensive effectiveness assessment for itself, the committees and the directors under the supervision of the Corporate Governance Committee. This assessment occurs on an annual basis using questionnaires which were reviewed by the Corporate Governance Committee. These questionnaires cover a variety of subjects, including but not limited to corporate governance and include both quantitative and qualitative questions. Every three (3) years, a detailed questionnaire replaces the usual questionnaire and only includes qualitative questions. During the assessment process, the Corporate Governance Committee also ensures that the mandate of each committee of the Board of Directors is carried out and assesses the manner in which the Chair of the Board of Directors and the Chairs of each committee fulfill their duties. The usual assessment consists of a six-part questionnaire completed by each director. The first part consists of an analysis of the corporate governance practices of the Board of Directors as a whole and of the effectiveness and performance of the Board and the Board committees. The second, third and fourth parts are more open-ended and seek additional comments that may not have been addressed in the first part. The fifth part consists of an assessment by each director of the other directors' performance. Finally, the sixth part is a self-assessment of the performance of the director. The Chair of the Board meets with each director individually on an annual basis to discuss the performance and contributions of the director to the Board and its committees. These individual discussions are also an opportunity for directors to address the Board's effectiveness and possible improvements. These meetings also allow the Chair of the Board to obtain feedback from directors on his performance as Chair and on the performance of the other directors. The Chair reports on the progress of these discussions to the Corporate Governance Committee. The results of this assessment are reviewed by the Corporate Governance Committee. The Chair of the Corporate Governance Committee submits a complete report of this analysis to the Board of Directors. In light of the foregoing, the Chair of the Board of Directors, with the help of the Corporate Governance Committee, assesses the process, the effectiveness and/or the need for change in the composition of the Board of Directors, its committees or their Chair. Following the Corporate Governance Committee and the Board of Directors' analysis of the above-mentioned report, management is advised of the relevant recommendations for improvements, in particular with respect to training and development programs for directors, which require its involvement.

Exhibit J – Mandate of the Chair of the Board of Directors

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

The Chair of the Board of the Corporation has the following responsibilities:

Effectiveness of the Board

The Chair:

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

Management of the Board

The Chair:

- ensures that the Board of Directors fulfills its mandate;
- chairs the meetings of the Board of Directors and those of the external directors;
- establishes with the President and Chief Executive Officer the agenda for each meeting of the Board of Directors;
- 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, meets with such nominees to explore their interest and aptitude to sit on the Corporation's Board of Directors;
- meets with all Board members and seeks their feedback on Board and committee effectiveness and other matters;
- when deemed appropriate, attends the meetings of Board committees and provides comments and advice to members of these committees, as needed.

Senior executives, shareholders and other stakeholders of the Corporation

The Chair:

- fosters a strong working relationship between the Board of Directors and senior management. Specifically, the Chair periodically meets with the President and Chief Executive Officer to discuss issues relating to governance and the Corporation's results, and keeps the President and Chief Executive Officer informed of any comments and advice of directors;
- chairs meetings of shareholders;
- together with the President and Chief Executive Officer, fosters strong relationships between the Corporation and key stakeholders including investors and shareholders;
- ensures that the Board participates in the strategic development of the Corporation.

Exhibit K – Mandate of committee chairs

The mandate of the chairs of Metro Inc.'s Board committees sets out the responsibilities of each committee chair and what is expected of him. The chair of a committee has the following responsibilities:

EFFICIENCY OF THE COMMITTEE

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

MANAGEMENT OF THE COMMITTEE

- the Chair ensures that the committee fulfills its mandate;
- the Chair chairs the meetings of the committee;
- the Chair establishes with the Chair of the Board and the President and Chief Executive Officer the agenda for each meeting of the committee;
- the Chair takes the necessary measures so that the meetings of the committee are effective and productive and an appropriate period of time is set aside to study and consider each item on the agenda;
- each committee Chair periodically provides the Board with a report on the work and all the decisions or recommendations of the committee.

metro