metro

# Notice of 2024 Annual General Meeting of Shareholders and Management Proxy Circular

# Contents


| | | | |
|---|---|---|---|
| 1<br>Notice of meeting | 4<br>Voting information | 8<br>Business of the Meeting | 12<br>The Board |
| 29<br>Director compensation | 32<br>Executive compensation discussion and analysis | 49<br>Compensation for fiscal 2023 | 59<br>Governance |
| 60<br>Other business | 61<br>Exhibit A – Shareholder proposals | 70<br>Exhibit B – Mandate of the Board of Directors | 72<br>Exhibit C – Mandate of the Human Resources Committee |
| 74<br>Exhibit D – Mandate of the Audit Committee | 77<br>Exhibit E – Mandate of the Governance Committee | 79<br>Exhibit F – List of competencies and expectations of Directors | 80<br>Exhibit G – Statement of corporate governance practices |
| 86<br>Exhibit H – Mandate of the Chair of the Board of Directors | 87<br>Exhibit I – Mandate of the committee chairs | | |


**For more information regarding how to vote your shares, please refer to pages 4 to 8 of this Circular. Please vote early to ensure that the voting rights associated to your shares are exercised during the Meeting. TSX Trust Company, our transfer agent, must have received your vote by 5:00 p.m. (Eastern Standard Time), on January 26, 2024.**

**Detailed voting instructions are provided on page 4 of this Circular. Your vote is important.**

## Shareholder voting matters and voting recommendations

| | | |
|---|---|---|
| **Election of 12 Directors**<br><br>The Board of Directors and management recommend voting **FOR each nominee.**<br><br>More information on page 8 | **Appointment of Ernst & Young LLP, as external auditors**<br><br>The Board of Directors and management recommend voting **FOR the appointment of the external auditors.**<br><br>More information on page 9 | **Advisory resolution on executive compensation**<br><br>The Board of Directors recommends voting **FOR the advisory resolution.**<br><br>More information on page 11 |
| **Shareholder Proposals**<br><br>The Board of Directors and management recommend voting **AGAINST each shareholder proposal.**<br><br>More information on page 11 | | |

## Forward-Looking Information

Throughout this Circular, different statements have been used that could, within the context of the regulations issued by the Canadian Securities Administrators, be construed as being forward-looking information. In general, any statement contained in this Circular which does not constitute a historical fact may be deemed a forward-looking statement. Expressions such as “continues”, “will”, “intends”, “considers”, “should”, “expects”, “plans”, “believes”, “projected”, “aimed” and other similar expressions as well as the use of the future or conditional tense are generally indicative of forward-looking statements.

The forward-looking statements contained in this Circular are based upon certain assumptions, that we believe were reasonable as of December 8, 2023, regarding the Canadian food and pharmacy industries, the economy in general, our annual budget as well as our 2024 action plan and financial results for fiscal 2023.

Risk factors that could cause actual results or events to differ materially from our expectations as expressed in, or implied by, our forward-looking statements are described and discussed under the “Risk Management” section on pages 33 to 37 of the 2023 Annual Report.

The forward-looking statements contained in this Circular do not provide any guarantee as to the future performance of the Company and are subject to potential known and unknown risks, as well as uncertainties that could cause our financial position, financial performance, cash flows, business or reputation to differ significantly. Additional risks and uncertainties that we currently deem to be immaterial may also prove to have a material adverse effect. The Company believes these statements to be reasonable and relevant at the date of publication of this Circular and to represent its expectations. The Company does not intend to update any forward-looking statement contained herein, except as required by applicable law.

## Non-GAAP and other financial measurements

This Circular contains certain non-GAAP and other financial measurements. These measures are presented for information purposes only. They do not have standardized meanings under the International Financial Reporting Standards (IFRS) and therefore may not be comparable to similar measures presented by other public companies. *National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosures* sets out specific disclosure requirements for non-GAAP financial measures, non-GAAP ratios, and other financial measures, which are capital management measures, supplementary financial measures, and total of segments measures, as defined in the Instrument. Non-GAAP and other financial measurements are identified in this Circular with an asterisk (*).

For more information on adjusted net earnings and adjusted fully diluted net earnings per share, please refer to the "Operating results" and the "Non-GAAP and other financial measurements" sections of the 2023 Annual Report, which is incorporated by reference herein and is available on SEDAR+ (sedarplus.ca) as well as on the Company’s corporate website (corpo.metro.ca).

# Glossary

In this management proxy circular, the following terms are defined as set forth below.

**2023 Annual Report:** The Company's 2023 Management's Discussion and Analysis and Consolidated Financial Statements dated December 8, 2023.

**Adjusted ROE:** Company's return on shareholders' equity based on adjusted net earnings*.

**AIP:** The Company's Annual Incentive Plan.

**Annual Information Form:** The Company's 2023 Annual Information Form dated December 8, 2023.

**Auditors:** Ernst & Young LLP, Chartered Professional Accountants.

**Board or Board of Directors:** Board of Directors of the Company.

**Circular:** Management Proxy Circular dated December 8, 2023.

**Code of Conduct:** Company's Code of conduct for employees.

**Company, METRO or we:** METRO INC.

**CPAB:** Canadian Public Accountability Board.

**DSU Plan:** The Company's Deferred Share Unit Plan.

**DSU(s):** Deferred share unit(s) granted under the DSU Plan.

**DSU Value:** Average closing price of a Share on the TSX for the five (5) trading days preceding the date of the credit.

**ESG:** Environmental, social and governance.

**EPSG:** Company's adjusted net earnings per share* growth.

**FLAG emissions:** Forest, land and agriculture GHG emissions.

**GHG emissions:** Greenhouse gases emissions.

**Governance Committee:** Governance and Corporate Responsibility Committee of the Company.

**IFRS:** International Financial Reporting Standards.

**Jean Coutu Group :** The Jean Coutu Group (PJC) Inc.

**LTIP:** The Company's Long-Term Incentive Plan.

**Market price:** 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 an Option.

**Meeting:** Annual General Meeting of Shareholders to be held on January 30, 2024.

**Notice:** Written notice provided by a former director no later than December 1st of the calendar year following the year they cease to be a director.

**Notice of Meeting:** Notice for the 2024 Annual General Meeting to be held on January 30, 2024.

**Option(s):** Stock option(s) granted under the Option Plan.

**Option Plan:** The Company's Stock Option Plan.

**PCI:** PCI Compensation Consulting.

**PSU(s):** Performance share unit(s) granted under the PSU Plan.

**PSU Plan:** The Company's Performance Share Unit Plan.

**Record Date:** December 1, 2023.

**SBTi:** Science Based Target initiative.

**Share(s):** The Company's common share(s).

**TCFD:** Task Force on Climate-Related Financial Disclosures.

**Termination Date:** Moment a DSU holder ceases to be a director for any reason whatsoever.

**Transaction**: Acquisition of the Jean Coutu Group by the Company on May 11, 2018.

**TSX:** Toronto Stock Exchange.

**TSX Trust:** TSX Trust Company.

**Unit Buyback Date:** Date the Notice is received.

# Notice of 2024 Annual General Meeting of Shareholders

## When

Tuesday, January 30, 2024 at 10:00 a.m. (Eastern Standard Time)

## Where

Virtually via a live webcast at https://web.lumiagm.com/496160301

## Business of the Meeting

1. receiving the Consolidated Financial Statements of the Company for the financial year ended September 30, 2023 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 11 of the Management Proxy Circular (the "Circular");
5. considering and voting on the shareholder proposals set forth in Exhibit A on pages 61 and following 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 1, 2023 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 SEDAR+ (sedarplus.ca) or on the Company's corporate website (corpo.metro.ca/en/investor-relations/annual-general-meeting.html). Shareholders are advised to review the Meeting materials prior to voting. Any shareholder who wishes to receive a paper copy of the Meeting materials may, at no cost, request such printed copies by calling our proxy solicitation agent Morrow Sodali (Canada) Ltd. toll-free at 1 888 444-0617, if you are in North America, or at 1 289 695-3075, if you are outside North America, or by emailing your request to assistance@morrowsodali.com.

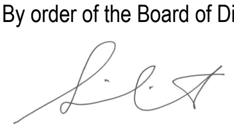
If a paper copy of the Meeting materials is required, we recommend sending the request as soon as possible, and ideally before January 16, 2024, in order to allow shareholders sufficient time to receive and review said Meeting materials and return the form of proxy or voting instruction form in the prescribed 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 26, 2024.**

**Shareholders may register and log into the live webcast platform as of 9:00 a.m. (Eastern Standard Time) on January 30, 2024. 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 8, 2023

# Summary

## Board of Directors highlights

| | | |
|---|---|---|
| **12**<br>Board size | **6.4 years**<br>Average tenure | **96.02%**<br>Approval of the "say on pay" at the 2023 Annual General Meeting |
| **75%**<br>Percentage of independent Board members | **42%**<br>Percentage of director nominees who identify as being a woman | **1**<br>Director nominee who identifies as being a member of a visible minority |

## Director nominees

| Name | Independent | First appointed | Committees | 2023 meeting attendance | 2023 voting results | Other public boards |
|---|---|---|---|---|---|---|
| **L.A. Beausoleil** | Yes | 2022 | Audit | 100% | 93.19% | CAPREIT, Slate Office REIT |
| **M. Bertrand** | Yes | 2015 | Governance (C), HR | 100% | 98.24% | Gildan Activewear Inc., National Bank of Canada |
| **P. Boivin** | Yes | 2019 | Governance | 100% | 98.42% | National Bank of Canada |
| **F.J. Coutu** | No | 2018 | — | 100% | 99.47% | — |
| **M. Coutu** | No | 2018 | — | 100% | 99.47% | — |
| **S. Coyles** | Yes | 2015 | Audit, Governance | 100% | 99.04% | Corus Entertainment Inc., Sun Life Financial Inc. |
| **G. Fortier** | Yes | n/a | n/a | n/a | n/a | — |
| **M. Guay** | Yes | 2016 | Audit, HR (C) | 100% | 98.84% | Boston Pizza Royalties Income Fund |
| **E. R. La Flèche** | No | 2008 | — | 100% | 99.48% | Bank of Montreal |
| **C. Magee** | Yes | 2016 | Governance, HR | 100% | 98.46% | Sleep Country Canada Holdings Inc., TELUS Corporation |
| **B. McManus** | Yes | 2021 | Audit, HR | 100% | 98.79% | — |
| **P. Satriano** | Yes | 2023 | Audit | 100% | n/a | CarMax, Inc. |

## Highlights of governance practices

### Engaged and diverse Board

- 75% of our directors are independent
- 42% of director nominees identify as women, meeting the 30-40% target
- One (1) director identifies as being a member of a visible minority meeting the target for diversity other than gender diversity
- Directors are required to hold a minimum of three (3) times their annual base retainer in common shares and/or DSUs
- Shareholder Engagement Policy under which the Board proactively meets with key shareholders annually
- Rigorous Board succession planning

### Best practices and policies

- Separation of the roles of CEO and Chair of the Board
- Only independent directors sit on Board Committees
- Director Code of Ethics
- Annual Director election
- Majority Voting Policy
- Overboarding Policy
- Annual advisory vote on executive compensation

### Strong oversight

- Board oversight of ESG matters and climate risk, including the approval of the Corporate Responsibility plans and the tracking of progress against goals set
- Board oversight on management succession planning
- Board oversight on cybersecurity
- Strong annual assessment of Board and Director effectiveness including one-on-one meetings between individual directors and the Chair of the Board
- Regular continuing education sessions for Directors

## Corporate responsibility highlights

### Diversity targets for the representation of women

- 30-40% of Board members
- 30% of senior management by 2026
- 35% of management by 2026

### Board accountability

The Governance and Corporate Responsibility Committee is responsible for the oversight of the Company's activities and disclosure with regards to corporate responsibility, including ESG and climate matters. The Board of Directors approves corporate responsibility plans and reports.

### Our corporate responsibility priorities

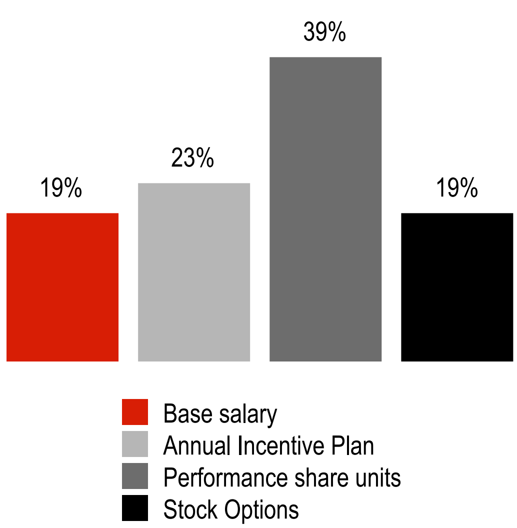
- Implement responsible procurement practices that protect biodiversity, encourage local sourcing and safeguard human rights.
- Promote and enhance the health, nutrition and well-being of our customers.
- Reduce our footprint by using less packaging, choosing environmentally responsible materials, and facilitating their recovery and recycling.
- Address climate change through the reduction of our greenhouse gas emissions.
- Avoid sending waste generated by our activities to landfills.
- Limit food waste by ensuring that food waste generated by our activities is not thrown away as long as it is safe for consumption.
- Create an equitable, diverse and inclusive workplace that reflects our customers.
- Help reduce social inequities by contributing to the well-being of communities and generating sustainable benefits.

## 2023 business highlights

| | Sales | Net earnings | Adjusted net earnings* | Fully diluted net earnings per share | Adjusted fully diluted net earnings per share* |
|---|---|---|---|---|---|
| **Results** | **$20,724.6 million** | **$1,018.8 million** | **$1,006.6 million** | **$4.35** | **$4.30** |
| **Change from fiscal 2022 (%)** | **+9.7** | **+19.9** | **+9.2** | **+23.9** | **+12.6** |

## Executive compensation

### CEO pay structure for fiscal 2023




### Executive compensation highlights

- 81% of CEO compensation is at risk, of which most (58% of total compensation) is tied to long-term performance.
- At-risk compensation is predominantly linked to the Company's financial results.
- Approval of the Human Resources Committee or the Board of Directors is required before payment of any sums under the Annual Incentive Plan.
- Amounts payable under the Annual Incentive Plan are capped.
- Minimum shareholding requirements (in Shares and PSUs) have been established for executive officers and other members of management.
- Hedging is not permitted.
- Compensation clawback in the event of restatement or misconduct.
- Option and PSU grants are limited to a set number under an established policy.
- PSUs vest over a period of three (3) years according to the performance level reached and Options vest over a period of five (5) years, starting two (2) years after the grant.

# 1. Voting information

This Circular is provided in connection with the solicitation of proxies for the Company's Meeting to be held on **Tuesday, January 30, 2024**, at the place and time and for the purposes set forth in the enclosed Notice of Meeting, and all adjournments and postponements thereof.

**The proxy is being solicited by the management of the Company.** The solicitation will be made primarily by mail, but the directors, officers and employees of the Company may also solicit proxies by telephone, by fax, over the Internet, through advertisements or in person. The Company will also retain the services of other parties to solicit proxies, in particular Morrow Sodali (Canada) Ltd. The solicitation costs will be at the expense of the Company, including any costs in connection with the services provided by Morrow Sodali (Canada) Ltd. which are estimated at approximately $40,000.

In addition, the Company 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 Company.

## 1.1 How to vote

Holders of shares of record at the close of business in Montréal (Québec), on the Record Date will be entitled to attend the Meeting and any adjournment or postponements 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 Company's transfer agent is TSX Trust.

| | |
|---|---|
| **Registered shareholders**<br>You are a registered shareholder if your name appears on a share certificate or on a direct registration statement of our transfer agent, TSX Trust. If you receive a form of proxy, it means that you are a registered shareholder. | **Non-registered shareholders**<br>You are a non-registered shareholder when an intermediary (a bank, a trust company, a broker or another financial institution) holds your shares for your benefit. If you receive a voting instruction form, it means you are a non-registered shareholder. |
| **Option 1 – Voting rights exercised by proxy (in advance)** | |
| **Registered shareholders**<br>Voting instructions can be given in multiple manners: | **Non-registered shareholders**<br>You will receive a voting instruction form from your representative with respect to shares held on your behalf. This form will contain instructions pertaining to the execution and transmission of the document. |
| **Internet**<br>Go to www.tsxtrust.com/vote-proxy and follow the instructions. | **Internet**<br>Go to www.proxyvote.com and follow the instructions. |
| **Phone**<br>Dial 1 888 489-7352 and follow the instructions. | **Phone**<br>Dial**,** in Canada, 1 800 474-7493 or, in the United States, 1 800 454-8683 and follow the instructions. |
| **Email**<br>Fill your form of proxy, scan it and send it by email at proxyvote@tmx.com. | **Mail**<br>Return your filled voting instruction form in the prepaid envelope included with your voting instruction form. |
| **Fax**<br>Fill your form of proxy and return it 1 416 595-9593. | |
| **Mail**<br>Return your filled form of proxy in the included prepaid envelope at:<br>TSX Trust Company<br>P.O. Box 721<br>Agincourt (Ontario) M1S 0A1 | |
| All forms of proxy must be received by 5:00 p.m. (Eastern Standard Time) on January 26, 2024. | All voting instruction forms must be returned to your intermediary by 5:00 p.m. (Eastern Standard Time) on January 26, 2024. |

### Option 2 – Voting online during the live webcast

#### Registered shareholders

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

1. You must register online at least 15 minutes before the Meeting using an Internet connected device such as a laptop, computer, tablet or mobile phone at https://web.lumiagm.com/496160301;
2. Enter the 13-digit control number that appears on your form of proxy, as your control number, and "metro2024" (case sensitive) as your password.

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

#### Non-registered shareholders

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

1. Name yourself as proxyholder on your voting instruction form. To do so, you have to write your name in the space provided for such purpose on the voting instruction form and follow the instructions for submitting such voting instruction form;
2. **YOU MUST ALSO REGISTER YOUR PROXYHOLDER WITH TSX TRUST THROUGH ONE OF THE FOLLOWING METHODS by 5:00 p.m. (Eastern Standard Time) on January 26, 2024 so that TSX Trust may provide you with a 13-digit proxyholder control number via email:**
   a. **Call TSX Trust at 1 866 751-6315 (toll free in Canada and the United States); OR**
   b. **Complete the online form at www.tsxtrust.com/ control-number-request.**

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

On the day of the Meeting:

1. You must register online at least 15 minutes before the Meeting using an Internet connected device such as a laptop, computer, tablet or mobile phone at https://web.lumiagm.com/496160301;
2. Enter the 13-digit proxyholder control number, as your control number, and "metro2024" (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 Morrow Sodali (Canada) Ltd. by calling toll-free at 1 888 444-0617, if you are in North America, or at 1 289 695-3075, if you are outside North America, or by emailing your request at assistance@morrowsodali.com.

## 1.2 Rules of conduct for the virtual Meeting

The Company has decided to hold the Meeting virtually in order to maximize shareholder attendance for those who would be unable to attend in person and because it also is a very cost-effective and safe way of holding shareholders' meetings. As such, shareholders will not be able to attend the Meeting in person. To ensure the effective conduct of the Meeting, the following rules will apply during the Meeting.

Only registered shareholders and duly appointed and registered proxyholders will be eligible to vote and have the opportunity to ask questions during the Meeting, provided they are connected to the Internet and comply with the requirement set out herein. Non-registered shareholders who did not appoint themselves as proxyholders and registered themselves with TSX Trust to obtain a 13-digit proxyholder control number by the 5:00 p.m. (Eastern Standard Time) voting deadline on January 26, 2024 will only be able to log in to the Meeting as guests. In such case, it will not be possible for them to vote or ask questions.

For any question on joining or attending the Meeting or on voting procedures, please refer to the "User Guide – Virtual Meeting" which is included in the mailing envelope sent to shareholders and is available on the Company's website (corpo.metro.ca) and on SEDAR+ (sedarplus.ca). For live technical assistance during the Meeting, please contact TSX Trust at 1 800 387-0825.

If you attend the Meeting online, it is important that you be 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 a 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 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 Company does not intend to address questions that:

- are irrelevant to the Company's operations or to the business of the Meeting;
- are related to non-public information about the Company;
- are related to personal grievances;
- constitute derogatory references to individuals or that are otherwise offensive to third parties;
- are repetitive 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 Company's Corporate Secretary at secretaire.corpo@metro.ca.

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

The Company 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 Company's corporate website (corpo.metro.ca/en/investor-relations/annual-general-meeting.html) in the days following the Meeting.

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

## 1.3 Proxyholder

### Appointment of a proxyholder

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

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

### Registered shareholders

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

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

### Non-registered shareholders

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

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

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

Registering your Proxyholder by telephone:

1. Call TSX Trust at 1 866 751-6315 (toll free in Canada and the United States) by 5:00 p.m. (Eastern Standard Time) on January 26, 2024;
2. Register the Proxyholder with the TSX Trust agent;
3. Receive a 13-digit proxyholder control number via email.

Registering your Proxyholder online:

1. Visit www.tsxtrust.com/control-number-request by 5:00 p.m. (Eastern Standard Time) on January 26, 2024;
2. Complete the online form;
3. Receive a 13-digit proxyholder control number via email.

Registering your Proxyholder by telephone:

1. Call TSX Trust at 1 866 751-6315 (toll free in Canada and the United States) by 5:00 p.m. (Eastern Standard Time) on January 26, 2024;
2. Register the Proxyholder with the TSX Trust agent;
3. Receive a 13-digit proxyholder control number via email.

Registering your Proxyholder online:

1. Visit www.tsxtrust.com/control-number-request by 5:00 p.m. (Eastern Standard Time) on January 26, 2024;
2. Complete the online form;
3. Receive a 13-digit proxyholder control number via email.

### Revocation of a proxy

As a shareholder, you have the right to revoke your proxy and appoint a new Proxyholder. Make sure that you send new instructions to the Company's transfer agent, TSX Trust, or if you are a non-registered shareholder, to your intermediary, by 5:00 p.m. (Eastern Standard Time) on January 26, 2024.

### Registered shareholders

You may revoke your proxy in the following manners:

- by way of written notice duly executed by yourself, by the representative who has written authorization to act on your behalf or, if the shareholder is a corporation, by a duly authorized officer or a representative thereof, and submit said revocation to the transfer agent of the Company, TSX Trust, by 5:00 p.m. (Eastern Standard Time) on January 26, 2024;
- by voting again on the day of the Meeting; or
- by filling and returning a new form of proxy to the transfer agent of the Company, TSX Trust, by 5:00 p.m. (Eastern Standard Time) on January 26, 2024.

### Non-registered shareholders

You may revoke your proxy in the following manners:

- by way of written notice duly executed by yourself, by the representative who has written authorization to act on your behalf or, if the shareholder is a corporation, by a duly authorized officer or a representative thereof, and submitted to your intermediary, by 5:00 p.m. (Eastern Standard Time) on January 26, 2024; or
- by filling and returning a new voting instruction form to your intermediary, by 5:00 p.m. (Eastern Standard Time) on January 26, 2024.

## 1.4 Exercise of discretion

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

✔ **FOR the advisory resolution on executive compensation**

✘ **AGAINST each of the shareholder proposals set forth in Exhibit A**

## 1.5 Notice and access rules

The Company has decided to use the Notice and Access rules adopted by the Canadian Securities Administrators to reduce the volume of paper with respect to materials distributed for the purpose of the Meeting. Instead of receiving this Circular, shareholders will receive a Notice of Meeting with the proxy or, as the case may be, voting instruction form along with instructions on how to access the Meeting materials online. The Company, via its transfer agent TSX Trust, will send the Notice of Meeting and form of proxy directly to registered shareholders. The Company 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 Company's corporate website (corpo.metro.ca) or on SEDAR+ (sedarplus.ca).

If you would like to receive a printed copy of the Meeting materials by mail, at no cost, you must request same from Morrow Sodali (Canada) Ltd. by calling toll-free at 1 888 444-0617, if you are in North America, or at 1 289 695-3075, if you are outside North America, or by emailing your request at assistance@morrowsodali.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 16, 2024, 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 Morrow Sodali (Canada) Ltd. by calling toll-free at 1 888 444-0617, if you are in North America, or at 1 289 695-3075, if you are outside North America, or by emailing your request at assistance@morrowsodali.com.

## 1.6 Voting securities and principal holders thereof

The Shares constitute the only class of shares of the Company 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 or postponement 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 1, 2023, there were 228,235,890 Shares of the Company issued and outstanding, representing 100% of the votes attached to all Shares of the Company.

To the knowledge of the directors and officers of the Company, as at December 1, 2023, no shareholders exercised or claimed to exercise beneficial ownership, control or direction over 10% of the Company's Shares.

# 2. Business of the Meeting

## 2.1 Receiving the financial statements

The Consolidated Financial Statements of the Company for the financial year ended September 30, 2023 and the report of the independent auditors thereon will be submitted at the Meeting. These Consolidated Financial Statements appear in 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+ (sedarplus.ca) as well as on the Company's corporate website (corpo.metro.ca).

## 2.2 Electing directors

The articles of the Company 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. The Board of Directors has set at 12 the number of directors for the upcoming year. The Company'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.

Nominees for the position of director are the current directors of the Company, except for Ms. Geneviève Fortier who is nominated for the first time as director and Messrs Russell Goodman and Christian W.E. Haub who will be retiring at the end of the Meeting. In April 2023, the Board of Directors appointed Mr. Pietro Satriano as member of the Board. Mr. Satriano is a director nominee at the Meeting.

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 effectively and efficiently, in the Company's and its stakeholders' best interests.

Management of the Company 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.

According to a policy adopted by the Board, any person who was a director of the Company 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 Company 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 Company for less than 12 years. Under special circumstances, the Board of Directors, upon recommendation of the Governance Committee, can extend the term limit of a director for a maximum of three (3) one-year terms.

Detailed information regarding director nominees can be found in the "Information on director nominees" section on pages 12 to 20 of this Circular.

### MAJORITY VOTING POLICY

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

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 TSX. The director who offered their resignation shall not take part in any of the Governance Committee's or the Board's meetings at which the resignation offer is being considered.

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

The Board of Directors and Management recommend 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 Company, of each of the 12 nominees whose names are set forth in this Circular. It should be noted that to be adopted, this resolution requires a favourable vote of a simple majority of the votes cast.**

## 2.3 Appointing the auditors

### AUDITORS TENURE

The Auditors are currently responsible for the audit of the consolidated financial statements of the Company.

The Audit Committee strongly supports limits to the tenure of key senior partners involved in the Company's audit. The Audit Committee has concluded that continually having fresh sets of eyes at the partner level is an important contributor to audit quality and auditor independence. The Audit Committee actively oversees the tenure of the partners involved in the audit, the plan for their rotation off the audit, and the selection of their replacements.

The current partners involved in the audit are:

- Lead audit engagement partner
- Senior advisory partner
- Engagement quality control review partner
- Impairment and valuations partner
- Tax audit partner
- Information technology partner

The partners involved in a given year might change depending on the needs and the circumstances of that particular audit.

The average tenure of these partners is five (5) years.

Whereas the active management of the rotation of key partners involved is of critical importance to audit quality and independence, the Audit Committee has determined that shareholders would not be best served through arbitrary limits on the tenure of audit firms. The Audit Committee would support rotating the firm of Auditors, and the consequent replacement of all partners in a single year, only if the Audit Committee were dissatisfied with the quality, performance and/or independence of the key partners on the Company's audit, which is not the case at the moment.

The Audit Committee has examined the quality of the work performed by the Auditors and their independence, and has declared itself satisfied therewith.

The Auditors were first appointed as auditors of the Company on January 27, 1998, and have been acting in that capacity ever since.

Under *National Instrument 52-108 - Auditor Oversight*, the Auditors are a participating audit firm with CPAB which governs the independence and objectivity of external auditors and provides oversight of accounting firms that audit Canadian reporting issuers.

For more information on the review of the quality of the work of the Auditors, please refer to page 10 of this Circular.

The Audit Committee concluded that it was satisfied with the audit quality, effectiveness and quality of external audit services provided by the Auditors for 2023 and that the Auditors continue to be independent such that it is in the shareholders' best interest for the Auditors to continue to serve as the Company's independent auditor.

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

At the 2023 annual general meeting of shareholders, the appointment of the Auditors was approved by 85.81% of the votes.

**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 Company at the Meeting. It should be noted that to be adopted, this resolution requires a favourable vote of a simple majority of the votes cast.**

## AUDITOR'S INDEPENDENCE

For fiscal 2023, the Company's Audit Committee obtained written confirmation from the Auditors of their independence and objectivity with respect to the Company, 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 30, 2023 and September 24, 2022, the following fees were billed by the Auditors for audit services, audit-related services, tax services and other services provided by the Auditors:

| | 2023 | 2022 |
|---|---|---|
| Audit fees | $2,200,021 | $2,024,101 |
| Audit-related fees | $398,695 | $366,950 |
| Tax fees | $78,290 | $129,311 |
| All other fees | — | — |
| **Total** | **$2,677,006** | **$2,520,362** |

Audit-related fees consist primarily of fees invoiced for consultations regarding financial accounting and the presentation of financial information, fees for the audit of financial statements of pension plans and fees for tests on internal controls.

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

## REVIEW OF THE QUALITY OF THE WORK AND INDEPENDENCE 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 meets with all of the Auditors' senior personnel engaged on the audit, and actively oversees their selection, rotation and credentials. The Audit Committee's objective is to establish a reasonable balance between the continuity of relevant audit knowledge and the enhanced skepticism and diversity that new senior personnel bring to the audit methodology.

The Audit Committee examines every year the quality of the work performed by the Auditors and their independence in order to make an informed recommendation concerning the appointment of the audit firm which will act as external auditors of the Company. In 2023, this evaluation, which was discussed with the Auditors, focused on:

- the quality of the Auditors' annual audit plan and team;
- the depth and breadth of relevant public company and industry experience of the Auditors' engagement partners responsible for the Company's audit, including the depth of experience and engagement of specialists partners for complex areas;
- the quality of the Auditors' quarterly review, annual audit examination and evaluation of internal controls;
- the transparency, timeliness and quality of the Auditors' communications to the Audit Committee and management;
- the Auditors' demonstration of professional skepticism, most particularly in its review of the Company's accounting estimates and areas involving significant auditor and management judgment;
- management feedback as to the timeliness and quality of the Auditors' work;
- the limitations on non-audit services and the fact that the Auditors provide no services other than audit, audit-related and tax services as well as the reasonableness of the Auditors' fees in that respect;
- the desired balance of the Auditors' experience and fresh perspective through mandatory audit partner rotation and periodic rotation of other audit management personnel. The rotation of the Lead audit engagement partner in charge, the Engagement quality control review partner and the Senior advisory partner is required at least every seven (7) years under independence standards. For the Company, the last rotation of the Lead audit engagement partner occurred for the audit of fiscal 2018 and the rotation of the Engagement quality control review partner, during fiscal 2023. In addition to these three (3) partners, there are three (3) other partners involved in the audit with specific expertise which brings additional independence to the team;
- reports from the Auditors describing its compliance with its internal policies and procedures, including the presentation of audit quality indicators to the Audit Committee on a semi-annual basis;
- quarterly and annual written confirmation from the Auditors of their independence and objectivity with respect of the Company, pursuant to the *Code of Ethics* of the Quebec Order of Chartered Professional Accountants;
- external data on audit quality and performance, including recent CPAB reports; and
- the Auditors' capability and expertise in handling the breadth and complexity of the Company's business, and the Auditors' significant institutional knowledge and deep expertise of the Company's accounting policies and practices and internal controls which enhance audit quality.

Lastly, the Audit Committee is of the opinion that any concerns with the Auditors' tenure are mitigated by a strong external regulatory framework as well as the Auditors' strong internal independence policies and procedures assessed through the annual auditor evaluation. The regulatory requirements in Canada continue to mandate audit and other partners rotation every seven (7) years with a five-year cooling off period. Recent publications and research by CPAB continue to support this practice rather than broadening the statutory scope to require periodic audit firm rotation[1]. The rotation of the audit partners reduces the risk of over-familiarity and self-interest and promotes objectivity without imposing significant costs and disruption to the Company. It also allows for a fresh set of eyes on the overall audit approach.

## 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 Company's approach to executive compensation at each annual general meeting of the shareholders. The Company's approach to executive compensation is further described in the "Executive Compensation Discussion and Analysis" section on pages 32 to 48 of this Circular.

At the 2023 annual general meeting of shareholders, the Company's approach to executive compensation was approved by 96.02% 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 Company's Management Proxy Circular delivered in advance of the 2024 annual meeting of shareholders of the Company."

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 favourable vote of a simple majority of the votes cast.**

## 2.5 Shareholder proposals

Exhibit A to this Circular sets forth nine (9) proposals received from shareholders along with the responses of the Company. Of these nine (9) proposals, five (5) have been withdrawn, leaving four (4) subject to a vote at the Meeting.

The Board of Directors and management are recommending that shareholders vote "**AGAINST**" each of the shareholder proposals set forth in Exhibit A starting on page 61 of this Circular for the reasons outlined in such Exhibit A.

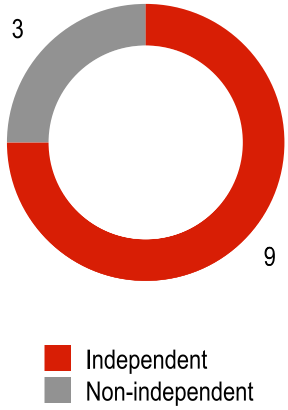
**Unless contrary instructions are indicated, the persons named as Proxyholders in the form of proxy or voting instruction form intend to vote "AGAINST" each of the shareholder proposals set forth in Exhibit A. It should be noted that to be adopted, these proposals require a favourable vote of a simple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

[1] See: Chartered Professional Accountants - Canada and Canadian Public Accountability Board, *Enhancing Audit Quality: Canadian Perspectives - Conclusions and Recommendations*, https://www.cpacanada.ca/en/business-and-accounting-resources/audit-and-assurance/enhancing-audit-quality/publications/eaq-initiative/eaq-final-report-canadian-recommendations; Source Global Research, *The Audit Market in 2018*, https://www.sourceglobalresearch.com/reports/4765-the-audit-market-in-2018-2; U.S. Government Accountability Office, *Public Accounting Firms - Required Study on the Potential Effects of Mandatory Audit Firm Rotation*, https://www.gao.gov/assets/gao-04-216.pdf; C. A. Cassell, J. N. Myers, L. A. Myers and T. A. Seidel, *Does Auditor Tenure Impact the Effectiveness of Auditor's Response to Fraud Risk?*, https://gattonweb.uky.edu/FACULTY/PAYNE/acc490/Graduate%20Student%20Articles/Cassell%20et%20al.%20Does%20Auditor%20Tenure%20Impact%20the%20Effectiveness%20of%20Auditors%E2%80%99%20Response%20to%20Fraud%20Risk.pdf.

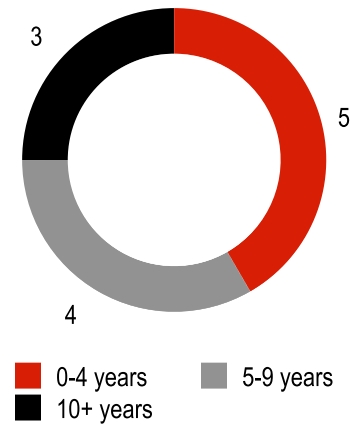
# 3. The Board

## 3.1. Information on director nominees

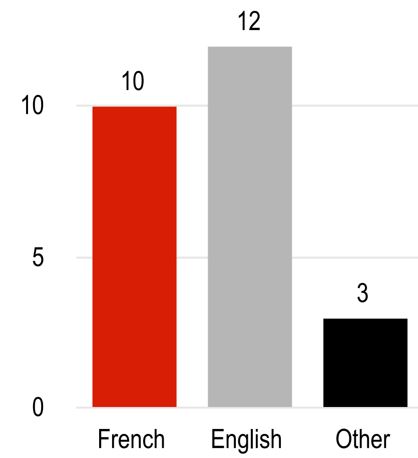
### SIZE AND INDEPENDENCE



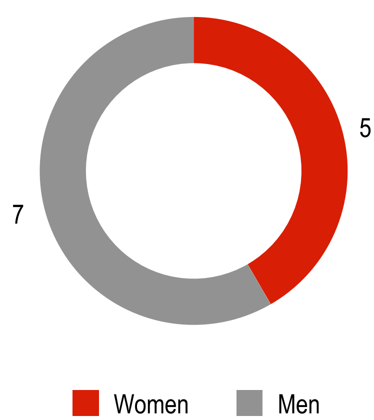

### BOARD TENURE

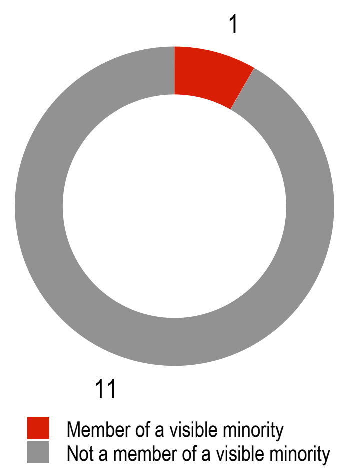


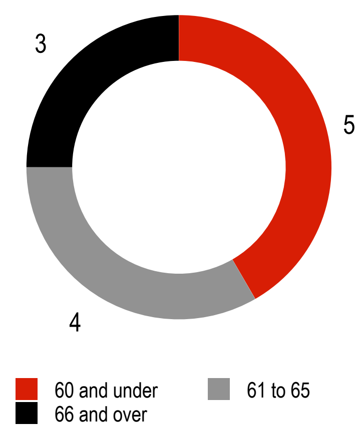

### LANGUAGES MASTERED




### DIVERSITY OF DIRECTOR NOMINEES




### TOTAL EQUITY HOLDINGS OF DIRECTOR NOMINEES

The following table discloses the total holdings in Shares and DSUs of the director nominees as of December 1, 2023 and December 2, 2022. 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 TSX on December 1, 2023 ($68.32) and on December 2, 2022 ($77.67).

| | **December 1, 2023** | **December 2, 2022** |
|---|---|---|
| Shares | 306,028 | 327,543 |
| DSUs | 113,762 | 168,857 |
| **Total value** | **$28,680,053** | **$38,555,388** |

## DIRECTOR NOMINEES' SKILLS AND EXPERIENCE MATRIX

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

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

The Governance Committee strives to maintain an engaged independent board with broad diverse experience and judgment that is committed to representing the long-term interests of its shareholders and stakeholders. As such, to serve on the Board, all directors must have extensive experience, meet expectations and have the core competencies listed in Exhibit F of this Circular, which the Company 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 Company's current and expected future priorities and strategic needs. The specific competency and experience matrix below has been developed to ensure that the composition of the Board of Directors is appropriate and that the required skills and experience are appropriately represented on the Board of Directors. The Governance Committee reviews annually the different directors' skills and experience requirements to ensure that they reflect the evolving priorities and strategic needs of the Company. The skills and experience matrix of the nominees for the position of director of the Company below shows a maximum of six (6) skills for each director nominee, except for Mr. La Flèche, and is not intended to be an exhaustive list of directors' qualifications.

| | **L.-A. Beausoleil** | **M. Bertrand** | **P. Boivin** | **F. J. Coutu** | **M. Coutu** | **S. Coyles** | **G. Fortier** | **M. Guay** | **E. R. La Flèche** | **C. Magee** | **B. McManus** | **P. Satriano** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Leadership: CEO / Senior officer of public or private company | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financial / Accounting | ✓ | ✓ | ✓ | | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Real estate | ✓ | ✓ | | ✓ | ✓ | | | | ✓ | | | |
| Retail / Consumer marketing | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ |
| Human resources / Compensation | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Digital / E-commerce / Loyalty | | | | | | ✓ | | | ✓ | | | ✓ |
| Information systems / Logistics | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | |
| Risk management | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | |
| Corporate responsibility(1) | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |

Note:

(1) Corporate responsibility covers expertise on ESG matters, including climate change strategy and risk.

## DIRECTOR NOMINEES

The following pages contain information on the nominees for the position of director of the Company. Each nominee for the position of director of the Company 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 companies on which nominees currently serve, information relating to their board and committee meeting attendance and equity holdings in the Company are also mentioned. None of the nominees serve together on the same board of another public company, except for Ms. Maryse Bertrand and Mr. Pierre Boivin who both serve on the board of directors of the National Bank of Canada.

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

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

**Corporate Director**
Age: **60**
Status: **Independent**
Director since: **2022**

Language mastered: **English**

2023 annual meeting votes in favour: **93.19%**

**Meeting attendance during fiscal 2023**[1]

| | Regular | Special | Total |
|---|---|---|---|
| Board | 6/6 | — | 6/6 |
| Audit | 5/5 | — | 5/5 |
| Governance | 2/2 | — | 2/2 |
| **Total attendance** | | **100%** | |

**Other public company board membership**

| | Since |
|---|---|
| Canadian Apartment Properties REIT | 2021 |
| Slate Office REIT | 2021 |

Ms. Beausoleil is a corporate director and a retired Partner of PricewaterhouseCoopers LLP (PwC). Over her 35-year career at PwC, she held various leadership positions including National Leader – Compliance, Ethics and Governance, Real Estate Leader, National Forensic Services Leader and a member of PwC's Deals Leadership Team. She currently is a Board member and Audit Committee Chair of Canadian Apartment Properties Real Estate Investment Trust (CAPREIT), Lead Director and Audit Committee Chair of Brookfield Real Estate Income Trust Inc. (a private REIT), and Board member and Audit Committee Chair of Slate Office REIT. She is also a member of the Canadian Chartered Professional Accountants and the Chartered Professional Accountants of Ontario and is a CPA Ontario Fellow (FCPA). She holds a Bachelor of Commerce degree from the University of Toronto.

**Information on equity holdings**

| | December 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares[2] | — | — |
| DSUs[2] | 3,366 | 1,236 |
| **Total value at risk**[2] | **$229,965** | **$96,000** |
| **Value at risk as multiple of base annual retainer**[3] | **1.67** | **0.77** |
| **Variation** | **140%** | |

| Minimum holding requirement met | Target |
|---|---|
| January 25, 2025 | 3 x base annual retainer |

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

**Chair of the Board of Governors – McGill University and Corporate Director**
Age: **64**
Status: **Independent**
Director since: **2015**

Languages mastered: **French, English**

2023 annual meeting votes in favour: **98.24%**

**Meeting attendance during fiscal 2023**

| | Regular | Special | Total |
|---|---|---|---|
| Board | 6/6 | — | 6/6 |
| Governance (Chair) | 4/4 | — | 4/4 |
| Human Resources | 4/4 | — | 4/4 |
| **Total attendance** | | **100%** | |

**Other public company board membership**

| | Since |
|---|---|
| Gildan Activewear Inc. | 2018 |
| National Bank of Canada | 2012 |

Ms. Bertrand is Chair of the Board of Governors of McGill University and a corporate director. She is a member of the Board of Directors of National Bank of Canada, PSP Investments, and Gildan Activewear Inc. She is also a member of the Board of Directors of the Institute of Corporate Directors of which she was, from 2019 to 2021, the Chair of the Board (Quebec Chapter). From 2016 to 2017, she was Strategic Advisor and Counsel at Borden Ladner Gervais LLP and, prior to that, she was Vice-President, Real Estate Services, Legal Services and General Counsel at CBC/Radio-Canada. Before 2009, she was a partner of Davies Ward Philips & Vineberg LLP. She was named *Advocatus emeritus* (Ad. E.) in 2007 by the Québec Bar. 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).

**Information on equity holdings**

| | December 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares[2] | 1,800[4] | 1,800[4] |
| DSUs[2] | 15,116 | 13,131 |
| **Total value at risk**[2] | **$1,155,701** | **$1,159,691** |
| **Value at risk as multiple of base annual retainer**[3] | **8.41** | **9.28** |
| **Variation** | **(0.34)%** | |

| Minimum holding requirement met | Target |
|---|---|
| ✔ | 3 x base annual retainer |

**Pierre Boivin**
Montréal (Québec) Canada

**President and Chief Executive Officer – Claridge Inc.**
Age: **70**
Status: **Independent**
Director since: **2019**

Languages mastered: **French, English**

2023 annual meeting votes in favour: **98.42%**

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., and the Chairman of the board of Solotech 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 the artificial intelligence ecosystem in Québec and Canada. From 2004 to 2018, he was a board member and the Chairman, from 2006 to 2012, of the CHU Sainte-Justine Foundation. He studied Commerce at McGill University. Mr. Boivin was appointed 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 fiscal 2023**

| | Regular | Special | Total |
|---|---|---|---|
| Board | 6/6 | — | 6/6 |
| Governance | 4/4 | — | 4/4 |
| **Total attendance** | | **100%** | |

**Other public company board membership**

| | Since |
|---|---|
| National Bank of Canada | 2013 |

**Information on equity holdings**

| | December 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares(2) | 5,302 | 5,217 |
| DSUs(2) | 15,218 | 10,545 |
| **Total value at risk(2)** | **$1,401,926** | **$1,224,235** |
| **Value at risk as multiple of base annual retainer (3)** | **4.25** | **4.08** |
| **Variation** | **15%** | |

| Minimum holding requirement met | Target |
|---|---|
| ✔ | 3 x base annual retainer |

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

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

Languages mastered: **French, English**

2023 annual meeting votes in favour: **99.47%**

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

**Meeting attendance during fiscal 2023**

| | Regular | Special | Total |
|---|---|---|---|
| Board | 6/6 | — | 6/6 |
| **Total attendance** | | **100%** | |

**Other public company board membership**

n/a

**Information on equity holdings**

| | December 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares(2)(5) | — | — |
| DSUs(2) | 8,337 | 6,358 |
| **Total value at risk(2)** | **$569,584** | **$493,826** |
| **Value at risk as multiple of base annual retainer(3)** | **4.14** | **3.95** |
| **Variation** | **15%** | |

| Minimum holding requirement met | Target |
|---|---|
| ✔ | 3 x base annual retainer |

## Michel Coutu
Montréal (Québec) Canada

**President – MMC Investments Inc.**
Age: **70**
Status: **Non-Independent**
Director since: **2018**

Languages mastered: **French, English**

2023 annual meeting votes in favour: **99.47%**

### Meeting attendance during fiscal 2023

| | Regular | Special | Total |
|---|---|---|---|
| Board | 6/6 | — | 6/6 |
| **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 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 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares(2)(5) | 180 | 180 |
| DSUs(2) | 10,780 | 8,760 |
| **Total value at risk(2)** | **$748,787** | **$694,370** |
| **Value at risk as multiple of base annual retainer(3)** | **5.45** | **5.55** |
| **Variation** | **8%** | |

| **Minimum holding requirement met** | **Target** |
|---|---|
| ✔ | 3 x base annual retainer |

## Stephanie Coyles
Toronto (Ontario) Canada

**Corporate Director**
Age: **56**
Status: **Independent**
Director since: **2015**

Languages mastered: **French, English, Other**

2023 annual meeting votes in favour: **99.04%**

### Meeting attendance during fiscal 2023

| | Regular | Special | Total |
|---|---|---|---|
| Board | 6/6 | — | 6/6 |
| Audit | 5/5 | — | 5/5 |
| Governance | 4/4 | — | 4/4 |
| **Total attendance** | | **100%** | |

### Other public company board membership

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

Ms. Coyles is a director and member of the Governance, Investment and Conduct Review Committee and Chair of the Management Resources Committee of Sun Life Financial Inc., as well as a director and member of the Audit Committee and of the Corporate Governance Committee at Corus Entertainment Inc. From March 2019 to February 2020, she was a board member of 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. 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 and the Board Oversight Climate Change program offered by the ICD.

### Information on equity holdings

| | December 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares(2) | 3,200 | 3,200 |
| DSUs(2) | 19,570 | 18,192 |
| **Total value at risk(2)** | **$1,555,646** | **$1,661,517** |
| **Value at risk as multiple of base annual retainer(3)** | **11.31** | **13.29** |
| **Variation** | **(6)%** | |

| **Minimum holding requirement met** | **Target** |
|---|---|
| ✔ | 3 x base annual retainer |

**Geneviève Fortier**
Blainville (Québec) Canada

**Chief Executive Officer – Promutuel Assurance**
Age: **56**
Status: **Independent**
Director since: **n/a**

Languages mastered: **French, English**

2023 annual meeting votes in favour: **n/a**

**Meeting attendance during fiscal 2023**

| | Regular | Special | Total |
|---|---|---|---|
| n/a | | | |
| **Total attendance** | | **n/a** | |

**Other public company board membership**

n/a

Ms. Fortier has been Chief Executive Officer of Promutuel Assurance since 2019. She is the first woman to hold this position since the company was founded nearly 170 years ago. From 2018 to 2019, she was Senior Vice President, Sales and Distribution for SSQ Insurance. Over the course of her career, Ms. Fortier has held a number of executive positions in the pharmaceutical and insurance industries, including with McKesson Canada from 2007 to 2017. She is currently Chair of the Board of Investissement Québec (IQ). Ms. Fortier is also Vice-Chair of the Board of Directors of the Canadian Association of Mutual Insurance Companies, and President of the Quebec chapter of the Insurance Bureau of Canada. She is a recipient of the Ordre national du Québec. A Fellow *conseillère en ressources humaines agréée*, she holds bachelor's and master's degrees in industrial relations from Université Laval.

**Information on equity holdings**

| | December 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares[2] | n/a | n/a |
| DSUs[2] | n/a | n/a |
| **Total value at risk[2]** | **n/a** | **n/a** |
| **Value at risk as multiple of base annual retainer[3]** | **n/a** | **n/a** |
| **Variation** | **n/a** | |

| Minimum holding requirement met | Target |
|---|---|
| January 30, 2027[6] | 3 x base annual retainer |

**Marc Guay**
Oakville (Ontario) Canada

**Corporate Director**
Age: **65**
Status: **Independent**
Director since: **2016**

Languages mastered: **French, English, Other**

2023 annual meeting votes in favour: **98.84%**

**Meeting attendance during fiscal 2023**

| | Regular | Special | Total |
|---|---|---|---|
| Board | 6/6 | — | 6/6 |
| Audit | 5/5 | — | 5/5 |
| Human Resources (Chair) | 4/4 | — | 4/4 |
| **Total attendance** | | **100%** | |

**Other public company board membership**

| | Since |
|---|---|
| Boston Pizza Royalties Income Fund | 2018 |

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 HEC Montréal 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).

**Information on equity holdings**

| | December 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares[2] | 4,213 | 4,213 |
| DSUs[2] | 17,061 | 14,465 |
| **Total value at risk[2]** | **$1,453,440** | **$1,450,720** |
| **Value at risk as multiple of base annual retainer[3]** | **10.57** | **11.61** |
| **Variation** | **0.19%** | |

| 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 Company**
Age: **61**
Status: **Non-Independent**
Director since: **2008**

Languages mastered: **French, English**

2023 annual meeting votes in favour: **99.48%**

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

**Meeting attendance during fiscal 2023**

| | Regular | Special | Total |
|---|---|---|---|
| Board | 6/6 | — | 6/6 |
| **Total attendance** | | **100%** | |

**Other public company board membership**

| | Since |
|---|---|
| Bank of Montreal | 2012 |

**Information on equity holdings**

| | December 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares(2) | 274,208 | 274,208 |
| DSUs(7) | — | — |
| **Total at risk value(2)** | **$18,733,891** | **$21,297,735** |
| **Value at risk as multiple of base annual retainer (7)** | **—** | **—** |
| **Variation** | **(12)%** | |

| **Minimum holding requirement met(8)** | **Target** |
|---|---|
| ✔ | 5 x base salary |

**Christine Magee**
Oakville (Ontario) Canada

**Chair of the board of directors – Sleep Country Canada Holdings Limited**
Age: **64**
Status: **Independent**
Director since: **2016**

Language mastered: **English**

2023 annual meeting votes in favour: **98.46%**

Ms. Magee is co-founder and chair of the board of directors of Sleep Country Canada Holdings Inc. where she also assumed the role of President from 1994 to 2014. Ms. Magee serves on the board of directors of TELUS Corporation where she is a member of the Pension Committee and Human Resources and Compensation Committee. She also is chair of the board of Trillium Health Partners a non- for- profit. She was director of Sirius XM Canada Holdings Inc. from 2014 to 2016, Cott Corporation from 2004 to 2008 as well as of McDonald's Restaurants of Canada Limited from 1999 to 2004. She holds an Honours Bachelor's degree in Business Administration (HBA) from the University of Western Ontario (Ivey Business School). She was appointed Member of the Order of Canada in 2015.

**Meeting attendance during fiscal 2023**

| | Regular | Special | Total |
|---|---|---|---|
| Board | 6/6 | — | 6/6 |
| Governance | 4/4 | — | 4/4 |
| Human Resources | 4/4 | — | 4/4 |
| **Total attendance** | | **100%** | |

**Other public company board membership**

| | Since |
|---|---|
| Sleep Country Canada Holdings Inc. | 2015 |
| TELUS Corporation | 2018 |

**Information on equity holdings**

| | December 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares(2) | 1,125 | 1,125 |
| DSUs(2) | 18,239 | 15,822 |
| **Total value at risk(2)** | **$1,322,948** | **$1,316,273** |
| **Value at risk as multiple of base annual retainer(3)** | **9.62** | **10.53** |
| **Variation** | **1%** | |

| **Minimum holding requirement met** | **Target** |
|---|---|
| ✔ | 3 x base annual retainer |

**Brian McManus**
Beaconsfield (Québec) Canada

**Corporate Director**
Age: **56**
Status: **Independent**
Director since: **2021**

Languages mastered: **French, English**

2023 annual meeting votes in favour: **98.79%**

**Meeting attendance during fiscal 2023**

| | Regular | Special | Total |
|---|---|---|---|
| Board | 6/6 | — | 6/6 |
| Audit | 5/5 | — | 5/5 |
| Human Resources | 4/4 | — | 4/4 |
| **Total attendance** | | **100%** | |

**Other public company board membership**

n/a

From 2001 until he retired in 2019, Mr. McManus was President and Chief Executive Officer of Stella-Jones Inc., a manufacturer of pressure-treated wood products. During 2020, he was a partner at Cafa Financial Corporation acting in a senior advisory role. In 2021, Mr. McManus was appointed as the Executive Chair and Chief Executive Officer for Uni-Select Inc. He stepped down from this position in 2023 following the successful sale of the company to a strategic investor. Mr. McManus holds a B.A. in Economics from McGill University and an MBA from the University of Western Ontario (Ivey Business School).

**Information on equity holdings**

| | December 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares(2) | 16,000(9) | 16,000(9) |
| DSUs(2) | 5,154 | 2,951 |
| **Total value at risk(2)** | **$1,445,241** | **$1,471,924** |
| **Value at risk as multiple of base annual retainer (3)** | **10.51** | **11.78** |
| **Variation** | **(2)%** | |

| Minimum holding requirement met | Target |
|---|---|
| ✔ | 3 x base annual retainer |

**Pietro Satriano**
Winnetka (Illinois) United States

**Corporate Director**
Age: **60**
Status: **Independent**
Director since: **2023**

Languages mastered: **French, English, Other**

2023 annual meeting votes in favour: **n/a**

**Meeting attendance during fiscal 2023(10)**

| | Regular | Special | Total |
|---|---|---|---|
| Board | 3/3 | — | 3/3 |
| Audit | 1/1 | — | 1/1 |
| **Total attendance** | | **100%** | |

**Other public company board membership**

| | Since |
|---|---|
| CarMax, Inc. (NYSE) | 2018 |

Mr. Satriano is a corporate director. He retired in 2022 from US Foods, a foodservice distributor, where he served as CEO from 2015 to 2017, and Chairman and CEO from 2017 to 2022. Prior to this, Mr. Satriano was President of Loyalty One Canada, then operators of the Air Miles Reward Program, and Executive Vice President, Food Segment at Loblaw Companies. Mr. Satriano currently serves on the board of directors of CarMax, a used vehicle retailer based in the United States and listed on the New York Stock Exchange. He is also a Senior Advisor for the Boston Consulting Group, as well as a Senior Lecturer at the Harvard Business School. Mr. Satriano holds a degree in Economics from Harvard University and an MBA from the Harvard Business School.

**Information on equity holdings**

| | December 1, 2023 | December 2, 2022 |
|---|---|---|
| Shares(2) | — | n/a |
| DSUs(2) | 921 | n/a |
| **Total value at risk(2)** | **$62,923** | **n/a** |
| **Value at risk as multiple of base annual retainer(3)** | **0.46** | **n/a** |
| **Variation** | **n/a** | |

| Minimum holding requirement met | Target |
|---|---|
| April 17, 2026 | 3 x base annual retainer |

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

(1) Ms. Beausoleil became a member of the Governance Committee on January 24, 2023. Her attendance at the Governance Committee meetings reflects the number of meetings for which she was a member of the committee.

(2) Calculated by using the Shares' closing price on the Toronto Stock Exchange on December 1, 2023 ($68.32) and on December 2, 2022 ($77.67).

(3) Calculated using the annual base retainer as of September 30, 2023 ($137,500) and as of September 24, 2022 ($125,000).

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

(5) At the closing of the Transaction, following the issuance of Shares of the Company as partial payment of the purchase price, the Coutu family was issued Shares which now represent around 9.2% of the Shares.

(6) If Ms. Fortier is elected at the Meeting, she will have until January 30, 2027 to comply with the minimum shareholding requirement.

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

(8) As President and Chief Executive officer of the Company, Mr. La Flèche is not subject to the Company'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 41 of this Circular.

(9) Mr. McManus also controls 4,000 Shares of which he does not have beneficial ownership.

(10) Mr. Satriano was appointed to the Board of Directors on April 18, 2023 at which point he also became a member of the Audit Committee. His attendance to the Board and Audit Committee meetings reflects the number of meetings for which he was a member of the Board and of the Audit Committee.

## 3.2 Board achievements in fiscal 2023

### SUMMARY OF BOARD AND COMMITTEE MEETINGS HELD

The following table lists the number of meetings held by the Board and its committees during fiscal 2023:

**Board and Committee meetings summary**

| | Regular | Special | Total |
|---|---|---|---|
| Board of Directors | 6 | — | 6 |
| Audit Committee | 5 | — | 5 |
| Governance Committee | 4 | — | 4 |
| Human Resources Committee | 4 | — | 4 |

### KEY BOARD ACHIEVEMENTS

| | |
|---|---|
| **Strategy and capital allocation** | • Continued to oversee the Company's strategic priorities such as the modernization of the supply chain, loyalty programs, and the implementation of the Company's digital strategy.<br>• Continued to oversee the Company's capital allocation strategy. |
| **Shareholder engagement, governance and corporate responsibility** | • Received updates on the implementation of year two (2) of the 2022-2026 Corporate Responsibility Plan.<br>• Oversaw and monitored the Company's climate strategy.<br>• Reviewed and approved changes to the Board Diversity Policy as described in the "Equity, diversity and inclusion" section at page 21 of this Circular.<br>• Reviewed and approved the Company's commitment to set near-term company-wide GHG emission reduction targets in line with the SBTi Standard.<br>• Amended the Governance Committee mandate to reflect the Governance Committee's responsibilities on climate strategy.<br>• Met with four (4) significant shareholders of the Company to discuss governance priorities and processes.<br>• Oversaw the annual Board evaluation process.<br>• Continued the Board and committees renewal efforts by reviewing criteria, skills and profile needed at the Board and committee levels to ensure thoughtful Board succession planning.<br>• Appointed and successfully onboarded Mr. Pietro Satriano.<br>• Selected Ms. Geneviève Fortier as director nominee. |
| **Human resources** | • Continued to oversee and support management with health and safety culture and results as well as with key collective bargaining.<br>• Engaged in a benchmarking exercise on executive compensation with the assistance of the Board's compensation advisor, Hexarem.<br>• Updated the Company's compensation reference group.<br>• Reviewed and approved adjustments to the compensation of the President and Chief Executive Officer.<br>• Oversaw and supported management succession planning and key appointments.<br>• Oversaw development programs for the Company's talent pool. |

## 3.3 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 Company.

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

## 3.4 Equity, diversity and inclusion

The Board adopted in 2015 a written policy on diversity at the Board level which was most recently amended in 2023. The Company recognizes the importance of diversity of thought, background, skills and experience in the design and composition of the Board of Directors, and strives to create an open and receptive environment where all voices are heard, respected and feel included. In this context, the policy on diversity adopted by the Board of Directors specifically references age, gender, having a visible or invisible disability, ethnicity, being a member of a visible minority, being a member of Indigenous People and being a member of the LGBTQ2+ community as personal attributes fostering diversity. In accordance with its diversity policy, the Board of Directors wishes to maintain Board composition in which persons who identify as women comprise a minimum of 30 to 40% of Board members, a range that has been increased from a fixed target of 30% in 2023 to reflect the Board's commitment to continue its efforts to increase gender diversity and better represent the communities served by the Company. This year, the policy was also amended to provide for a Board composition in which at least one (1) Board member belongs to one (1) of the following groups: visible minorities, ethnic minorities, people with visible or invisible disabilities, Indigenous peoples or members of the LGBTQ2+ community. In addition, the Board of Directors strives to recognize and address any inequity in its policies, procedures and actions so as to foster an environment where all directors are fairly and equally treated. Finally, the Company is a long-time supporter of Catalyst, a global non-profit organization that helps build workplaces that work for women.

This year, the Company proposes five (5) women among the group of 12 nominees for the position of director representing 42% of the Company's directors. The Company will continue to meet its target for the representation of individuals who identify as women.

At this time, the Company has one (1) director nominee who identifies as a member of a visible minority, therefore meeting the representation target set forth in the policy on diversity at the Board level for the representation of individuals belonging to at least one (1) of the following groups: visible minorities, ethnic minorities, people with visible or invisible disabilities, Indigenous peoples or members of the LGBTQ2+ community.

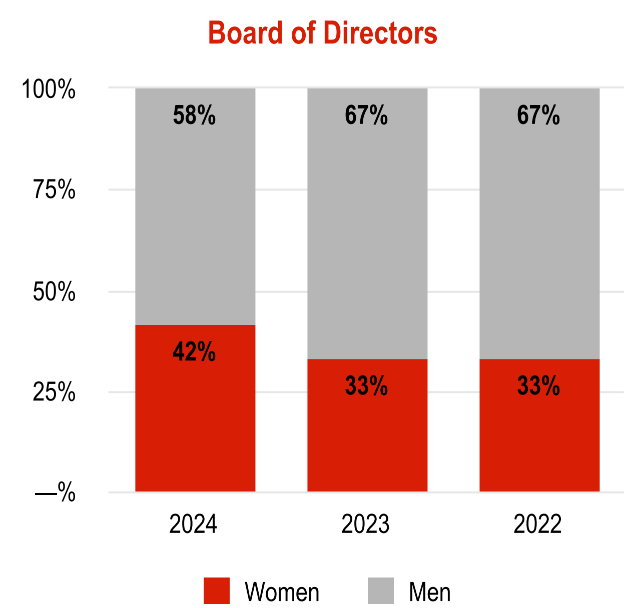
The Company will continue to measure its diversity policy's efficiency with regards to its targets on an annual basis to ensure it continues to meet or exceed the targets.

In making its decision to select a director nominee, the Governance Committee takes into consideration the profiles of each director already serving on the Board and aims to foster diversity, particularly in terms of competence, experience, skills, background, and personal attributes as prescribed in the policy on diversity at the Board level. For more information on the director recruitment process, please refer to the "Director succession planning" section below.

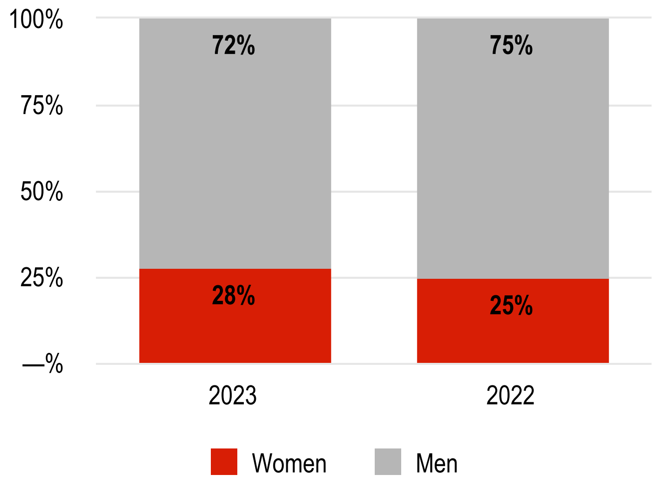
The Company also adopted in 2015 a written policy on diversity among its employees, including its senior management. This policy was updated in 2022 and now expressly encompasses equity, diversity and inclusion. It provides, amongst other things, that the Company reviews the competence, experience and skills of each of the candidates for leadership positions and aims to foster diversity among its employees by taking into account personal attributes, including the representation of men and women as well as the diverse background of each candidate. To ensure candidates to leadership positions include women, the policy on equity, diversity and inclusion 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.

As part of its 2022-2026 Corporate Responsibility Plan, the Company set targets for the representation of women and members of underrepresented racial or ethnic groups amongst the senior management and the management teams. By 2026, women are expected to represent 30% of senior management and 35% of management while members of underrepresented racial or ethnic groups are expected to represent 17% of senior management and 17% of management. The Company has also established guidelines and policies for the recruitment and the succession planning processes as well as invested in equity, diversity and inclusion initiatives to support the achievement of its objectives. The Company reviews the effectiveness of its equity, diversity and inclusion policy applicable to its employees every three (3) years and will continue to make changes as may be necessary.

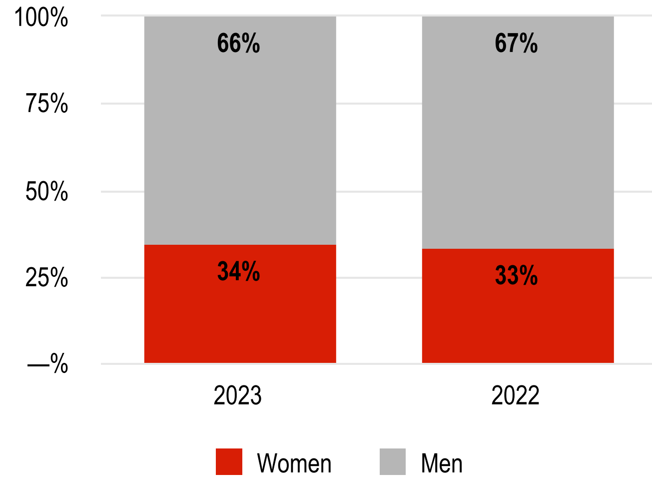
The graphics below illustrate the representation of women on the Board of Directors as well as at the senior management and management levels for the last two (2) financial years and at the Board level for the next year assuming that the director nominees will be elected at the Meeting:



Senior management (1)




Management (excluding senior management)




Note:

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

## 3.5 Board succession planning

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

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

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

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

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

The Governance Committee and the Chair of the Board make their recommendations to the Board of Directors which then chooses a nominee while taking into account, among other things, the list of competencies and expectations of directors that can be found in Exhibit F 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, background and personal attributes, including age, gender, ethnicity, being a member of a visible minority, having a visible or invisible disability, being a member of Indigenous Peoples and being a member of the LGBTQ2+ community.

During fiscal 2023, the Governance Committee continued its Board and committees renewal efforts by reviewing criteria, skills and profile needed at the Board and committee levels to ensure thoughtful Board succession planning which led to the appointment of Mr. Pietro Satriano in April 2023 and the selection of Ms. Geneviève Fortier as director nominee.

In 2022, the Board of Directors adopted, upon recommendation of the Governance Committee, a Board Chair Selection Policy which serves to establish a process for planning the succession of the Chair of the Board as well as the selection process for the nomination of a new Chair of the Board.

## 3.6 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 Governance Committee. This assessment occurs on an annual basis using questionnaires that are reviewed every year by the Governance Committee. These questionnaires cover a variety of subjects, including, but not limited to, corporate governance, and include both quantitative and qualitative questions.

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

Every three (3) years, a detailed questionnaire replaces the regular questionnaire and only includes qualitative questions. This detailed questionnaire was last used for the fiscal 2021 evaluation.

During the assessment process, the Governance Committee also ensures that the mandate of each committee of the Board of Directors is carried out and assesses the manner in which the Chair of the Board of Directors and the Chairs of each committee fulfill their duties.

The Chair of the Board meets with each director individually on an annual basis to discuss the performance and contributions of the director to the Board and its committees. These individual discussions are also an opportunity 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 of the Board and on the performance of the other directors. The Chair reports on the progress of these discussions to the Governance Committee.

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

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

A review of the Board and committee mandates is performed on an annual basis to ensure that the Board and its committees are fulfilling their mandate and that these mandates reflect the current responsibilities and activities of the Board and its committees.

## 3.7 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 Company'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 Company and the Company's expectations towards each director. The Chair of the Board of Directors also informs new directors about the Company's corporate governance practices and, in particular, the role of the Board of Directors, its committees and each director. This program also allows new directors to meet with the committee chairs, to visit the Company's distribution centers, food stores and pharmacies and to meet key management team members. Once this training and orientation program is completed, the Chair of the Governance Committee obtains feedback from the new directors to ensure they feel adequately prepared to carry on their duties as directors of the Company.

The Company acknowledges that a board of directors' good performance stems from directors who are well informed; as such, the Company provides each director with a handbook that contains relevant documentation and information about the Company, 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 Company's operations. The directors also take part, periodically, in organized visits of the Company's facilities including distribution centers as well as its retail network. The Governance Committee reviews and suggests matters upon which information sessions for Board members would be appropriate. Board members also have the opportunity to share their interest in that regard.

The following formal educational sessions took place during fiscal 2023:

| Topic | Internal or external presenter | Date | Attendees |
|---|---|---|---|
| Canadian private label overview | Internal | November 2022 | L.-A. Beausoleil, M. Bertrand, P. Boivin, F. J. Coutu, S. Coyles, R. Goodman, M. Guay, E. La Flèche and B. McManus |
| CAPEX determination for budget purposes | Internal | January 2023 | All members of the Audit Committee |
| Pharmacy and drug market | Internal | April 2023 | All Board members |
| Québec real estate market | Internal | August 2023 | All Board members |
| Internal controls on vendor agreements | Internal | August 2023 | All members of the Audit Committee |
| Leveraging artificial intelligence for retail excellence | External | September 2023 | L.-A. Beausoleil, F. J. Coutu, M. Coutu, S. Coyles, R. Goodman, M. Guay, E. La Flèche, and B. McManus |

These formal educational sessions allowed Board members to keep themselves up to date on these fast-changing aspects of the business.

Each year, Board members and executives also attend a strategic planning session.

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

## 3.8 Conflicts of interests and related party transactions

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

Under the Directors' Code of Ethics, all directors must avoid situations involving a conflict of interests. Conflicts of interests are defined as any situation, whether real, perceived or apparent, potential or contingent, in which a director may be inclined to favour, directly or indirectly, his private or business interests or those of his or her family, friends, colleagues, related parties or anyone else to the detriment of the Company'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 situations of potential conflict of interests are dealt with as follows.

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

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

## 3.9 Role of the Board of Directors and its committees

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 B 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 Company's senior management, shareholders and other stakeholders. The mandate of the Chair of the Board is included in Exhibit H to this Circular.

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

There are currently three (3) permanent Board committees: the Human Resources Committee, the Governance Committee and the Audit Committee. A description of each committee is included in the following sections.

## HUMAN RESOURCES COMMITTEE

The Human Resources Committee has five (5) members, all of whom are independent directors. This Committee met four (4) times during fiscal 2023. The text of the Human Resources Committee's mandate is included in Exhibit C to this Circular. The composition of this Committee is described in the "Human Resources Committee" section on page 32 of this Circular.

**Key achievements for the Human Resources Committee during fiscal 2023:**

- Continued to monitor and support management with health and safety culture and results as well as with key collective bargaining.
- Engaged in a benchmarking exercise on executive compensation with the assistance of the Board's compensation advisor, Hexarem.
- Updated the Company's compensation reference group.
- Reviewed and recommended to the Board adjustments to the compensation of the President and Chief Executive Officer.
- Oversaw and supported management succession planning and key appointments.
- Oversaw development programs for the Company's talent pool.

## GOVERNANCE AND CORPORATE RESPONSIBILITY COMMITTEE

The Governance Committee has six (6) members, all of whom are independent directors. This Committee met four (4) times during fiscal 2023. The text of the Governance Committee's mandate is included in Exhibit E to this Circular.

**Key achievements for the Governance Committee during fiscal 2023:**

- Oversaw the application of the Corporate Responsibility Plan, including in particular the climate change strategy.
- Amended the Governance Committee mandate to reflect the Governance Committee's responsibilities on climate strategy.
- Continued the Board and committees renewal efforts by reviewing criteria, skills and profile needed at the Board and committee levels to ensure thoughtful Board succession planning which led to the appointment of Mr. Pietro Satriano in April 2023 and his successful onboarding as well as the selection of Ms. Geneviève Fortier as director nominee.
- Met with four (4) significant shareholders of the Company as part of the Board of Directors' shareholder engagement process.
- Reviewed and amended the policy on diversity at the Board level to increase the minimal representation target for women from a fixed target of 30% to a range of 30 to 40% and to add a new target for the representation of individuals belonging to at least one (1) of the following groups: visible minorities, ethnic minorities, people with visible or invisible disabilities, Indigenous peoples or members of the LGBTQ2+ community.
- Oversaw the annual Board evaluation process.

## AUDIT COMMITTEE

At the end of fiscal 2023, the Audit Committee had six (6) members, all of whom were independent directors and were financially literate. The Committee met five (5) times during fiscal 2023. The text of the mandate of the Audit Committee is included in Exhibit D to this Circular.

At the end of fiscal 2023, the Audit Committee was composed of the independent directors listed below who possessed the education and experience that are relevant to the performance of their duties on the Audit Committee. Ms. Beausoleil and Mr. Goodman are considered qualified financial experts while the other members of the Audit Committee are considered to be financially literate.

- Russell Goodman, Chair of the Audit Committee, is a Chartered Professional Accountant who acquired his experience by serving as a partner at PwC for a period of 24 years. Mr. Goodman was also Chair of the Audit Committee of Northland Power Inc., Gildan Activewear Inc. and Whistler Blackcomb Holdings Inc.
- Lori-Ann Beausoleil is a Chartered Professional Accountant who acquired her experience by serving as a partner at PwC for more than 20 years. She is a member of the Audit Committee of Canadian Apartment Properties REIT and the Chair of the Audit Committee of Brookfield Income Trust Inc.
- Stephanie Coyles is a member of the Audit Committee of Corus Entertainment Inc., and was a member of the Audit Committee of Sun Life Financial Inc. until November 2021. She also acquired her experience while she acted as Senior Vice-President and Chief Strategic Officer of LoyaltyOne Co. which reported its results in accordance with IFRS.
- Marc Guay served as president for a period of 15 years, first at Frito Lay Canada Inc. and then at PepsiCo Foods Canada Inc. Mr. Guay is also a member of the Audit Committees of Boston Pizza Royalties Income Fund and of Boston Pizza GP Inc., the general partner of the administrator of Boston Pizza Royalties Income Fund, Boston Pizza Royalties Limited Partnership.
- Brian McManus acquired his experience while being a partner at Cafa Corporate Finance, an international investment banking firm specializing in financial advisory, corporate finance, mergers and acquisitions and restructuring, and as President and Chief Executive Officer of Uni-Select Inc. and Stella-Jones Inc., both publicly traded companies.
- Pietro Satriano acquired his experience while he acted as Chief Executive Officer of US Foods, a publicly traded company.

**Key achievements for the Audit Committee during fiscal 2023:**

- Engaged in an assessment of the Internal Audit function by an expert consultant and oversaw the changes in practices and processes needed following this assessment.
- Continued to oversee and monitor risk management, including climate risk.
- Provided oversight and monitoring of the controls and processes over ESG reporting content and integrity.
- Continued to monitor and provide feedback with respect to management's long-term capital allocation and leverage models.
- Oversaw management's progress on automation of certain accounting and disclosure processes for key complex areas.
- Oversaw the rotation of the Auditors partners on the Company's audit.

**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 Company. The Auditors may also be called upon to provide audit-related services and tax services, as long as these services do not interfere with their independence.

The Audit Committee must pre-approve all services that the Auditors may render to the Company and its subsidiaries. On an quarterly and 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. All services must specifically be pre-approved by the Audit Committee if they are to be provided by the Auditors. The same policy 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.

**Policy regarding complaints**

The Audit Committee approved a policy allowing anyone, including the employees of the Company, 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 Company'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 Company's Senior Director, Corporate Security and Resiliency and, if needed, investigated. A report of all such complaints is made at every meeting of the Human Resources Committee.

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

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

The Audit Committee approved a policy governing the Company'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 Company 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 Company'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.

## 3.10 Risk management

Management identifies the main risks to which the Company 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 and other assurance providers risk assessments with respect to various business units of the Company. 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. On a quarterly basis, the Audit Committee receives a presentation of the most important risks affecting the Company and management's assessment as to whether such risks are increasing, stable or declining. A similar presentation is made to the Board at least once a year.

In addition, the Audit Committee receives quarterly a report from the Senior Director, Corporate Security and Resiliency on security and continuity incidents.

The Audit Committee reviews the measures put in place by management to manage such risks, as well as the review procedures undertaken and to be undertaken by the Internal Audit Department and other assurance providers to regularly assess such risks, including the effectiveness of management's mitigation measures.

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 Company.

The Board of Directors and the Human Resources Committee also review the identification and management of risks arising from the Company's compensation policies and practices and the disclosure related thereto. More information about risks arising from the Company's compensation policies and practices may be found under the "Summary of the Company's compensation policies and practices and associated risks" section, on page 34 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+ (sedarplus.ca) as well as on the Company's corporate website (corpo.metro.ca).

### Information security

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

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

### Climate risk

The Board of Directors maintains an oversight of the measures put in place by management to mitigate climate risk as well as management's assessment of this risk and its possible impacts on the Company's operations and activities. This oversight is performed both at the Board level and through the Audit Committee which is specifically tasked with risk oversight, including climate risk. The Company works to increase the resilience of its business to address physical and transitional climate risks through integration of climate risk management into its governance, strategy, risk management and metrics, as recommended by TCFD. In October 2022, the Company announced its support for TCFD and has published, in 2023, its first TCFD report describing, among other things, the Company's risks and opportunities with regards to climate change. The Audit Committee and the Board of directors reviewed and approved this report.

Additional information on climate risk can be found in the "Risk Management" section of the Annual Report. The Annual Report is available on SEDAR+ (sedarplus.ca) as well as on the Company's corporate website (corpo.metro.ca).

## 3.11 Strategic planning

In conformity with the mandate of the Board of Directors, which can be found in Exhibit B to this Circular, the Board of Directors has adopted a strategic planning process for the Company and its subsidiaries. Every year, the Board of Directors holds a strategy session with the senior management team to discuss growth opportunities, competition, potential risks and key enablers. The outcome of these discussions forms the Company's strategic priorities and goals for the coming three (3) to five (5) years. The Company follows the same process for its financial strategic plan.

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

## 3.12 Environmental, social and governance matters

The Company adopted its first formal corporate responsibility plan in 2010. Since then, it has implemented a number of structuring programs pertaining to responsible procurement, the environment, climate as well as equity, diversity and inclusion.

### Disclosure

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

### 2022-2026 Corporate Responsibility Plan

In 2023, the Company implemented year two (2) of the 2022-2026 Corporate Responsibility Plan. The various teams worked on the priorities set in the plan and are on track to meet the objectives and targets set in the plan. In particular, the Company partnered with SupplyShift, an online platform that enables it to better collect and analyze data from its suppliers, and thus assess their compliance with all the principles of the Company's Supplier Code of Conduct. Following the Company's commitment in October 2022 to evaluate the feasibility and costs of achieving the SBTi Net-Zero Standard, the Company reviewed and adjusted the scope of its existing objective on greenhouse gas emission reduction by committing to set near-term company-wide greenhouse gas emission reduction targets in line with the SBTi Standard. In addition, disclosure has continued to increase as the Company disclosed, in 2023, its forest-related practices to CDP Forests for the first time, underscoring the Company's commitment to addressing deforestation.

The Governance Committee received regular updates on the advancement of the work against the plan's priorities from members of senior management to whom these priorities were assigned and was part of discussions regarding the execution and evolution of the plan.

### Corporate responsibility governance

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

**Board of Directors**

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

**Executive Committee**

Approves the corporate responsibility strategy, and ensures the priorities are in line with the Corporation's business strategy and that objectives have been achieved.

**Vice President, Public Affairs and Communication**

Develops the strategic corporate responsibility directions and reports on progress to the executive committee and to the Governance Committee.

**In-house teams**

Reporting to the Vice Presidents responsible for the programs of the corporate responsibility plan, the teams assigned to the initiatives ensure their progress against the goals and targets set.

# 4. Director compensation

Only directors who are not employees of the Company 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 the compensation of the Company's directors with that of Canadian public companies included in the same reference group as the Company every two (2) years. For more information about said reference group, including the criteria used by the Company to select the companies included in the group, please refer to the section entitled "Reference Group" on page 36 of this Circular. For fiscal 2023, the Governance Committee reviewed the compensation of directors and concluded that the compensation for directors needed to be adjusted to remain substantially equivalent to the median compensation for the reference group and adjusted Committee chair retainers so that all Committee Chairs would receive the same retainer to reflect the growing responsibilities of all Committee Chairs.

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

Director compensation for the financial year ended September 30, 2023 consisted of the following elements:

| Elements of compensation | Director | Amount payable |
|---|---|---|
| Base annual retainer | Chair of the Board<br>Director | $330,000<br>$137,500 |
| Committee chair annual retainers | Chair of the Audit Committee<br>Chair of the Governance Committee<br>Chair of the Human Resources Committee | $27,500<br>$27,500<br>$27,500 |
| Committee annual membership fee | All directors who sit on a committee (fee is per committee membership), except Committee chairs | $10,000 |

## 4.1 Director shareholding guidelines

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

Until each director holds three (3) times his or her base annual retainer in DSUs and/or in Shares each director must receive his or her base annual retainer or, at such director's option, his or her total annual compensation in DSUs. Afterwards, each director will continue to receive at least 25% of his or her total compensation in DSUs. Based on the current base annual retainer of $137,500 for directors who are not employees of the Company and $330,000 for the Chair of the Board, the minimum shareholding requirement represents $412,500 for non-employee directors and $990,000 for the Chair of the Board.

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

| Name | Shareholding requirement | Total value of DSUs and Shares held at the end of the financial year ($) | Value of DSUs and Shares as a multiple of base annual retainer | Guidelines met or deadline to meet guidelines |
|---|---|---|---|---|
| Lori-Ann Beausoleil | 3 x base annual retainer ($412,500) | 229,965 | 1.67 | January 25, 2025 |
| Maryse Bertrand | 3 x base annual retainer ($412,500) | 1,155,701 | 8.41 | ✔ |
| Pierre Boivin | 3 x base annual retainer ($990,000) | 1,401,926 | 4.67 | ✔ |
| François J. Coutu[1] | 3 x base annual retainer ($412,500) | 569,584 | 4.14 | ✔ |
| Michel Coutu[1] | 3 x base annual retainer ($412,500) | 748,787 | 5.45 | ✔ |

| | | | | |
|---|---|---|---|---|
| Stephanie Coyles | 3 x base annual retainer ($412,500) | 1,555,646 | 11.31 | ✔ |
| Geneviève Fortier | 3 x base annual retainer ($412,500) | n/a | n/a | January 30, 2027[2] |
| Marc Guay | 3 x base annual retainer ($412,500) | 1,453,440 | 10.57 | ✔ |
| Christine Magee | 3 x base annual retainer ($412,500) | 1,322,948 | 9.62 | ✔ |
| Brian McManus | 3 x base annual retainer ($412,500) | 1,445,241 | 10.51 | ✔ |
| Pietro Satriano | 3 x base annual retainer ($412,500) | 62,923 | 0.46 | April 17, 2026 |

Notes:

(1) At the closing of the Transaction, following the issuance of Shares of the Company as partial payment of the purchase price, the Coutu family was issued Shares which now represent around 9.2% of the Shares.

(2) If Ms. Fortier is elected at the Meeting, she will have until January 30, 2027 to comply with the minimum shareholding requirement.

## 4.2 Deferred Share Unit Plan

The main terms of the DSU Plan are the following:

- the Company's DSU Plan came into effect on February 1, 2004;
- each director who participates in the DSU Plan has an account in their name into which the DSUs are credited and held until such director ceases to be a director of the Company. The number of DSUs credited to such director's account is calculated by dividing the amount of the eligible compensation by the DSU Value;
- DSU holders are credited additional DSUs in an amount equal to the dividends paid on Shares of the Company. 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 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 Notice. The Company 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 Unit Buyback Date multiplied by the DSU Value on the Unit Buyback Date less tax withholdings; and
- DSUs are not considered Shares of the Company and, as such, they do not confer the rights to their holders to which shareholders of the Company are normally entitled to.

## 4.3 Director compensation payment table

The following table illustrates how the fees earned for acting as directors of the Company in relation to fiscal 2023 have been paid.

| Name | Payment in cash ($) | Payment in cash (% of total compensation) | Payment in DSUs ($) | Payment in DSUs (% of total compensation) | Total fees ($) |
|---|---|---|---|---|---|
| Lori-Ann Beausoleil | — | — | 150,833 | 100% | 150,833 |
| Maryse Bertrand | 39,946 | 24% | 126,353 | 76% | 166,299 |
| Pierre Boivin | — | — | 321,950 | 100% | 321,950 |
| François J. Coutu | — | — | 134,146 | 100% | 134,146 |
| Michel Coutu | — | — | 134,146 | 100% | 134,146 |
| Stephanie Coyles | 75,923 | 50% | 77,073 | 50% | 152,996 |
| Russell Goodman | 81,145 | 49% | 85,487 | 51% | 166,632 |
| Marc Guay | — | — | 168,471 | 100% | 168,471 |

| | | | | | |
|---|---|---|---|---|---|
| Christian W.E. Haub | — | — | 144,146 | 100% | 144,146 |
| Christine Magee | — | — | 155,641 | 100% | 155,641 |
| Brian McManus | — | — | 154,146 | 100% | 154,146 |
| Pietro Satriano[1] | — | — | 64,544 | 100% | 64,544 |

Note:

(1) Mr. Satriano was appointed director of the Company on April 17, 2023. Compensation declared in the table above reflects compensation earned by Mr. Satriano between his appointment and the end of the fiscal year.

## 4.4 Share-based awards

The following table shows, as at December 1, 2023, the share-based awards under the DSU Plan held by each Director since their 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 Company.

| | Share-based awards | |
|---|---|---|
| **Name** | Share-based awards that have vested (number) – DSUs | Market or payout value of share-based awards that have vested but have not been paid ($)[1] |
| Lori-Ann Beausoleil | 3,366 | 229,965 |
| Maryse Bertrand | 15,116 | 1,032,725 |
| Pierre Boivin | 15,218 | 1,039,694 |
| François J. Coutu | 8,337 | 569,584 |
| Michel Coutu | 10,780 | 736,490 |
| Stephanie Coyles | 19,570 | 1,337,022 |
| Russell Goodman | 17,041 | 1,164,241 |
| Marc Guay | 17,061 | 1,165,608 |
| Christian W. E. Haub | 67,726 | 4,627,040 |
| Christine Magee | 18,239 | 1,246,088 |
| Brian McManus | 5,154 | 352,121 |
| Pietro Satriano[2] | 921 | 62,923 |

Notes:

(1) Based on the closing price on December 1, 2023 ($68.32).

(2) Mr. Satriano was appointed director of the Company on April 17, 2023.

# 5. Executive compensation discussion and analysis

This section is intended to give shareholders of the Company a description of the policies, programs and decisions regarding the compensation of the NEOs for the Company's financial year ended September 30, 2023. In this Circular, the term "NEO(s)" individually and collectively refers to the following persons:

| Title | Name | Languages mastered |
| --- | --- | --- |
| President and Chief Executive Officer | Eric R. La Flèche | French, English |
| Executive Vice-President, Chief Financial Officer and Treasurer | François Thibault | French, English |
| Executive Vice-President, National Supply Chain and Procurement | Carmine Fortino | English, Other |
| Executive Vice-President and Chief Operating Officer – Food | Marc Giroux | French, English |
| President, Jean Coutu Group | Jean-Michel Coutu | French, English |

Although this section essentially describes the compensation policies and programs for NEOs, these policies and programs also generally apply to the other members of management of the Company. Unless otherwise indicated, the information disclosed in this section is up to date as at September 30, 2023.

## 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 C to this Circular.

### HUMAN RESOURCES COMMITTEE

At the end of fiscal 2023, the Human Resources Committee was comprised of the following independent directors: Maryse Bertrand, Marc Guay (Chair), Christian W.E. Haub, Christine Magee and Brian McManus.

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

- Marc Guay (Chair) acquired his experience in human resources while acting as President of PepsiCo Foods Canada Inc. and of Frito Lay Canada Inc. for numerous years.
- Maryse Bertrand acquired her experience while acting as member of the Human Resources Committee of the National Bank of Canada and as Chair of the Human Resources Committee of PSP Investments.
- Christian W.E. Haub acquired his experience while acting as President and Chief Executive Officer of The Great Atlantic and Pacific Tea Company, Inc., formerly a large American food retail chain, and as Chief Executive Officer of The Tengelmann Group, a large German corporation operating in the retail sector.
- Christine Magee acquired her experience by acting as chair of the board of directors of Sleep Country Canada Holdings Inc. where she also assumed the role of President from 1994 to 2014. She also was a member of the Compensation Committee of Sirius XM Canada Holdings Inc. from 2014 to 2016.
- Brian McManus acquired his experience while acting as President and Chief Executive Officer of Stella-Jones Inc. and as Executive Chair and Chief Executive Officer of Uni-Select Inc. He was also chair of the Human Resources Committee of the CSL Group.

### CONFLICTS OF INTEREST

None of the members of the Human Resources Committee is or has been indebted towards the Company or any of its subsidiaries or has or has had an interest in any material transaction involving the Company in the course of fiscal 2023. None of the members of the Human Resources Committee is or has been an officer, employee or executive of the Company.

### SUCCESSION PLANNING

The Company considers executive succession planning to be a fundamental part of the sound management of the Company. 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 Company, 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, medium and long terms, 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 Company. Equity, diversity and inclusion are important considerations in succession planning. For information on how these elements are included in management succession planning, see the "Equity, diversity and inclusion" section on page 21 of this Circular.

## 5.2 Compensation objectives

In order to recruit, retain and motivate qualified senior executives who are devoted to improving the Company's performance on multiple levels and creating as well as protecting long-term value for its shareholders, the Company 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 fiscal 2023. Further information and details on each element of NEO compensation is found in the section "NEO compensation components" at page 37 of this Circular.

| | Direct compensation | | | | Indirect compensation | |
|---|---|---|---|---|---|---|
| **Elements** | Base salary | AIP | LTIP | | Pension plan | Other benefits |
| | | | 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 Company's compensation policies and practices and associated risks

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

### Pay for performance

| What the Company does | What the Company does not do |
|---|---|
| • Executive officers are primarily compensated in relation to the Company's financial results, which are approved by the Board of Directors after having been reviewed by the Auditors and the Audit Committee.<br>• Executive compensation is determined in accordance with a reference group which is updated as needed and with market surveys of companies comparable to the Company in order to ensure its competitiveness.<br>• Some AIP objectives are based on the Company's budget, which is approved by the Company's Board of Directors.<br>• Compensation payable to executive officers under the AIP may be adjusted in the event that certain performance objectives have been partially achieved and 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 Executive Vice President, Chief Financial Officer and Treasurer, by the Board. | • The Company does not grant compensation to its executive officers that is solely based on fixed compensation.<br>• The Company does not offer variable compensation that is not predominantly linked to the Company's financial results.<br>• The Company does not allow NEOs to receive a portion of their compensation under the AIP if certain performance objectives have not been fully achieved, even if justified by the circumstances, without the approval of the Human Resources Committee or, in the case of the President and Chief Executive Officer and of the Executive Vice President, Chief Financial Officer and Treasurer, of the Board. |

### Promote sound risk taking

| What the Company does | What the Company does not do |
|---|---|
| • The Human Resources Committee reviews the identification and management of risks arising from the Company's compensation policies and practices.<br>• The Human Resources Committee's external advisor evaluates the risks associated with the executive officers' compensation and advises the Human Resources Committee.<br>• 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 Company, thus discouraging excessive risk-taking.<br>• Performance objectives are diversified and include absolute performance objectives, as well as performance objectives relative to a peer group.<br>• Amounts payable under the AIP are capped.<br>• Options and PSUs vest over a long-term period therefore minimizing excessive short-term risk-taking.<br>• The Code of Conduct includes compensation clawback provisions for the recovery of compensation paid to the executive officers in the event of restatement or misconduct and provisions prohibiting hedging transactions. | • The Company does not base performance objectives solely on absolute performance objectives.<br>• The Company 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 Executive Vice President, Chief Financial Officer and Treasurer, of the Board of Directors.<br>• The Company does not allow hedging on its securities. |

### Aligning with shareholders' interests

| What the Company does | What the Company does not do |
|---|---|
| • Performance objectives for the executive officers under the AIP and the LTIP are diversified, realistic and coherent.<br>• Options and PSUs are awarded to encourage sustained, long-term performance.<br>• Option and PSU grants are limited to a set number following an established policy.<br>• 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.<br>• Minimum shareholding requirements (in Shares and PSUs) have been established for executive officers and other members of management which extend past termination of employment for most senior leaders. | • The Company 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.<br>• The Company does not grant Options with an exercise price below market price.<br>• The Company does not reprice Options. |

### COMPENSATION RISKS

The Human Resources Committee has retained the services of an external compensation consultant, Hexarem, to review the risks arising from the Company's compensation policies and practices. After conducting an in-depth review of the risks associated with compensation, the Company concluded that there were no risks that could have a material adverse effect on the Company. For more information on the Human Resources Committee's external compensation consultant, please refer to the "External compensation consultant" section at page 36 of this Circular.

### EXECUTIVE COMPENSATION CLAWBACK

The provisions of the Code of Conduct relating to AIP and LTIP awards include provisions on clawback of certain LTIP awards or profits. In summary, the Board of Directors may, at its sole discretion: i) require reimbursement of all or a portion of any performance-based incentive compensation awarded to an executive or 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; or ii) effect the cancellation of unvested performance based incentive compensation awards, if:

a) the amount of the awards or the profit realized was calculated taking into consideration certain financial results that were subsequently the subject of a material restatement of all or a portion of the Company's financial statements (except where the cause of such restatement was beyond the reasonable control of the Company, such as in the case of a change in accounting or reporting standards), and that amount 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 Company'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 Company.

For more information, please refer to the Code of Conduct available on SEDAR+ (sedarplus.ca) and on the Company's corporate website (corpo.metro.ca).

### NO HEDGING

To avoid speculation by employees and directors on the Company's Shares, certain provisions of the Code of conduct and of the Directors' Code of Ethics prohibit employees and directors of the Company from, directly or indirectly, short selling the Company's Shares or Options, or trading in put or call options relating to the Company's Shares.

For more information, please refer to the Code of Conduct available on SEDAR+ (sedarplus.ca) and on the Company's corporate website (corpo.metro.ca).

## 5.5 Decision-making process

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

**President and Chief Executive Officer**

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

**Chair of the Board of Directors**

- Recommends to the Human Resources Committee all compensation components for the President and Chief Executive Officer and, in particular, regarding the targets to be met under the AIP and the LTIP

**Human Resources Committee**

- Evaluates the performance of the President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Treasurer and recommends their compensation for approval by the Board of Directors
- Reviews and approves targets under the AIP and the LTIP, as well as the compensation components of the NEOs
- Recommends Option and PSU grants under the LTIP
- Recommends compensation policies and practices

**Board of Directors**

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

## 5.6 External compensation consultant

Since May 2022, the Human Resources Committee has been retaining the services of Hexarem, an external compensation consultant, who provides information and independent advice regarding NEO compensation programs. Hexarem reviews the recommendations of the Company and its consultants with respect to executive compensation trends, companies which should be part of the reference group, information pertaining to said companies and, generally, the NEOs compensation. The Human Resources Committee's previous advisor was PCI. During fiscals 2022 and 2023, PCI (until May 2022) and Hexarem (as of May 2022) were hired directly by the Human Resources Committee and did not receive other mandates from the Company. For fiscals 2022 and 2023, the Company paid the following fees to PCI and Hexarem:

| | 2023 | 2022 |
|---|---|---|
| Executive compensation – Related fees (PCI) | — | $44,245 |
| Executive compensation – Related fees (Hexarem) | $121,044 | $18,950 |
| All other fees | — | — |
| **Total** | **$121,044** | **$63,195** |

## 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 Company regularly has access to 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 Company to determine all aspects of NEO compensation and to review its policies in such regard was updated during the 2023 fiscal year and is now comprised of 10 publicly traded Canadian companies. The North West Company Inc. was removed from the reference group given its size and scope. The resulting reference group is still sufficient to provide robust statistical results. The Company selected the above-mentioned companies on the basis of the following criteria:

- total revenue;
- market capitalization and enterprise value;
- comparable industry sectors, namely: retail, distribution or Canadian food manufacturing;
- sale of consumer staples;
- operations carried out under various banners or trade names;
- comparable geographical scope of operations; and/or
- large Quebec-based companies whose main operations are in Quebec.

The following table lists the companies that are part of the reference group and shows the Company's position compared to these other companies with respect to various financial measures:

| | Sales[1] | Operating Income[2] | ROE[3] | Market Capitalization[4] |
|---|---|---|---|---|
| Alimentation Couche-Tard Inc. | $97,589 | $7,820 | 24.7% | $70,130 |
| Maple Leaf Foods Inc. | $4,739 | $(9) | (16.9)% | $3,385 |
| Loblaw Companies Limited | $56,504 | $6,137 | 16.8% | $37,388 |
| Dollarama Inc. | $5,053 | $1,523 | (4262.5)% | $24,930 |
| Empire Company Limited | $30,478 | $1,775 | 13.5% | $8,670 |
| Premium Brands Holdings Corporation | $6,030 | $362 | 8.9% | $4,603 |
| Quebecor Inc. | $4,532 | $1,920 | 45.9% | $6,788 |
| Restaurant Brands International Inc. | $8,834 | $2,612 | 42.6% | $29,013 |
| Saputo Inc. | $17,843 | $1,359 | 9.1% | $12,354 |
| Canadian Tire Corporation, Limited | $17,811 | $2,534 | 19.4% | $9,029 |
| *Median of the reference group* | *$13,323* | *$1,847* | *15.1%* | *$10,691* |
| ***METRO INC.*** | ***$18,889*** | ***$1,774*** | ***13.0%*** | ***$16,147*** |

Notes:

(1) In millions of dollars. The financial data of the Company is for fiscal 2022. 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 Refinitiv. Amounts that are not disclosed in Canadian dollars have been converted to Canadian dollars using the Bank of Canada daily rate effective on September 11, 2023 (US$1.00/C$1.3581).

(2) Operating Income before depreciation and amortization. In millions of dollars. The financial data of the Company is for the 2022 financial year and is the result of the adjustment of operating income before depreciation, amortization and impairments of assets, net of reversals of $1,844.6 million by including impairments of assets, net of reversals of $70.1 million. 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 Refinitiv. Amounts that are not disclosed in Canadian dollars have been converted to Canadian dollars using the Bank of Canada daily rate effective on September 11, 2023 (US$1.00/C$1.3581).

(3) ROE: Return on Equity. The financial data of the Company is for fiscal 2022. 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 Refinitiv.

(4) In millions of dollars. The market capitalization data is dated September 11, 2023, and reflects the number of shares outstanding (all classes).

## 5.9 Performance-based compensation

The compensation policies for executives are intended to adequately and competitively compensate their services while aligning compensation to the Company's financial performance and longer-term interests, including shareholders'. 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 Company and the results obtained. A significant part of the NEOs' compensation is therefore based on performance and includes a risk-based component and the amount of at-risk compensation increases as the level of responsibility associated with a given position increases. 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.

| | Percentage of total target direct compensation for fiscal 2023(1) | | | |
|---|---|---|---|---|
| **Name and principal occupation** | **Base salary** | **AIP** | **LTIP(2)** | **At-risk compensation(3)** |
| Eric R. La Flèche<br>President and Chief Executive Officer | 19% | 23% | 58% | 81% |
| François Thibault<br>Executive Vice-President, Chief Financial Officer and Treasurer | 35% | 26% | 39% | 65% |
| Carmine Fortino<br>Executive Vice-President, National Supply Chain and Procurement | 35% | 26% | 39% | 65% |
| Marc Giroux<br>Executive Vice-President and Chief Operating Officer – Food | 35% | 26% | 39% | 65% |
| Jean-Michel Coutu<br>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 for PSUs 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 Company to hire and retain competent executives who will help improve the Company's performance and create value for its shareholders.

The median of the reference group and compensation surveys conducted by the Company or by consulting firms is used to establish the base salary of each NEO, which is then adjusted to take into account specific circumstances such as the executives' responsibilities, experience and performance.

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

### ANNUAL INCENTIVE PLAN

A competitive AIP allows the Company to compensate executives for the achievement and overachievement of performance goals for a given financial year. The AIP consists of a percentage of the Company's executives' base salary payable annually as a cash bonus in consideration for the executives' and the Company's achievement or overachievement of certain annual financial and business objectives and performance thresholds. If performance thresholds are not met, there is no minimum AIP amount payable and executives receive nothing. The maximum payout for executives represents a percentage of their base salary which increases with their responsibilities; the maximum payout for NEOs is 100% of base salary except for the President and Chief Executive Officer for whom it is 160% of base salary. The target payout is set at 75% of the maximum payout for all NEOs including the President and Chief Executive Officer; maximum payouts are therefore capped at 133% of target. This creates strong focus on reaching the maximum in terms of performance against financial and business objectives without excessively compensating overperformance. Except with the approval of the Board of Directors or, as the case may be, the Human Resources Committee, no amount is payable under the AIP with respect to any given goal if the minimum performance threshold or the goal is not achieved. Exceptionally, the President and Chief Executive Officer may grant executive officers (excluding himself) part of their compensation under the AIP even if certain performance objectives 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 objectives to be met under the AIP are threefold:

i) corporate objectives based on the budgeted annual adjusted net earnings as described in the "Highlights for fiscal 2023" section on page 42 of this Circular;

ii) divisional objectives based on the budgeted sales and contribution of the food and pharmacy divisions of the Company; and

iii) financial or business objectives of a strategic nature relating to the specific sector for which the NEO is responsible.

Each objective 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 AIP of all NEOs, executives and most bonus eligible management employees includes objectives pertaining to the Company's corporate responsibility plan (ESG).

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 base salary paid if maximum is achieved or exceeded** | | | | **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<br>President and Chief Executive Officer | 100% | 30% | 30% | 160% | 120% |
| François Thibault<br>Executive Vice-President, Chief Financial Officer and Treasurer | 50% | 30% | 20% | 100% | 75% |
| Carmine Fortino<br>Executive Vice-President, National Supply Chain and Procurement | 50% | 30% | 20% | 100% | 75% |
| Marc Giroux<br>Executive Vice-President and Chief Operating Officer – Food | 30% | 50% | 20% | 100% | 75% |
| Jean-Michel Coutu<br>President, Jean Coutu Group | 30% | 50% | 20% | 100% | 75% |

Each year, new performance objectives (corporate, divisional and strategic or sector-based) are established under the AIP at a high but attainable level; they are generally expressed as a maximum to attain or, in some instances, a minimum and a maximum. When a minimum and a maximum are set, they may either represent levels of performance to be achieved for payout (cliff payout where, for example, achieving the first level of performance provides 50% of payout and achieving or exceeding the second level of performance provides 100% of payout) or allow for a proportionate payout between a minimum percentage and 100% of payout; in all cases, there is no payout below the minimum percentage established. The objectives are reviewed and approved on an annual basis by the Human Resources Committee. The Company believes that the AIP performance objectives are established at a sufficiently high level to encourage NEOs to exceed expectations, which, in the opinion of the Company, has a positive impact on its performance, while ensuring these objectives remain realistic and reachable to avoid undue risk taking.

More information on bonuses paid under the AIP is available in the "Annual Incentive Plan for fiscal 2023" section on page 42 of this Circular.

## LONG-TERM INCENTIVE PLAN

The LTIP is comprised of the Option Plan and the PSU Plan. PSUs represent more than 60% of the LTIP. A competitive LTIP allows the Company to pay executives for sustained long-term performance and aligns their compensation to long-term economic value creation for the Company and its shareholders. The LTIP also contributes to the retention of 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. The Options granted have a total term of seven (7) years. The PSUs granted vest three (3) years following their grant date, conditional upon the achievement of set 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.

## Option Plan

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

The target compensation value of NEOs is determined as follows:

i) the number of underlying Shares for Options granted to the President and Chief Executive Officer is established using a target compensation value equal to 100% of his base salary; and

ii) the number of underlying Shares for Options granted to other NEOs is established using a target compensation value equal to 35% of their salary class reference point. The salary classes are revised from time to time.

To determine the estimated fair value of all standard Option grants for compensation purposes, the Company has been using since 2021 a compensation value factor of 15% of the exercise price of each Option (which is equal to the closing price of the Shares on the trading day preceding the Option grant). The Company considers that this valuation method for Options adequately reflects the value of NEO compensation and makes it easier to compare with the reference group even though it does not correspond exactly to the Black-Scholes value declared in note 16 of the Company's consolidated financial statements for fiscal 2023.

## PSU Plan

PSUs entitle their holder to receive Shares of the Company or, at the discretion of the Company, a cash equivalent, in whole or in part, on the vesting date. The Human Resources Committee reviews the performance indicators and goals of the PSU Plan on an annual basis to foster the highest level of performance while ensuring they remain realistic and reachable to avoid undue risk taking.

Currently, PSUs are based on two (2) performance indicators: Adjusted ROE and relative EPSG. Both Adjusted ROE and EPSG are measured based on adjusted net earnings*.

Each year, three (3) Adjusted ROE performance goals, as well as two (2) EPSG performance goals are determined by the Human Resources Committee and approved by the Board of Directors. Those five (5) annual performance goals cumulate to 15 performance goals over the three-year performance cycle of each PSU.

The number of PSU performance goals achieved out of 15 over the three-year performance cycle determines the PSU payout level. There are three (3) payout levels. Achievement of each payout level is determined as follows at the end of the performance period:

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

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

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

If Level 1 is not reached once the performance period for the PSUs is completed, PSU holders shall not receive any payment for such grant.

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

| 2023 | 2022 | 2021 |
|---|---|---|
| Adjusted ROE higher than 13.50% | Adjusted ROE higher than 12.25% | Adjusted ROE higher than 12.25% |
| Adjusted ROE higher than 14.00% | Adjusted ROE higher than 12.75% | Adjusted ROE higher than 12.75% |
| Adjusted ROE higher than 14.50% | Adjusted ROE higher than 13.25% | Adjusted ROE higher than 13.25% |
| 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 |

In 2023, the Board of Directors of the Company, upon recommendation of the Human Resources Committee, increased the Corporation's Adjusted ROE target levels from those set in 2022 to take into consideration the higher earnings budgeted and capital allocation similar to previous years.

The number of PSUs granted is calculated by dividing a percentage of the NEO's salary class reference point by the closing price of the Share generally 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 40 of this Circular).

To determine the fair value of all PSUs standard grants for compensation purposes, the Company is using Level 2 of PSUs as the target level. The Company considers that using this target level 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 53 of this Circular and in the "Performance Share Unit Plan (PSU Plan)" section on page 55 of this Circular. More information on Option and PSU grants in 2023 is available in the "Long-Term Incentive Plan for fiscal 2023" section on page 45 of this Circular.

## EMPLOYMENT CONTRACTS

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

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, National Supply Chain and Procurement.

Mr. La Flèche's employment contract was amended in 2021 to clarify that, in the context of the change to the formula to determine the number of Shares underlying each Option, his target compensation value under the Company's Option Plan would remain equal to 100% of his base salary. This modification did not change Mr. La Flèche's Option-based compensation.

Mr. La Flèche's employment contract was further amended in 2023 following a detailed market review, using the Company's reference group which is exclusively made up of Canadian companies, conducted by the Board' executive compensation advisor for all NEOs at the request of the Human Resources Committee. Two (2) changes to the President and Chief Executive Officer's compensation structure were recommended by the Human Resources Committee to the Board of Directors who approved them: 1) the long-term incentive opportunity was increased through changes to PSU payouts at levels 1, 2 and 3, moving from 90%, 120% and 150% of base salary to 100%, 200% and 300% of base salary respectively; no changes were made to the Option portion of the LTIP, and 2) the AIP target and maximum were realigned with that of other NEOs to provide all senior leaders with symmetric payouts relative to their respective target and maximum AIP opportunities, moving from 105% to 120% at target and from 150% to 160% at maximum. These modifications repositioned the President and Chief Executive Officer's target total direct compensation (excluding pension, benefits and perquisites) at $5,5 million, which is closer to, but still below, the reference group's 50th percentile at $6,9 million while continuing to over-index in terms of at-risk pay and recognize his consistent performance as one of the longest tenured Chief Executive Officers in the reference group.

Mr. Fortino's employment contract was amended in 2023 to reflect his appointment to the position of Executive Vice-President, National Supply Chain and Procurement. Under Mr. Fortino's employment contract, all Options and PSUs granted to Mr. Fortino follow the standard grant policy of the Company although Mr. Fortino received a special PSU grant in 2023 in recognition of his support with the leadership transition that took place during the fiscal year.

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" section on page 38 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 56 of this Circular.

## BENEFITS AND PERQUISITES

Benefits and perquisites allow the Company to support the executives' health and wellbeing. They also contribute to the retention of executives. NEOs are 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 Company, except for long-term disability and optional plan costs, which are at the expense of each NEO. The Company provides the NEOs with a company car, at the Company's expense.

## PENSION PLANS

Competitive pension arrangements allow the Company to provide executives with financial security after retirement and recognize their contribution over their career at the Company. They also contribute to the retention of executives. 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 consist of the annual 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 from January 1, 2017 would then 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 Coutu 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. Notwithstanding the foregoing, and solely with respect to his credited service prior to September 1, 2022 and given his prior service at the Jean Coutu Group, Mr. Coutu's normal pension arrangement is a life annuity with a guarantee of 60 monthly payments, 60% joint and survivor, and the pension payable to him on early retirement is reduced by 5/12 of one percent (1%) for each month between the date of retirement and the date he reaches age 60.

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. In addition, for service credited on or after January 1, 2023, the calculation of the Canada Pension Plan pension takes into account the improvements made to this plan in 2019. 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.

## 5.11 Shareholding requirements for NEOs

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

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 Company 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. In accordance with its policy, the Company considers the following two (2) elements in determining compliance with this requirement: i) Shares of the Company held by each executive; and ii) half of the PSUs granted but not yet vested according to the level corresponding to the objectives estimated to be achieved when such determination is made. The Company believes that it is reasonable to consider a portion of the PSUs held by each executive as PSUs are Share equivalent and the determination of the number of PSUs is based on an estimate of the objectives achieved when such determination is made, which makes for a realistic determination of what the executive shareholding value will ultimately be. In any event, all NEOs, except Mr. Jean-Michel Coutu, hold enough Shares to meet their minimum holding requirement without taking into account PSUs.

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 termination of employment. The other NEOs are required to comply with the minimum holding requirement for six (6) months following termination of employment.

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.

| 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 | $21,817,881 | 20.55 | ✔ |
| François Thibault | 2 x base salary | $2,729,475 | 4.64 | ✔ |
| Carmine Fortino | 2 x base salary | $2,727,359 | 4.31 | ✔ |
| Marc Giroux | 2 x base salary | $2,331,276 | 3.45 | ✔ |
| Jean-Michel Coutu | 2 x base salary | $526,228 | 1.11 | January 31, 2026 |

Notes:

(1) Value calculated using the closing price on September 29, 2023 ($70.54).

(2) The multiple of base salary is calculated using the base salary set out in the summary compensation table in the "Compensation for fiscal 2023" section at page 49 of this Circular.

The dollar value of each NEO's equity-based holdings, based on the closing price of the Shares on September 29, 2023 ($70.54), is 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 50 of this Circular.

| Name | Value of Shares held ($) | Value of unexercised in-the-money Options ($) | | Value of PSUs not vested ($)[1] | Total ($) |
|---|---|---|---|---|---|
| | | Vested | Not vested | | |
| Eric R. La Flèche | 19,342,632 | 8,150,744 | 4,601,427 | 4,950,497 | 37,045,301 |
| François Thibault | 1,983,867 | 1,590,121 | 905,213 | 1,491,216 | 5,970,417 |
| Carmine Fortino | 1,767,662 | 963,006 | 929,254 | 1,919,393 | 5,579,315 |
| Marc Giroux | 1,371,580 | 454,578 | 701,582 | 1,919,393 | 4,447,133 |
| Jean-Michel Coutu | 99,461 | 130,800 | 284,465 | 853,534 | 1,368,260 |

Note:

(1) The value of PSUs not vested was determined using Level 2 which constitutes the target level.

## 5.12 Compensation decisions for fiscal 2023

### HIGHLIGHTS OF FISCAL 2023

2023 was a 53-week fiscal year versus 52 weeks in 2022.

The Company achieved strong financial results in 2023.

For the first time in the Company's history, sales for the year exceeded $20 billion and net earnings reached $1 billion. Sales for fiscal 2023 totalled $20,724.6 million, up 9.7% compared to $18,888.9 million for fiscal 2022. Excluding the 53rd week in 2023, sales were up 7.6%.

Fiscal 2023 was unfavourably impacted by $36.3 million estimated in lost profits and direct costs related to a labour conflict at 27 Metro stores in the Greater Toronto Area that lasted a little more than five (5) weeks in the fourth quarter. The Company did not adjust its earnings for the strike impact.

Net earnings for fiscal 2023 were $1,018 million, up 19.9% versus last year, and fully diluted net earnings per share were $4.35, up 23.9%. Adjusted net earnings* for fiscal 2023 stood at $1,006.6 million, up 9.2% versus 2022 and adjusted fully diluted net earnings per share* amounted to $4.30, up 12.6%. The 53rd week had a favourable impact of $27 million net of tax or $0.12 per share.

Food sales were strong, driven by inflation and a strong performance from our discount banners. The Company's teams worked diligently in the high inflation environment to deliver value to customers with competitive everyday prices, growing private label sales and effective promotional strategies.

The performance of the pharmacy business was also strong in fiscal 2023, driven by solid prescription sales as well as strong increases in front-store sales, mainly over-the-counter medications, cosmetics and health and beauty products.

The Company progressed well on its strategic initiatives including those initiatives relating to supply chain, loyalty and ESG.

The Company's sustained investments in its retail network and in the modernization of its supply chain position it well to achieve its long-term growth objectives. Capital investments totalled $680 million in fiscal 2023. A key milestone was achieved in the fourth quarter with the start-up of the new state-of-the-art automated centre for fresh and frozen products north of Montreal.

The Company also successfully launched in Québec its loyalty program MOI, an evolution of the metro&moi program, which is now offered at Metro Super C, Première Moisson, Jean Coutu and Brunet.

### BASE SALARY FOR FISCAL 2023

The base salary of each NEO, including the President and Chief Executive Officer, was determined according to the factors referred to in the "Base Salary" section on page 37 of this Circular. The Human Resources Committee is satisfied that the base salaries are adequate compared to the reference group.

### ANNUAL INCENTIVE PLAN FOR FISCAL 2023

In setting its objectives for fiscal 2023, a 53-week fiscal year, the Company prepared a budget that took into account the post-COVID-19 environment, increasing inflation and the impact of its significant supply chain investments. As such, it set stretch targets for all divisions.

The structure of the AIP remained consistent with prior years, including objectives pertaining to the Company's corporate responsibility plan (ESG) for all NEOs, executives and most bonus eligible management employees of the Company. This objective, which includes goals on responsible procurement, the environment, equity, diversity and inclusion, colleagues and communities, is worth at least 10% of the sector-based portion of the NEOs' bonus.

The Company has exceeded the maximum target for all its corporate and most of its divisional goals in fiscal 2023. 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 the corporate financial goals be paid at the maximum levels for all NEOs, including the President and Chief Executive Officer, and that divisional financial objectives be paid according to the level of performance that was achieved. Most NEOs' personal or sectoral goals were reached or partially reached and, in light of the above, the Human Resources Committee, as it has sometimes done in past years, agreed to a minor adjustment to a strategic or sector-based goal that was substantially achieved for one NEO. No upward adjustments were made to the compensation of the other NEOs including to the compensation of the President and Chief Executive Officer's. More details on this adjustment can be found in the "Adjustments" section on page 44 of this Circular.

### 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 fiscal 2023.

| | Adjusted net earnings* | | | |
|---|---|---|---|---|
| **Name** | **Threshold $918.3M 96% of budget** | **Target $956.6M 100% of budget** | **Maximum $985.3M 103% of budget** | **Results Achieved $1006.6M** |
| Eric R. La Flèche | 40% | 75% | 100% | 100% |
| François Thibault | 20% | 38% | 50% | 50% |
| Carmine Fortino | 20% | 38% | 50% | 50% |
| Marc Giroux | 12% | 23% | 30% | 30% |
| Jean-Michel Coutu | 12% | 23% | 30% | 30% |

### 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 the divisional sales and contribution goals as well as the results achieved for fiscal 2023. For confidentiality reasons more fully described at the end of this section, the Company will not disclose the amount of these targets.

| **Name** | **Threshold 96% of budget** | **Target 100% of budget** | **Maximum(1) 103% of budget(2)** | **Results Achieved** |
|---|---|---|---|---|
| Eric R. La Flèche | 12% | 23% | 30% | 27% |
| François Thibault | 12% | 23% | 30% | 27% |
| Carmine Fortino | 12% | 23% | 30% | 27% |
| Marc Giroux | 20% | 38% | 50% | 42% |
| Jean-Michel Coutu | 20% | 38% | 50% | 50% |

Notes:

(1) If the maximum 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.

(2) 104% of budget for the Ontario Division.

### Strategic 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 strategic or sector-based objectives.

The table below shows, as a percentage of salary, the target and maximum bonuses payable for the achievement of all strategic or sector-based objectives for each of the NEOs and the bonuses actually achieved, inclusive of minor adjustments as more fully described in the following section. Strategic or sector-based goals include various key performance indicators, strategic or business goals relating to the specific sector for which the NEO is responsible, such as: achieving and exceeding market share gains, contribution, customer satisfaction and cost savings targets, achieving the successful implementation of the supply chain or digital strategy, succession planning, corporate responsibility (ESG) targets and successful deployment of other significant operational initiatives. For confidentiality reasons more fully described at the end of this section, the Company will not disclose more details on these goals.

| Name | Target | Maximum | Results Achieved |
|---|---|---|---|
| Eric R. La Flèche | 23% | 30% | 26% |
| François Thibault | 15% | 20% | 17% |
| Carmine Fortino | 15% | 20% | 17% |
| Marc Giroux | 15% | 20% | 15% |
| Jean-Michel Coutu | 15% | 20% | 15% |

### Adjustments

The Human Resources Committee, upon recommendation of the President and Chief Executive Officer, granted one NEO an upward adjustment amounting to $10,125 under the AIP with respect to a strategic or sector-based goal given that the Human Resources Committee determined that the goal had been substantially achieved. No upward adjustments were made to the AIP of the other NEOs, including to the AIP of the President and Chief Executive Officer.

Given the AIP payout level of the other NEOs and the environment in which the Company operated throughout the year, Mr. La Flèche requested, and the Board approved, a downward adjustment to his bonus from 153% to 140% of base salary, or from 96% to 87.5% of his maximum bonus, resulting in an AIP payment of $1,498,000 in fiscal 2023, close to his fiscal 2022 AIP payment, instead of the payment of 1,639,882 shown in the table below.

### Bonus earned

The following table shows the target bonus, maximum bonus and bonus earned by each NEO for fiscal 2023:

| 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 | 120% | 160% | 153% | 1,639,882(2) |
| François Thibault | 75% | 100% | 94% | 561,240 |
| Carmine Fortino | 75% | 100% | 94% | 599,743 |
| Marc Giroux | 75% | 100% | 86% | 583,200 |
| Jean-Michel Coutu | 75% | 100% | 95% | 450,538 |

Notes:

(1) The bonus is calculated based on the base salary in effect on January 1, 2023 or thereafter if modified during the year.

(2) $1,498,000 was actually paid.

### Undisclosed goals

The Company 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 Company does not publicly disclose its overall budgetary targets and does not wish to give forward-looking information, the Company believes that it is not desirable to disclose such information. Furthermore, the divisional and strategic or sector-based goals are aligned with the divisions' main priorities and consist of financial targets and specific projects that have yet to be completed; the disclosure of same could therefore greatly jeopardize their completion. Lastly, it is the Company's policy not to disclose information on an unconsolidated basis. Consequently, the Company will not disclose additional information on divisional and strategic or sector-based goals. The Company 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 Company, has a positive impact on the Company's performance.

The percentage of total compensation associated with undisclosed goals for fiscal 2023 is as follows for each of the NEOs:

| Name and principal occupation | Percentage of total compensation relating to undisclosed objectives |
|---|---|
| Eric R. La Flèche<br>President and Chief Executive Officer | 9.4% |
| François Thibault<br>Executive Vice-President, Chief Financial Officer and Treasurer | 13.0% |
| Carmine Fortino<br>Executive Vice-President, National Supply Chain and Procurement | 11.6% |
| Marc Giroux<br>Executive Vice-President and Chief Operating Officer – Food | 12.4% |
| Jean-Michel Coutu<br>President, Jean Coutu Group | 16.3% |

## LONG-TERM INCENTIVE PLAN FOR FISCAL 2023

The Option and PSU awards granted during fiscal 2023 were determined according to the factors described in the "Long-Term Incentive Plan" section on page 38 of this Circular.

The following table shows, for each NEO, the percentage of the salary class reference point, or, in the case of the President and Chief Executive Officer, the salary that was used to determine the number of PSUs granted per level as well as the number of PSUs granted per level and their value for fiscal 2023. The PSUs were granted to each NEO on January 26, 2023, and the level reached will be determined in January 2026 at the time of payment.

| | 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 | 100% | 14,400 | 1,068,336 | 200% | 28,800 | 2,136,672 | 300% | 43,300 | 3,212,427 |
| François Thibault | 50% | 4,040 | 299,728 | 75% | 6,070 | 450,333 | 100% | 8,090 | 600,197 |
| Carmine Fortino(4) | 50% | 8,080 | 599,455 | 75% | 12,140 | 900,667 | 100% | 16,180 | 1,200,394 |
| Marc Giroux(5) | 50% | 8,080 | 599,455 | 75% | 12,140 | 900,667 | 100% | 16,180 | 1,200,394 |
| Jean-Michel Coutu | 50% | 4,040 | 299,728 | 75% | 6,070 | 450,333 | 100% | 8,090 | 600,197 |

Notes:

(1) Percentage of the salary class reference point 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 January 26, 2023 ($74.19).

(4) This number includes 4,040 PSUs awarded as a special grant in recognition of Mr. Fortino's support with the leadership transition that took place during the fiscal year.

(5) This number includes 4,040 PSUs awarded as a special grant in recognition of Mr. Giroux's appointment as Executive Vice-President and Chief Operating Officer — Food.

The PSUs granted in 2021, which will be paid out in 2024, have reached Level 2.

The following table provides details about the Options granted to each NEO for fiscal 2023:

| Name | Grant date | Underlying securities | Exercise price | Options value ($)[(1)] | Expiry date |
|---|---|---|---|---|---|
| Eric R. La Flèche | December 9, 2022 | 89,200 | $77.75 | 1,040,295 | December 8, 2029 |
| François Thibault | December 9, 2022 | 18,000 | $77.75 | 209,925 | December 8, 2029 |
| Carmine Fortino | December 9, 2022 | 18,000 | $77.75 | 209,925 | December 8, 2029 |
| Marc Giroux[(2)] | December 9, 2022 | 36,000 | $77.75 | 419,850 | December 8, 2029 |
| Jean-Michel Coutu | December 9, 2022 | 18,000 | $77.75 | 209,925 | December 8, 2029 |

Notes:

(1) Value equal to 15% of the result obtained by multiplying the number of underlying Shares by the closing price of the Share on the trading day preceding the Option grant, namely $77.75. For additional details on the calculation method, refer to the “Long-Term Incentive Plan” section on page 38 of this Circular.

(2) This number includes 18,000 Options awarded as a special grant in recognition of Mr. Giroux's appointment as Executive Vice-President and Chief Operating Officer — Food.

## 5.13 Compensation lookback table

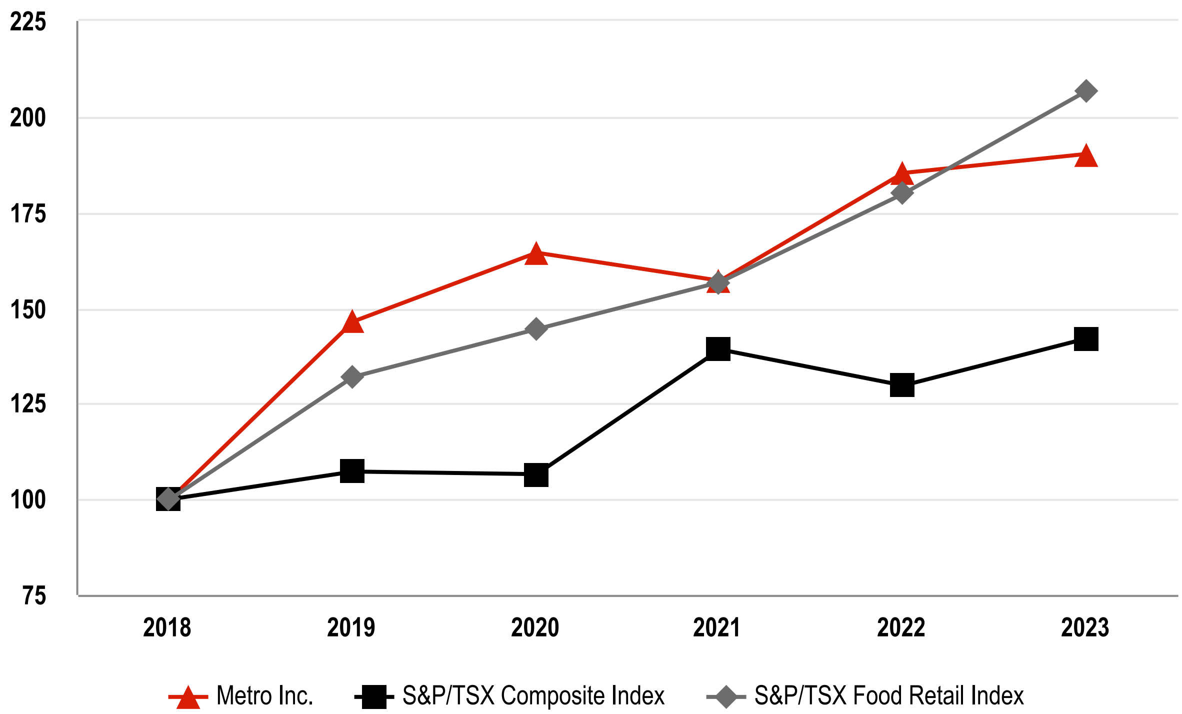
The following table compares the total direct compensation awarded to the President and Chief Executive Officer in each of the last five (5) years to the actual value of that compensation as of September 30, 2023, illustrating how the market price affects what the President and Chief Executive Officer actually earns over time. The second table also shows the actual value as of September 30, 2023 for each $100 of compensation awarded each year, and compares it to the value earned by shareholders over the same period.

| Year | Total direct compensation awarded/target during the fiscal year (a+b+d+f) | Base salary (a) | AIP Target (b) | AIP Realized (c) | PSUs Awarded (d) | PSUs Realized/ Realizable (e) | Options Awarded (f) | Options Realizable (g) | Actual total direct compensation value as at September 30, 2023 (a+c+e+g) |
|---|---|---|---|---|---|---|---|---|---|
| 2019 | $4,249,713 | $1,000,000 | $1,050,000 | $1,393,800 | $1,200,103 | $1,704,040 | $999,610 | $2,422,756 | $6,520,596 |
| 2020 | $4,249,675 | $1,000,000 | $1,050,000 | $1,430,000 | $1,200,160 | $1,620,027 | $999,515 | $1,195,836 | $5,245,863 |
| 2021 | $4,323,487 | $1,014,231 | $1,064,943 | $1,289,076 | $1,223,967 | $1,543,415 | $1,020,346 | $1,775,360 | $5,622,082 |
| 2022 | $4,408,473 | $1,034,231 | $1,085,943 | $1,483,040 | $1,248,000 | $1,375,530 | $1,040,299 | $852 | $4,745,089 |
| 2023 | $5,530,967 | $1,070,000 | $1,284,000 | $1,498,000 | $2,136,672 | $2,031,552 | $1,040,295 | $— | $4,599,552 |

| Year | Total direct compensation awarded/target during the fiscal year | Actual total direct compensation value as at September 30, 2023 | Value of $100 of awarded/ target compensation as of September 30, 2023 | Value of $100 invested by Shareholders on first day of fiscal year |
|---|---|---|---|---|
| 2019 | $4,249,713 | $6,520,596 | $153 | $190 |
| 2020 | $4,249,675 | $5,245,863 | $123 | $130 |
| 2021 | $4,323,487 | $5,622,082 | $130 | $116 |
| 2022 | $4,408,473 | $4,745,089 | $108 | $121 |
| 2023 | $5,530,967 | $4,599,552 | $83 | $103 |

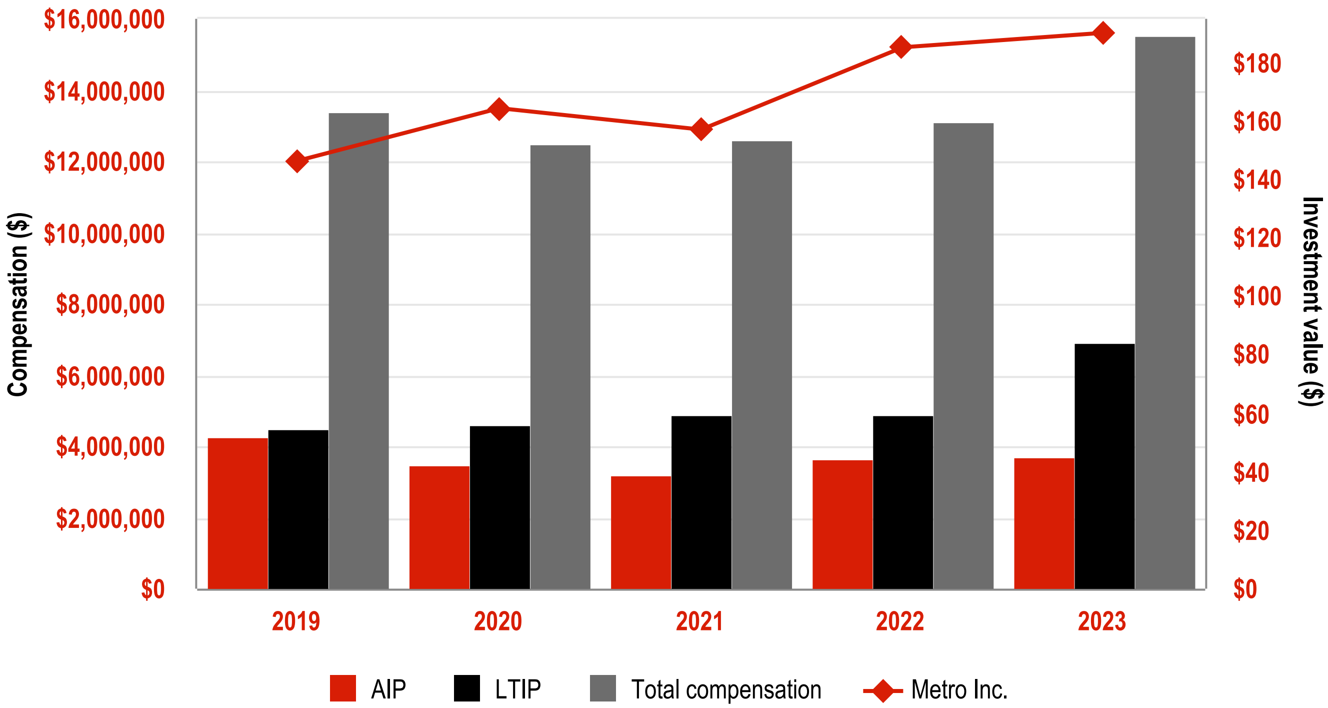
## 5.14 Stock performance graphs

The following graph illustrates the cumulative total shareholder return on $100 invested in Shares of the Company 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 29, 2018 and ending September 30, 2023.




| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| Metro Inc. | 100.00 | 146.46 | 164.43 | 157.11 | 185.27 | 190.24 |
| S&P/TSX Composite Index | 100.00 | 107.24 | 106.56 | 139.15 | 129.73 | 142.02 |
| S&P/TSX Food Retail Index | 100.00 | 131.99 | 144.45 | 156.74 | 179.83 | 206.69 |

The following graph illustrates the cumulative total shareholder return on $100 invested in Shares of the Company with dividend reinvestments compared to the total annual NEO[1] compensation for the 2019 to 2023 period. It is based on the summary compensation tables as they appear in each of the Company's proxy circulars for the years 2019 to 2023.




The following table sets out total annual compensation and annual shareholder return data used in the graph above. It also provides compensation and shareholder return growth rates.

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Total annual compensation ($) | 13,404,121 | 12,510,821 | 12,642,663 | 13,154,486 | 15,544,063 |
| Annual Compensation Growth Rate (%) | — | (7.90) | 1.0 | 4.0 | 18.2 |
| Annual shareholder return ($) | 146.46 | 164.43 | 157.11 | 185.27 | 190.24 |
| Shareholder Return Growth Rate (%) | — | 12.3 | (4.4) | 17.9 | 2.6 |

As can be seen from the graph and table above, annual shareholder return grew at a faster pace than compensation in fiscal 2020 and fiscal 2022 whereas it grew at a slower pace than compensation in fiscal 2021 and fiscal 2023.

The increase in compensation in fiscal 2023 is mainly due to: i) special one-time LTIP grants awarded to Mr. Giroux in recognition of his appointment as Executive Vice-President and Chief Operating Officer — Food in fiscal 2023 and to Mr. Fortino in recognition of his support with the leadership transition that took place during the fiscal year; ii) an increase in Mr. Giroux's salary as a result of his appointment; and iii) an increase in the number of PSUs awarded to Mr. La Flèche as a result of the repositioning of his total target compensation.

Aggregate compensation paid to the NEOs during fiscal 2023 represented 1.53% of net earnings and 0.10% of market capitalization.

Between fiscal 2019 and fiscal 2023, the total annual NEO compensation increased from $13.4 million to $15.5 million while the Share price increased from $57.91 to $70.54. During that period, compensation grew at a rate of 15.9%, whereas shareholder return grew by 21.8%.

Further details regarding total annual NEO compensation components are available in the "Summary Compensation Table" section on page 49 of this Circular.

[1] *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 2018 – 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 fiscal 2023

## 6.1 Summary compensation table

The following table sets forth the NEO's compensation for the financial years ended September 30, 2023, September 24, 2022 and September 25, 2021.

| Name and principal occupation | Financial year | Salary ($)(1) | Share-based awards ($)(2) | Option-based awards ($)(3) | Non-equity incentive plan compensation / Annual incentive plans ($) | Pension value ($)(4) | Other compensation ($)(5) | Total compensation ($) |
|---|---|---|---|---|---|---|---|---|
| **Eric R. La Flèche** | 2023 | 1,061,923 | 2,136,672 | 1,040,295 | 1,498,000(6) | 368,000 | 5,477 | 6,110,367 |
| President and Chief Executive Officer | 2022 | 1,034,231 | 1,248,000 | 1,040,299 | 1,483,040 | 549,000 | 5,504 | 5,360,074 |
| | 2021 | 1,014,231 | 1,223,967 | 1,020,346 | 1,289,076 | 466,000 | 5,287 | 5,018,907 |
| **François Thibault** | 2023 | 587,761 | 450,333 | 209,925 | 561,240 | 198,000 | 3,131 | 2,010,390 |
| Executive Vice-President, Chief Financial Officer and Treasurer | 2022 | 550,591 | 449,920 | 210,133 | 526,258 | 153,000 | 2,983 | 1,892,885 |
| | 2021 | 537,948 | 449,758 | 209,775 | 487,881 | 158,000 | 2,858 | 1,846,220 |
| **Carmine Fortino** | 2023 | 632,081 | 900,667 | 209,925 | 599,743 | 94,000 | 2,945 | 2,439,360 |
| Executive Vice-President, National Supply Chain and Procurement | 2022 | 613,878 | 449,920 | 210,133 | 597,490 | 151,000 | 3,259 | 2,025,680 |
| | 2021 | 600,247 | 449,758 | 209,775 | 495,538 | 169,000 | 3,126 | 1,927,444 |
| **Marc Giroux**(7) | 2023 | 675,000 | 900,667 | 419,850 | 583,200 | 506,000 | 3,690 | 3,088,407 |
| Executive Vice-President and Chief Operating Officer – Food | 2022 | 538,462 | 449,920 | 210,133 | 524,425 | 245,000 | 3,039 | 1,970,979 |
| | 2021 | 508,846 | 449,758 | 209,775 | 504,900 | 380,000 | 2,815 | 2,056,094 |
| **Jean-Michel Coutu**(8) | 2023 | 474,015 | 450,333 | 209,925 | 450,538 | 308,000 | 2,728 | 1,895,539 |
| President, Jean Coutu Group | 2022 | 369,857 | 179,840 | 80,070 | 238,019 | 115,000 | 644 | 983,431 |
| | 2021 | 333,928 | 180,127 | 106,305 | 260,963 | 158,000 | 405 | 1,039,728 |

Notes:

(1) Salaries shown for fiscal 2023 have been adjusted to a 52-week fiscal year for comparison purposes as fiscal 2023 was a 53-week fiscal year. The actual salaries paid by the Company for fiscal 2023 were $1,102,500 for Mr. La Flèche, $609,963 for Mr. Thibault, $655,870 for Mr. Fortino, $698,558 for Mr. Giroux and $491,298 for Mr. Coutu.

(2) 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 Company 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 Company 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 16 to the 2023 Consolidated Financial Statements. The table in the "Long-term incentive plan for fiscal 2023" section on page 45 of this Circular provides assistance in determining the accounting value of the PSUs for fiscal 2023 (Level 3) as well as the difference between the value on the grant date (Level 2) and the accounting value.

(3) The Option values are all estimated values and not cash amounts received by a NEO. In addition, these amounts are not guaranteed and are fully at-risk. The compensation value of Options appearing in the above table was determined using a 15% compensation value factor for 2023, 2022 and 2021 whereas the Company calculates the accounting value of Options using the Black-Scholes model. Additional information regarding the manner upon which the accounting value of Options was determined may be found in note 16 to the 2023 Consolidated Financial Statements. The accounting value of Options granted in December 2022 for fiscal 2023 as determined using the Black-Scholes model is $13.22 per Option and the compensation value used in this Circular is $11.66 per Option.

(4) The variations attributable to compensation components represent the value of the projected pension benefits earned during the periods beginning October 1, 2022 and ending September 30, 2023, for fiscal 2023, beginning October 1, 2021 and ending September 30, 2022, for fiscal 2022, and beginning October 1, 2020 and ending September 30, 2021, for fiscal 2021, 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 18 to the 2023 Consolidated Financial Statements.

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

(6) Bonus earned was $1,639,882. More details on this adjustment can be found in the "Adjustments" section on page 44 of this Circular.

(7) Mr. Giroux became Executive Vice-President and Chief Operating Officer – Food on September 26, 2022. Prior to this date, he was Executive Vice-President, Québec Division Head and e-commerce.

(8) Mr. Coutu became President, Jean Coutu Group on September 26, 2022. Prior to this date, he was Senior Vice President and Chief Network Officer, Jean Coutu Group.

## 6.2 Incentive plan awards

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

The following table shows, as at September 30, 2023 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 | 108,700 | — | 40.23 | Jan. 25, 2024 | 3,294,697 | — | 3,294,697 | 21,880 | 1,543,415 | Jan. 28, 2024 |
| | 87,440 | 21,860 | 41.16 | Jan 30, 2025 | 2,568,987 | 642,247 | 3,211,234 | 19,500 | 1,375,530 | Jan. 27, 2025 |
| | 63,120 | 42,080 | 47.51 | Jan. 29, 2026 | 1,453,654 | 969,102 | 2,422,756 | 28,800 | 2,031,552 | Jan. 26, 2026 |
| | 35,120 | 52,680 | 56.92 | Dec. 10, 2026 | 478,334 | 717,502 | 1,195,836 | — | — | — |
| | 24,320 | 97,280 | 55.94 | Jan. 27, 2028 | 355,072 | 1,420,288 | 1,775,360 | — | — | — |
| | — | 110,400 | 62.82 | Dec. 8, 2028 | — | 852,288 | 852,288 | — | — | — |
| **Total** | **318,700** | **413,500** | **—** | **—** | **8,150,744** | **4,601,427** | **12,752,171** | **70,180** | **4,950,497** | **—** |
| François Thibault | 21,700 | — | 40.23 | Jan. 25, 2024 | 657,727 | — | 657,727 | 8,040 | 567,142 | Jan. 28, 2024 |
| | 17,040 | 4,260 | 41.16 | Jan 30, 2025 | 500,635 | 125,159 | 625,794 | 7,030 | 495,896 | Jan. 27, 2025 |
| | 11,580 | 7,720 | 47.51 | Jan. 29, 2026 | 266,687 | 177,792 | 444,479 | 6,070 | 428,178 | Jan. 26, 2026 |
| | 6,760 | 10,140 | 56.92 | Dec. 10, 2026 | 92,071 | 138,107 | 230,178 | — | — | — |
| | 5,000 | 20,000 | 55.94 | Jan. 27, 2028 | 73,000 | 292,000 | 365,000 | — | — | — |
| | — | 22,300 | 62.82 | Dec. 8, 2028 | — | 172,156 | 172,156 | — | — | — |
| **Total** | **62,080** | **82,420** | **—** | **—** | **1,590,121** | **905,213** | **2,495,334** | **21,140** | **1,491,216** | **—** |
| Carmine Fortino | 17,040 | 4,260 | 41.16 | Jan 30, 2025 | 500,635 | 125,159 | 625,794 | 8,040 | 567,142 | Jan. 28, 2024 |
| | 12,720 | 8,480 | 47.51 | Jan. 29, 2026 | 292,942 | 195,294 | 488,236 | 7,030 | 495,896 | Jan. 27, 2025 |
| | 7,080 | 10,620 | 56.92 | Dec. 10, 2026 | 96,430 | 144,644 | 241,074 | 12,140 | 856,356 | Jan. 26, 2026 |
| | 5,000 | 20,000 | 55.94 | Jan. 27, 2028 | 73,000 | 292,000 | 365,000 | — | — | — |
| | — | 22,300 | 62.82 | Dec. 8, 2028 | — | 172,156 | 172,156 | — | — | — |
| | — | 18,000 | 77.75 | Dec. 7, 2029 | — | — | — | — | — | — |
| **Total** | **41,840** | **83,660** | **—** | **—** | **963,006** | **929,254** | **1,892,260** | **27,210** | **1,919,393** | **—** |
| Marc Giroux | 6,800 | 1,700 | 41.16 | Jan 30, 2025 | 199,784 | 49,946 | 249,730 | 8,040 | 567,142 | Jan. 28, 2024 |
| | 4,440 | 2,960 | 47.51 | Jan. 29, 2026 | 102,253 | 68,169 | 170,422 | 7,030 | 495,896 | Jan. 27, 2025 |
| | 5,840 | 8,760 | 56.92 | Dec. 10, 2026 | 79,541 | 119,311 | 198,852 | 12,140 | 856,356 | Jan. 26, 2026 |
| | 5,000 | 20,000 | 55.94 | Jan. 27, 2028 | 73,000 | 292,000 | 365,000 | — | — | — |
| | — | 22,300 | 62.82 | Dec. 8, 2028 | — | 172,156 | 172,156 | — | — | — |
| | — | 36,000 | 77.75 | Dec. 7, 2029 | — | — | — | — | — | — |
| **Total** | **22,080** | **91,720** | **—** | **—** | **454,578** | **701,582** | **1,156,160** | **27,210** | **1,919,393** | **—** |
| Jean-Michel Coutu | 3,032 | 2,520 | 47.51 | Jan. 29, 2026 | 69,827 | 58,036 | 127,863 | 3,220 | 227,139 | Jan. 28, 2024 |
| | 2,440 | 3,660 | 56.92 | Dec. 10, 2026 | 33,233 | 49,849 | 83,082 | 2,810 | 198,217 | Jan. 27, 2025 |
| | 1,900 | 7,600 | 55.94 | Jan. 27, 2028 | 27,740 | 110,960 | 138,700 | 6,070 | 428,178 | Jan. 26, 2026 |
| | — | 8,500 | 62.82 | Dec. 8, 2028 | — | 65,620 | 65,620 | — | — | — |
| **Total** | **7,372** | **40,280** | **—** | **—** | **130,800** | **284,465** | **415,265** | **12,100** | **853,534** | **—** |

Notes:

(1) Based on the difference between the closing price of the Shares on September 29, 2023 ($70.54) and the Option exercise price.

(2) PSUs vesting in January 2024 have reached Level 2. The number and value of PSUs vesting in January 2025 and January 2026 were determined using Level 2 which constitutes the target level.

(3) Based on the closing price on September 29, 2023 ($70.54). See the "Long-Term Incentive Plan" and "Employment Contracts" sections on pages 38 and 40 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 30, 2023, 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 | 2,664,158 | 1,620,027 | 1,639,882 |
| François Thibault | 520,230 | 556,565 | 561,240 |
| Carmine Fortino | 389,647 | 582,129 | 599,743 |
| Marc Giroux | 233,454 | 480,603 | 583,200 |
| Jean-Michel Coutu | 89,379 | 212,546 | 450,538 |

Notes:

(1) This amount represents the amount that would have been earned in 2023 if the Options that vested during fiscal 2023 had all been exercised on their vesting date. For further details, see the table entitled "Options - Value on vesting date" on page 52 of this Circular.

(2) This amount represents the value of PSUs granted in 2020 that vested in 2023, based on the closing price on January 27, 2023 ($73.04), which is the trading day preceding their settlement date. For further details, see the table below entitled "PSUs granted in January 2020 and paid in January 2023".

(3) This amount represents the amount earned in 2023 under the AIP.

Please refer to the "Long-Term Incentive Plan" and "Employment Contracts" sections on pages 38 and 40 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.

**PSUs granted in January 2020 and paid in January 2023**

| Name | Number of PSUs(1) | Value ($)(2) |
|---|---|---|
| Eric R. La Flèche | 22,180 | 1,620,027 |
| François Thibault | 7,620 | 556,565 |
| Carmine Fortino | 7,970 | 582,129 |
| Marc Giroux | 6,580 | 480,603 |
| Jean-Michel Coutu | 2,910 | 212,546 |

Notes:

(1) Level 2 reached.

(2) Based on the Share closing price on January 27, 2023 ($73.04), 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 | January 26, 2017 | 21,740 | 73.26 | 40.23 |
| | February 1, 2018 | 21,860 | 70.42 | 41.16 |
| | January 31, 2019 | 21,040 | 72.22 | 47.51 |
| | December 12, 2019 | 17,560 | 78.03 | 56.92 |
| | January 28, 2021 | 24,320 | 73.04 | 55.94 |
| François Thibault | January 26, 2017 | 4,340 | 73.26 | 40.23 |
| | February 1, 2018 | 4,260 | 70.42 | 41.16 |
| | January 31, 2019 | 3,860 | 72.22 | 47.51 |
| | December 12, 2019 | 3,380 | 78.03 | 56.92 |
| | January 28, 2021 | 5,000 | 73.04 | 55.94 |
| Carmine Fortino | February 1, 2018 | 4,260 | 70.42 | 41.16 |
| | January 31, 2019 | 4,240 | 72.22 | 47.51 |
| | December 12, 2019 | 3,540 | 78.03 | 56.92 |
| | January 28, 2021 | 5,000 | 73.04 | 55.94 |
| Marc Giroux | February 1, 2018 | 1,700 | 70.42 | 41.16 |
| | January 31, 2019 | 1,480 | 72.22 | 47.51 |
| | December 12, 2019 | 2,920 | 78.03 | 56.92 |
| | January 28, 2021 | 5,000 | 73.04 | 55.94 |
| Jean-Michel Coutu | January 31, 2019 | 1,260 | 72.22 | 47.51 |
| | December 12, 2019 | 1,220 | 78.03 | 56.92 |
| | January 28, 2021 | 1,900 | 73.04 | 55.94 |

Note:

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

## OPTION EXERCISES DURING FISCAL 2023

The table below shows the significant Option exercises by the NEOs during fiscal 2023 and the gains realized by the NEOs for each exercise.

| Name | Date of grant | Date of exercise | Options expiry date | Number of Options exercised | Price per Option | Average market price | Gains realized |
|---|---|---|---|---|---|---|---|
| Carmine Fortino | January 26, 2017 | November 18, 2023 | January 25, 2024 | 17,360 | $40.23 | $75.97 | $620,446 |
| | January 26, 2017 | April 26, 2023 | January 25, 2024 | 4,340 | $40.23 | $77.00 | $159,582 |
| Marc Giroux | January 26, 2017 | November 28, 2022 | January 25, 2024 | 4,500 | $40.23 | $78.00 | $169,965 |
| | January 26, 2017 | April 24, 2023 | January 25, 2024 | 4,200 | $40.23 | $76.83 | $153,720 |

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth, as at September 30, 2023, information regarding equity compensation plans pursuant to which equity securities of the Company 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) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as % of issued and outstanding Shares (e) |
|---|---|---|---|---|---|
| Equity compensation plans approved by security holders | 2,226,116 | 0.97% | 56.42 | 3,024,226 | 1.32% |
| **Total** | **2,226,116** | **0.97%** | **56.42** | **3,024,226** | **1.32%** |

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

### STOCK OPTION PLAN (OPTION PLAN)

The grant of Options is limited to the executives of the Company 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 Company'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 13.1% of issued and outstanding Shares of the Company as at September 30, 2023 |
| 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 Company |
| 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 Company |
| Maximum number of Options that can be held by an employee of the Company | Options representing not more than 5% of issued and outstanding Shares of the Company |

#### Annual burn rate

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

| | September 30, 2023 | September 24, 2022 | September 25, 2021 |
|---|---|---|---|
| **Shares that can be issued**<br>Number of Shares of the Company that can be issued on account of Option grants already made pursuant to the Option Plan. | 2,226,116 | 2,091,850 | 2,318,400 |
| **Dilution**<br>Number of Shares under granted but unexercised Options, expressed as a percentage of the total issued and outstanding Shares on the specified date. | 1.0% | 0.9% | 1.0% |
| **Options that can be granted and Options that have not vested**<br>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. | 2.3% | 1.2% | 1.4% |
| **Annual burn rate**<br>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. | 0.2% | 0.2% | 0.2% |

### Terms of the Option Plan

All grants under the Option Plan must comply with the terms and conditions 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.

In fiscal 2023, the Board of Directors approved a change in the amendment section of the Option Plan providing that shareholder approval would be required to remove or exceed the insider participation limits set forth in the Option Plan and to amend the amendment section of the Option Plan as described in the following table. These changes were approved by the Company's shareholders.

| | |
|---|---|
| **Subscription price** | May under no circumstances be less than the market price 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 Company has historically been using the market price of the Shares when market closes on the trading day preceding the date of the grant. |
| **Maximum term** | Unless otherwise approved by the Board of Directors, no Option may be exercised after the expiration of the fifth (5th) year following the date upon which such Option may first be exercised, in whole or in part, or following a period of 10 years from the date of the grant.<br>The exercise period for Options that expire during a trading prohibition period, as determined in the Information Policy of the Company, is extended by a seven (7) business day period following the expiration of such trading prohibition period. |
| **Expiry of Options** | Options expire:<br>• 30 days following the resignation of the optionee or the date the Company or an affiliated entity terminates the optionee's employment without just cause;<br>• on the date the Company or an affiliated entity terminates the optionee's employment for just cause;<br>• for Options granted prior to December 10, 2021 or for Options granted as of December 10, 2021 if the optionee is not at least 60 years old and does not have at least seven (7) years of service at the time of retirement, 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 according to the terms set at the time of the grant 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;<br>• for Options granted on December 10, 2021 and after, if the optionee is at least 60 years old and has at least seven (7) years of service at the time of retirement, and as long as an optionee does not participate or take part directly or indirectly, as principal, agent, officer, employee, director, advisor, funder, shareholder or in any other quality to activities in the food or pharmacy sectors in Québec or Ontario: up to seven (7) years following the date of retirement of the optionee, it being understood that during said seven-year period, Options continue to vest according to the terms set at the time of the grant and the optionee is entitled to exercise Options; and<br>• 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:<br>• 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);<br>• any amendment which would allow non-employee directors to participate to the Option Plan on a discretionary basis;<br>• 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;<br>• 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;<br>• 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 Company;<br>• 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;<br>• 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);<br>• 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;<br>• the addition of any form of financial assistance and any amendment to a financial assistance provision which is more favourable to employees;<br>• any amendment to remove or exceed the insider participation limits set forth in the Option Plan; and<br>• any amendment to the amendment section of the Option Plan. |

| | |
|---|---|
| **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:<br>• make any amendment of a "housekeeping" or clerical nature or in order to clarify the Option Plan's provisions;<br>• make any amendment regarding any vesting period;<br>• 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;<br>• make any amendment resulting from a split, a consolidation, a reclassification, a Share dividend declaration or any other amendment pertaining to the Shares;<br>• discontinue the Option Plan; and<br>• 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 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:<br>• if, during the optionee's service with the Company 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 Company; or<br>• if, during or after the optionee's service with the Company or an affiliated entity, the optionee no longer complies with the provisions of the Code of conduct of the Company. |

## 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 Company's corporate website (corpo.metro.ca).

| | |
|---|---|
| **Approval of grants** | By the Board of Directors. |
| **Management and changes to the PSU Plan** | By the Human Resources Committee. |
| **Establishment of goals** | By approval of the Board of Directors after evaluation and recommendation of the Human Resources Committee. |
| **Vesting date of PSUs** | Determined on the grant date and shall not exceed three (3) years following said grant date. |
| **Rights of PSU holders** | Each PSU entitles its holder, subject to the achievement of performance goals determined by the Board of Directors, to one (1) Share of the Company or, at the sole discretion of the Company, to a cash equivalent, or a combination of both.<br>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 Company, 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 or permanent disability** | Entitled, on such vesting date, to a number of PSUs that is proportionate to the number of days between the grant date and the retirement date or the date at which the participant was declared permanently disabled and the total number of days between the grant date and the PSUs' vesting date, while taking into account the extent to which the performance goals have been met. |
| **Long-term leave of absence** | Entitled, on such vesting date, to a number of PSUs that is proportionate to the number of days between the grant date and the date at which the leave of absence started and the total number of days between the grant date and the PSUs' vesting date, while taking into account the extent to which the performance goals have been met. |
| **Death** | The Company will pay to the holder's estate, within 60 days of his or her death, a number of PSUs calculated in the same manner as if the holder had retired. The Human Resources Committee will thus have to determine whether the performance goals would have otherwise been achieved at the vesting date and to what extent. |
| **Change of control** | All PSUs will vest and will have to be paid within 120 days of the change of control, and the Human Resources Committee will thus have to determine whether the performance goals would have otherwise been achieved at the vesting date and to what extent. |
| **Termination of rights of a PSU holder** | Immediately upon the occurrence of one (1) of the two (2) following events:<br>• if, during the PSU holder's service with the Company 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 Company; or<br>• if, during or after the PSU holder's service with the Company or an affiliated entity, the PSU holder no longer complies with the provisions of the Code of conduct of the Company. |

## 6.4 Pension plan benefits

### DEFINED BENEFIT PLANS TABLE

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

| Name | Number of years of credited service[(1)] | Annual benefits payable ($) | | Accrued value at start of year ($) | Compensatory change ($)[(2)] | Non-Compensatory change ($)[(3)] | Accrued value at year-end ($) |
|---|---|---|---|---|---|---|---|
| | | At year-end | At age 65 | | | | |
| Eric R. La Flèche | 32.1[(4)] | 966,300 | 1,000,000 | 11,237,000 | 368,000 | (298,000) | 11,307,000 |
| François Thibault | 11.2 | 125,300 | 198,200 | 1,535,000 | 198,000 | (36,000) | 1,697,000 |
| Carmine Fortino | 9.1 | 82,200 | 80,200 | 937,000 | 94,000 | (9,000) | 1,022,000 |
| Marc Giroux | 14.3 | 163,900 | 277,400 | 1,872,000 | 506,000 | (140,000) | 2,238,000 |
| Jean-Michel Coutu | 11.6 | 98,600 | 261,600 | 894,000 | 308,000 | (141,000) | 1,061,000 |

Notes:

(1) As at September 30, 2023, Messrs. Eric R. La Flèche, François Thibault, Carmine Fortino, Marc Giroux and Jean-Michel Coutu had 32.7, 11.2, 9.1, 14.3 and 14.7 years of service respectively with the Company. 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 25, 2022 and ending September 30, 2023, considering any gain or loss related to salary variation. The amounts indicated are consistent with the information presented in note 18 to the 2023 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 25, 2022 and ending September 30, 2023.

(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 terms of the Option Plan and the PSU Plan with respect to change of control or termination of employment are described in the section "Additional information on the long-term incentive plans" at page 53 of this Circular.

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

**Eric R. La Flèche**

| Event | Severance | | Options | PSUs |
|---|---|---|---|---|
| | Salary | AIP | | |
| Termination with just and sufficient cause | — | — | As per Option Plan | As per PSU Plan |
| Termination without just and sufficient cause or constructive dismissal (other than following a change of control) | 2X | 2X Bonus of current financial year or 2X average of preceding 3 years[(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<br>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) | 2Bonus of current financial year pro-rated and bonus during severance period(3) | 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 30, 2023:

| | | 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 | 2,140,000 | 2,996,000 | 3,140,743[2] | 2,568,419[3] | — | 10,845,162 |
| | Resignation | — | — | — | — | — | — |
| | Retirement | — | — | — | — | — | — |
| | Change of control + Termination within 24 months (double trigger) | 2,140,000 | 2,996,000 | 4,601,427 | 4,950,497 | — | 14,687,924 |
| **François Thibault** | Termination with just and sufficient cause | — | — | — | — | — | — |
| | Termination without just and sufficient cause or constructive dismissal | —[4] | —[4] | — | — | — | — |
| | Resignation | — | — | — | — | — | — |
| | Retirement | — | — | — | — | — | — |
| | Change of control | — | — | 905,213 | 1,491,216 | — | 2,396,429 |
| **Carmine Fortino** | Termination with just and sufficient cause | — | — | — | — | — | — |
| | Termination without just and sufficient cause or constructive dismissal | 955,614 | 1,316,454 | — | — | 183,200 | 2,455,268 |
| | Resignation | — | — | — | — | — | — |
| | Retirement | — | — | — | — | — | — |
| | Change of control | 955,614[5] | 1,316,454[5] | 929,254 | 1,919,393 | 183,200[5] | 5,303,915 |
| **Marc Giroux** | Termination with just and sufficient cause | — | — | — | — | — | — |
| | Termination without just and sufficient cause or constructive dismissal | —[4] | —[4] | — | — | — | — |
| | Resignation | — | — | — | — | — | — |
| | Retirement | — | — | — | — | — | — |
| | Change of control | — | — | 701,582 | 1,919,393 | — | 2,620,975 |
| **Jean-Michel Coutu** | Termination with just and sufficient cause | — | — | — | — | — | — |
| | Termination without just and sufficient cause or constructive dismissal | —[4] | —[4] | — | — | — | — |
| | Resignation | — | — | — | — | — | — |
| | Retirement | — | — | — | — | — | — |
| | Change of control | — | — | 284,465 | 853,534 | — | 1,137,999 |

Notes:

(1) Based on the closing price on September 29, 2023 ($70.54).
(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 29, 2023.
(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 29, 2023.
(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 Company to a person who is not an affiliate of the Company; ii) the merger or the consolidation of the Company or any other operation or transaction with a Company or corporate entity which is not an affiliate of the Company, if the control of the surviving or resulting entity is thereby passed to one or several shareholders who are not affiliates of the Company; or iii) any change in the Share ownership of the Company or any other transaction resulting in control of the Company 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 Company entitled to vote in the election of directors of the Company, is deemed to be in a position to exercise control of the Company.

## 6.5 Other key policies of the Company

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

### EMPLOYEE CODE OF CONDUCT

The Company's Code of Conduct applies to all employees of the Company, 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 Company;

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 integrates the compensation clawback policy and the no-hedging policy which are summarized in section "Summary of the Company's compensation policies and practices and associated risks" at page 34 of this Circular. The full text of the Code of Conduct can be found on SEDAR+ (sedarplus.ca) and on the Company's corporate website (corpo.metro.ca).

### INFORMATION POLICY

The purpose of the Company's 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 Company's Information Policy provides that the employees and directors of the Company are subject to trading prohibition periods with respect to trading the securities of the Company when important information is not publicly disclosed. In addition, any director or officer of the Company 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 Company may not trade on the Company's Shares even if they are not under a trading prohibition period.

Any employee of the Company 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 important and the Company imposes on its directors, officers and employees rigorous rules of ethics.

The Company complies in all material respects with the guidelines adopted by the Canadian Securities Administrators and with the standards of other regulatory bodies. The statement of the Company's corporate governance practices is set forth in Exhibit G to this Circular.

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

Additional information on the Board of Directors and its committees is set out in the "Role of the Board of Directors and its Committees" section found on page 24 of this Circular.

## 7.1 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;
- Corporate responsibility and environmental, social and governance matters;
- Board performance;
- Executive performance, compensation and succession planning; and
- Board and Committee composition and succession planning.

Matters not directly related to the foregoing are most appropriately addressed by management through the Company'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 Company'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 Governance Committee will consider each request and determine how to proceed. Any subsequent communication or meeting will be limited to the predetermined topics identified in the communication or meeting's agenda.

The Board, under the Shareholder Engagement Policy and through the Governance Committee, establishes annually a program to engage directly with key shareholders to discuss Board Matters. This program allows the Chair of the Board and the Chair of the Governance Committee, together with the Chair of any other relevant committee of the Board if necessary, to exchange views regularly with shareholders on relevant governance topics and trends, receive feedback on the performance of the Company and the Board with respect to Board Matters and discuss potential areas of improvement, if any. In 2023, the Chair of the Board and the Chair of the Governance Committee met with four (4) significant shareholders of the Company in order to discuss relevant governance topics. Various subjects were discussed during these meetings, including board renewal and diversity, ESG plan and strategy including climate strategy, internal voting policies, shareholder proposals, virtual meetings of shareholders and capital allocation.

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

# 8. Other business

Management of the Company 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 2025 annual meeting

Proposals for any matters that persons entitled to vote at the 2025 annual general meeting of the Shareholders wish to raise at said meeting must be received by the Company by September 9, 2024, at the latest.

# 10. Additional information

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

The Company will promptly provide a copy of any such document free of charge to shareholders of the Company who send a written request to the following address: 11011, 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 Company.

Montréal, December 8, 2023

Simon Rivet
Corporate Secretary

# Exhibit A – Shareholder proposals

## Proposals submitted to a vote at the Meeting

The proposals listed below have been submitted by certain shareholders and are subject to a vote at the Meeting.

### *Proposal 1*

Proposal 1 was submitted, on an advisory basis, by The Accountability Board ("TAB"), 401 Edgewater Place, Suite 600, Wakefield, MA 01880, United States, a holder of Shares of the Company, for consideration at the Meeting. On the date TAB submitted its proposal, TAB had held 102 Shares for a period of at least six (6) months.

**Text of the proposal as submitted:**

Dear fellow shareholders,

This proposal simply seeks details about one of METRO's corporate responsibility plans.

As background: In 2017, METRO adopted a responsible procurement Framework and Supplier Code of Conduct. One of the four principles they're based on is "respect for animal health and welfare," which METRO says aims to prevent "all forms of abuse" in its supply chain.

Yet, animals still routinely suffer in METRO's supply chain. Take eggs, for example.

- Most egg-laying hens spend their lives locked in cages. Some are so small and cramped, the animals can't even spread their wings. The abuse is extreme—and companies like Loblaw, Tim Hortons, McDonald's, Starbucks, and many others are switching to 100% cage-free eggs.
- In 2016, METRO pledged to source 100% cage-free eggs by 2025; but it rescinded that promise in 2021.
- According to METRO's 2022 Corporate Responsibility Report, nearly 10% of its stores still don't offer any cage-free eggs and a third of its own Life Smart brand eggs still come from animals locked in cages.

As for METRO's next steps?

METRO now just says, "We…plan to increase our offering of cage-free eggs."

But METRO doesn't disclose what that plan entails or how it will be implemented. And shareholders have no way to measure progress, because METRO doesn't provide its specific current or targeted cage-free egg percentages.

We think that if a company claims to have a plan for addressing a serious issue in its supply chain, shareholders ought to know what that plan entails and be clearly and regularly informed of progress. (For example, Loblaw, Sobeys, Costco, Walmart, and others disclose their overall cage-free egg percentages.)

But not METRO. After years of pledging to address this issue, METRO now just vaguely says it plans to increase its sale of cage-free eggs.

THEREFORE, shareholders ask METRO to disclose: the current total percentage of eggs it sells from cage-free animals, what specific actions it took in furtherance of its cage-free pledge between announcing its commitment in 2016 and rescinding it in 2021, and details of its action plan (moving forward) for increasing its cage-free offerings—including any strategies, benchmarks, and deliverables it has for meeting that goal. These disclosures should be made within three months and omit proprietary information.

To be clear, this proposal seeks only increased transparency and communication—not policy changes. It's as much about METRO's accountability to shareholders as it is the company's animal welfare actions. And the requested clarity is especially important—first, because of the company's history of having rescinded its original pledge for cage-free egg conversion, and secondly, because animal welfare is a guiding principle behind METRO's Responsible Procurement Framework and Supplier Code of Conduct.

We hope you'll agree further transparency is needed and vote FOR the proposal.

Thank you.

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

METRO recognizes the importance of animal welfare, as demonstrated by our holistic approach to this issue. Indeed, animal health and welfare is one of the four (4) key principles of our Supplier Code of Conduct for responsible procurement. This principle extends to all animals in our supply chain, including laying hens. Our Animal Welfare Statement outlines our approach related to this topic, which is underpinned by the following criteria:

- **Consideration for the needs of livestock**: METRO aims to ensure that the physiological and behavioral needs of the animals are met.
- **Prevention of all forms of abuse**: METRO aims to prevent all form of abuse that negatively impact the health and welfare of the animal.

- **Compliance with science-based standards**: METRO advocates a science-based approach and supports the process and approach of the National Farm Animal Care Council (NFACC), a multi-stakeholder forum recognized as the national leader in farm animal welfare standards in Canada.

In June 2021, we clarified our position on animal welfare, specifically regarding METRO's industry commitment through the Retail Council of Canada to move to cage-free environments by the end of 2025. Through our ongoing discussions with our suppliers, it was determined that the industry would not be able to fulfill these commitments in a timely manner. METRO decided then to continue to work with its suppliers to increase its supply of such products. We also commissioned a scientific review from an external partner to find out which type of housing between enriched cages and a cage-free systems provided the highest welfare for laying hens. The study concluded that there was no scientific consensus that cage-free housing provides better overall welfare for hens. In response to these findings, we have continued to offer both types of eggs to cater to diverse consumer preferences while remaining committed to animal welfare.

Our 2022-2026 Corporate Responsibility Plan includes an egg-specific objective which is to sell eggs from cage-free hens in all of our stores. In 2023, we offered cage-free eggs in 93% of our stores. Some of our smaller stores are having challenges integrating these products in their offerings. We will continue to monitor our progress toward this objective and to report on it in our corporate responsibility reports.

In early 2023, we also partnered with SupplyShift, a cloud-based platform supported by a team of ESG experts, to collect and analyze data from our suppliers in order to assess their performance against all the principles of our Supplier Code of Conduct, including animal health and welfare.

Our approach to animal welfare is well-defined and grounded in scientific principles while our focus remains on the welfare of the animals in our supply chain.

## ***Proposal 2***

Proposals 2 and 3 were submitted, on an advisory basis, 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 Company, for consideration at the Meeting. The proposals were submitted in French by the MÉDAC and translated into English by the Company for the purposes of this English version of the Circular. On the date the MÉDAC submitted its proposal, it held 58 Shares for a period of at least six (6) months.

**Text of the proposal as submitted:**

**It is proposed that the company's annual meetings be held in person, and that virtual meetings be added as a complement to, but not a substitute for, in-person meetings.**

**SUPPORTING STATEMENT:**

Since 2020, when annual meetings began to be held in virtual mode due to health restrictions relating to the COVID-19 pandemic, we have had numerous criticisms regarding the conduct of these meetings.[2]

The OECD's Principles of Corporate Governance state:

"[...] due care is required to ensure that remote meetings do not decrease the possibility for shareholders to engage with and ask questions to boards and management in comparison to physical meetings. Some jurisdictions have issued guidance to facilitate the conduct of remote meetings, including for handling shareholder questions, responses and their disclosure, with the objective of ensuring transparent consideration of questions by boards and management, including how questions are collected, combined, answered and disclosed. Such guidance may also address how to deal with technological disruptions that may impede virtual access to meetings.[3]"

We recognize the benefits of virtual meetings, but they should not be used as a substitute for in-person meetings. Like *Teachers'*,[4] we believe that annual shareholder meetings should be held in person, with virtual meetings as a complement (in a hybrid format, such as all banks have done so by 2023), without replacing in-person meetings. It is understood that all shareholders should enjoy the same rights, regardless of whether they participate in person or remotely. This position is supported by several organizations, including the Canadian Coalition for Good Governance (CCGG)[5] and many major institutional investors.

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

The Company has decided to hold the Meeting virtually to maximize shareholder attendance for those who would be unable to attend in person. Virtual-only meetings are also a very cost-effective and safe way of holding shareholders' meetings compared to in-person and hybrid meetings.

[2] *Annual meetings: virtual drift*, MÉDAC, 2023-05-09 https://medac.qc.ca/salle-de-presse/2098-aaa- virtual/

[3] *Council Recommendation on Principles of Corporate Governance*, OECD Legal Instruments, OECD/LEGAL/0413, adopted 2015-07-07, amended 2023-06-07 https://legalinstruments.oecd.org/fr/instruments/OECD-LEGAL-0413

[4] *Good Governance is Good Business - Proxy Voting Guidelines 2023*, Ontario Teachers' Pension Plan https://www.otpp.com/content/dam/otpp/documents/OTPP Proxy Voting Guidelines 2023 EN.pdf

[5] "*Virtual-only shareholder meetings are an unsatisfactory substitute for in-person shareholder meetings because they risk undermining the ability of shareholders to hold management accountable.*", *Say no to virtual-only shareholder meetings - they let companies duck accountability*, Catherine McCall, *The Globe and Mail*, May 21, 2023 https://www.theglobeandmail.com/business/commentary/article-say-no-to-virtual-only-shareholder-meetings-they- let-companies-duck/

The shareholder participation rate in our virtual-only shareholders meetings is comparable to the participation rate in our in-person meetings. The Company has also noted a marked increase in general participation in the meetings by investors since they have been held virtually only whereas in-person meetings tend to draw more non-investor participants.

Since the first year it held virtual-only meetings, the Company has put in place rules to ensure the effective and fair conduct of virtual meetings. These rules of conduct for the virtual Meeting can be found in the section “Rules of conduct for the virtual Meeting” at page 5 of this Circular. They allow all shareholders to fully participate and engage in the meeting. These rules include procedures for the conduct of the Meeting which are similar to those the Company used in the past for in-person meetings.

The Company recognizes the importance for shareholders to engage during annual general meetings. As in previous years’ virtual meetings, shareholders will be able to fully participate and engage either online or over the telephone during the Meeting.

Shareholders who submitted shareholder proposals to the Company will have the opportunity to present their proposal(s) by telephone. They will have the same 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). All shareholders will also be given time to comment or ask questions on each proposal presented to a vote during the meeting, in accordance with the Canadian Securities Administrators updated guidance on virtual shareholder meetings issued on February 25, 2022. 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.

The Company believes that, taking into account the measures put in place to ensure shareholder participation and foster an environment where all shareholders feel like they have a voice, shareholders’ rights to be heard are as well protected in the context of a virtual-only meeting than they are in an in-person meeting. The Company’s rules of conduct for the virtual Meeting ensure transparency in the way the Company deals with questions and comments made by shareholders and safeguard shareholders’ rights to be heard. Finally, virtual-only meetings represent a good use of Company’s resources and are safe.

## *Proposal 3*

**Text of the proposal as submitted:**

**It is proposed that the Board of Directors call in other auditors, depending on the duration of current contracts, given the number of shareholders who voted to abstain on this issue at the last Annual General Meeting.**

**SUPPORTING STATEMENT:**

Almost half of the organizations we follow closely by attending their annual general meetings have experienced high abstention votes in relation to the appointment of their external auditors. These votes are expressed not just with regards to one accounting firm, but a few, suggesting that shareholders are looking for fresh insight into the reliability of the financial information they receive, and to the independence of the auditors.

The aim of rotating auditors is to reduce threats to their independence which are largely due to the familiarity that develops over time. There is reason to fear that, in the long term, the auditor may become too close to its client. As an example, the auditor's independence can be diminished when friendships develop: the auditor becomes too closely associated with the interests of the company’s management, the audit plan becomes repetitive, or the auditor is reluctant to make decisions that would suggest that his or her previous decisions were wrong.

In short, the risks of familiarity with the client are likely to undermine the auditor's rigour, objectivity and critical thinking. Does the percentage of abstentions on the appointment of the current auditor reflect this opinion? We believe that such a service should be subject to more frequent renewal of vision, to assure shareholders that their auditors are offering them the best service at a competitive price, while ensuring a fresh approach to auditing by a different firm.

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

The Audit Committee closely reviews the Company’s Auditors’ performance, quality of work and independence with a view to maintaining the highest standards. This robust review process includes a comprehensive annual quality and independence assessment which is then shared with the Auditors. In addition, the Auditors are subject to CPAB's independent oversight including audit quality assessment. For more information on this quality assessment and auditor tenure, see pages 9 to 11 of this Circular.

The regulatory requirements in Canada continue to mandate audit and other partners rotation every seven (7) years. Recent publications and research by CPAB continue to support this practice rather than broadening the statutory scope to require periodic audit firm rotation.[6]

[6] See: Chartered Professional Accountants - Canada and Canadian Public Accountability Board, *Enhancing Audit Quality: Canadian Perspectives - Conclusions and Recommendations*, https://www.cpacanada.ca/en/business-and-accounting-resources/audit-and-assurance/enhancing-audit-quality/publications/eaq-initiative/eaq-final-report-canadian-recommendations; Source Global Research, *The Audit Market in 2018*, https://www.sourceglobalresearch.com/reports/4765-the-audit-market-in-2018-2; U.S. Government Accountability Office, *Public Accounting Firms - Required Study on the Potential Effects of Mandatory Audit Firm Rotation*, https://www.gao.gov/assets/gao-04-216.pdf; C. A. Cassell, J. N. Myers, L. A. Myers and T. A. Seidel, *Does Auditor Tenure Impact the Effectiveness of Auditor's Response to Fraud Risk?*, https://gattonweb.uky.edu/FACULTY/PAYNE/acc490/Graduate%20Student%20Articles/Cassell%20et%20al.%20Does%20Auditor%20Tenure%20Impact%20the%20Effectiveness%20of%20Auditors%E2%80%99%20Response%20to%20Fraud%20Risk.pdf.

By regularly rotating the key individuals on the audit, the risks of excessive familiarity are mitigated. The Audit Committee strongly supports limits to the tenure of key senior partners involved in the Company's audit to ensure sufficient independence. The Audit Committee believes that continually having fresh sets of eyes at the key partner level is an important contributor to audit quality and auditor independence.

The Audit Committee has determined that shareholders would not be best served through arbitrary limits on the tenure of audit firms. Furthermore, the Audit Committee requires that the Auditors inform the Audit Committee of all significant audit planning considerations, areas of focus, significant judgments, and possible disagreements with management, prior to informing management, or as a minimum, at the same time. In this way, the Auditors are not placed in a position where management can inappropriately influence audit decisions, become too close to or friendly with management, or be reluctant to conclude that prior decisions were wrong. The Audit Committee, by placing itself as an interested party at the initial stages of potentially important issues, mitigates the risk that the auditor may become too close to management, be unduly influenced by management or be reluctant to conclude that prior decisions were wrong. The Audit Committee meets also in-camera with the Auditors to discuss any issues or difficulties in the Company's audit, including management's collaboration with the audit.

The Audit Committee also has adopted a policy concerning the pre-approval of audit services and non-audit services. Under this policy, the Auditors may be called upon to provide audit-related services and tax services as long as these services do not interfere with their independence. The Audit Committee must pre-approve all services that the Auditors may render to the Company and its subsidiaries.

The Audit Committee is of the opinion that any concern's with the Auditors' tenure are mitigated by a strong external regulatory framework as well as the Auditors' strong internal independence policies and procedures assessed through the annual auditor evaluation.

## *Proposal 4*

The proposal below was submitted, on an advisory basis, by the BC General Employees' Union ("BCGEU"), 4911, Canada Way, Burnaby (British Columbia) V5G 3W3, a holder of Shares of the Company, for consideration at the Meeting. On the date BCGEU submitted its proposal, BCGEU had held 31,287 Shares for a period of at least six (6) months.

**Text of the proposal as submitted:**

Canadians purchased over $109 billion of grocery products from supermarkets and other grocery stores in 2022, up from $97 billion in 2019.[7] Since 2020 Canadians have experienced a prolonged period of food price inflation, and in this environment Metro along with other retailers succeeded in growing their average profit margin.

Backlash against anticompetitive practices can harm a company's public reputation and increase pressure for new regulation. In October 2022 the Canadian Competition Bureau launched a study of grocery store competition in Canada, where the country's five largest grocery retailers control 80% of the market. The study focused on promoting greater retail grocery competition as the Bureau believes more competition can lead to lower prices, more choices, and better convenience for consumers.

The Bureau issued its report in June 2023, finding that Canada's largest grocers' food gross margins generally increased by a modest yet meaningful amount over the last five years, indicating a sign of a lack of competition in Canada's grocery industry.[8]

The Bureau focused its analysis on food gross margins but indicated it would have preferred to undertake a more expansive analysis to better understand how grocers priced specific products, and more broadly to understand grocery competition in Canada.

The impediment to this expansive analysis was the failure of Canada's grocery retailers to provide the Bureau with the information it requested. Notably, the Bureau included a section specifically on the retailers' cooperation with the study:

> **Did Canada's grocery giants cooperate with the Bureau's study?**
>
> There have been questions concerning the amount of cooperation and financial information shared with the Bureau by Canada's grocery giants during this study…
>
> The Bureau is not able to disclose the specific information it was provided, owing to the confidentiality requirements of the Competition Act. However, in general, the Bureau can say that the level of cooperation varied significantly, and was not fulsome. In many instances, the Bureau was not able to obtain complete and precise financial data, despite its repeated requests.

In June 2023, a Canadian parliamentary committee issued a report on food price inflation. The report made several recommendations related to potential anticompetitive practices, including increasing the Bureau's information gathering powers, reviewing competitive thresholds for mergers, and establishing a commission with a mandate to analyze data relating to price formation and margins in transactions along the agri-food supply chain.[9]

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[7] http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/trad15a-eng.htm

[8] https://ised-isde.canada.ca/site/competition-bureau-canada/en/how-we-foster-competition/education-and-outreach/canada-needs-more-grocery-competition

[9] http://www.ourcommons.ca/Content/Committee/441/AGRI/Reports/RP12503602/agrirp10/agrirp10-e.pdf

While we are enthusiastically supportive of positive profit and returns, we want to ensure that the Board is addressing risks to the long-term health of our company and its brands from governance and compliance issues related to potentially anticompetitive practices. We believe shareholders would benefit from more information about our company's management of these risks.

**RESOLVED** that the Board of Directors report to shareholders by September 30, 2024 on how it oversees risks and compliance related to anticompetitive practices. The report should be prepared at reasonable expense and should omit confidential or proprietary information.

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

METRO operates in an open and very competitive market economy and for METRO adopting pro-competitive behaviours and complying with the *Competition Act* is paramount.

METRO's Code of Conduct promotes fair and open competition and provides various obligations employees must follow including, of course, abiding by the law. The Human Resources Committee of the Board oversees the application of the Code of Conduct to employees. The Audit Committee oversees risks and legal compliance. The General Counsel of the Company reports to the Audit Committee on a quarterly basis on legal compliance matters, including *Competition Act* matters, and the Company's Legal Department provides regular training and advice on Competition Law.

As Statistics Canada confirmed in a November 2022 report[10], retailers are not responsible for food price inflation. Indeed, METRO stands at the end of the supply chain and we operate in an open and very competitive market economy.

METRO actively participated in the Competition Bureau Study on competition in Canada's retail grocery sector[11]. We clearly made the point to the Bureau that our profit margins have remained stable for many years. In fact, our food gross margin has declined recently, as we absorb part of the cost increases we receive from suppliers. This decline has been partly compensated by an increase in pharmacy gross margins, as demonstrated in the detailed results submitted confidentially to the Competition Bureau as part of their Study. METRO also has one of the thinnest after-tax profit margins in Canada, at less than 5 percent.

The Bureau Study did not make any finding that grocery profits had been excessive or that grocers had unduly increased margins during this inflationary period. The Bureau concluded that more competition from international grocers could result in lower prices. However, the presence of Walmart, Costco and Amazon, three (3) global companies, which are already operating in the Canadian food market is definitely a sign that competition from abroad is strongly present in the Canadian food retail market. The Bureau also mentioned in its Study that all the other international grocers it spoke to said that they would face tough competition from Canadian grocery retailers. This is clearly another sign that the Canadian food retail market is competitive.

METRO's acquisitions over the years have been beneficial to competition in Canada's food industry. For example, METRO's purchase of A&P, in 2005, and of 41 Loeb stores as part of Loblaw's acquisition of Provigo, in 1999, had the effect of stimulating competition in Ontario. In allowing METRO to proceed with these transactions, the Bureau was right to conclude that METRO's increased presence in this province would boost competition in this market, to the benefit of consumers. In fact, these two (2) transactions bolstered competition in the Ontario retail food market.

We believe that the Bureau has all the tools it needs to maintain healthy competition in the Canadian grocery sector, and that the level of competition remains extremely high, thanks, in particular, to the aforementioned transactions.

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[10] http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/trad15a-eng.htm

[11] https://ised-isde.canada.ca/site/competition-bureau-canada/en/how-we-foster-competition/education-and-outreach/canada-needs-more-grocery-competition

## Proposals withdrawn and not submitted to a vote at the Meeting

The proposals listed below have been submitted by certain shareholders. Following discussions between the Company and the shareholders who submitted the proposals, or their representatives, it was agreed that these proposals be withdrawn and no longer submitted to a vote at the Meeting. As agreed with the shareholders who submitted these proposals, the Company reproduces below these proposals and shares its responses to these proposals.

## *Proposal 5*

Proposal 5 was submitted, on an advisory basis, by TAB, 401 Edgewater Place, Suite 600, Wakefield, MA 01880, United States, a holder of Shares of the Company, for consideration at the Meeting. On the date TAB submitted its proposals, TAB had held 102 Shares for a period of at least six (6) months.

Following discussions between the Company and TAB, the general content of which can be found in the Company's response below, TAB agreed to withdraw this proposal. As such, proposal 5 is not subject to a vote at the Meeting.

**Text of the proposal as submitted:**

Dear fellow shareholders,

In 2022, METRO adopted new Equity, Diversity and Inclusion (ED&I) goals.

On gender, METRO's 2022 – 2026 Corporate Responsibility Plan says that by 2026, METRO wants 25% women in store manager roles, 35% in management, 30% in senior management, and 30% on its Board. That's four different gender goals for four different levels.

By contrast, the Corporate Responsibility Plan discloses just one racial/ethnocultural diversity goal: 17% "Representation of people from culturally diverse backgrounds (people who self-identify as being a member of a visible minority or ethnocultural minority)" by 2026 for "management and senior management positions."

But these goals contain three important gaps.

**Gap One:**

METRO doesn't disclose any racial/ethnocultural diversity baseline percentages from before its goals were announced. (Oddly, it does disclose these baselines for gender diversity though.) Thus, it provides shareholders with no way to measure the company's progress over a baseline; we can only know METRO's distance from its self-defined finish line, but not how much actual progress that represents.

**Gap Two:**

METRO's Corporate Responsibility Plan doesn't disclose which roles comprise "management and senior management," so it offers no way to know which positions, exactly, METRO's goal covers.

**Gap Three:**

While METRO's Corporate Responsibility Plan includes four gender goals (for store managers, management, senior management, and Board members), it has only a single racial/ethnocultural goal (for "management and senior management" collectively)—and none for store managers or Board members.

THEREFORE, taking these gaps in order, shareholders request that within six months, METRO disclose: 1) the baselines over which progress for each ED&I goal are being measured; 2) the specific definitions of "management" and "senior management" positions; and 3) measurable goals for achieving greater racial diversity amongst its store management and Board members.

Thank you.

### The Company's response

METRO recognizes the importance of fostering equity, diversity and inclusion at the Board and management levels as well as for employees. We are sensitive to the importance of our company reflecting the communities we serve. This is why we adopted a written policy on diversity among our employees, including members of senior management and a written policy on diversity at the Board level.

The Board policy provides for a 30 to 40% representation target for people identifying as women. In addition, as of 2023 and in order to better represent the communities served by the Company, the Board has set an additional target of ensuring that at least one (1) member of the Board of Directors belongs to one of the following groups: visible minorities, ethnic minorities, a person with a visible or invisible disability, a member of Indigenous Peoples or a member of the LGBTQ2+ community.

As part of its Corporate Responsibility Plan 2022-2026, the Company has also set targets for the representation of women and members of under-represented racial or ethnic groups among senior management and executive teams. The targets set provide that by 2026, women should represent 30% of senior management and 35% of management, while members of under-represented racial or ethnic groups should represent 17% of senior management and 17% of management.

In setting targets pertaining to the representation of women, the Company was able to use the gender data it collects in order to manage employees' compensation to establish baselines and set specific targets by group.

No such data was available in terms of any other diverse characteristic. With more than 97,000 employees, not all of whom can be easily contacted in the context of gathering statistical data (e.g. most employees do not have a company email) and bearing in mind that self-identification surveys, which the Company initiated starting in 2021, only provide partial information, the Company decided to set an absolute target of 17% for the representation of under-represented racial or ethnic groups on the basis of the most reliable information it had, i.e., that relating to management and senior management employees. We believe it was preferable to set such a target rather than wait to be able to establish a reliable and representative baseline for these other employee groups. METRO will refine its techniques for gathering statistics from other employee groups, to be able to set targets based on reliable data and, more importantly, continue to take the necessary actions to foster an equitable, diverse and inclusive work environment.

The Company discloses its cultural diversity data for executive and senior management positions annually in its Corporate Responsibility Report. This makes it possible to track the evolution of diversity in these positions.

Finally, the definition of "management" and "senior management" is already included in the "Equity, diversity and inclusion" section of this Circular. For ease of reading, we have added this information to our 2023 Corporate Responsibility Report, available on the Company's corporate website (corpo.metro.ca).

## Proposal 6

Proposal 6 was submitted, on an advisory basis, by Mr. Anthony Schein, Director of Shareholder Advocacy, at the Shareholder Association for Research & Education (“SHARE”), on behalf of the United Church of Canada, 3250 Bloor Street West, Suite 200, Toronto (Ontario) M8X 2Y4, a holder of Shares of the Company, for consideration at the Meeting. The proposal was filed in accordance with applicable laws and regulations.

This proposal requested the disclosure of all material Greenhouse Gas emissions, disclosure of the Company’s adoption of robust interim and long-term science-based GHG emission reduction targets, and plans to adopt a comprehensive climate action plan, informed by generally accepted standards such as SBTi.

The Company acknowledged the concerns raised by the SHARE. In accordance with its plan, in November 2023, it announced that it would set near-term science-based targets starting with a 2023 base year. The Company will continue to publicly report and disclose our progress toward meeting our announced near-term targets. The Company will also report publicly on the result of its feasibility studies in setting long-term net-zero targets.

The Company commits to ongoing dialogue with SHARE and interested investors related to the matters raised in the proposal.

On the basis of the Company's announcement and related commitments, SHARE agreed to withdraw the proposal.

**Text of the proposal as submitted:**

**RESOLVED:** Shareholders request that Metro Inc. (Metro) report to shareholders prior to the 2025 annual general meeting, at reasonable cost and excluding proprietary information on its management of climate-related risks. The report should include at a minimum:

1) Disclosure of all material Greenhouse Gas emissions;
2) Disclosure of the company’s adoption of robust interim and long-term science-based Greenhouse Gas emission reduction targets.
3) Plans to adopt a comprehensive climate action plan, informed by generally accepted standards such as the Science-Based Targets Initiative.

**SUPPORTING STATEMENT:**

In 2018, the Intergovernmental Panel on Climate Change advised that greenhouse gas emissions must be halved by 2030 and reach net zero by 2050 to limit global warming to 1.5°C to prevent the worst consequences of climate change and meet the goals of the Paris Agreement. Companies that fail to align with 1.5°C actions pose material risks to themselves and the financial system as a whole. According to the Canadian Climate Institute, current emission reporting in the retail sector does not adequately depict the extent of these emissions in Canada.

Metro’s 2022 Corporate Responsibility report states that it plans to improve its data collection, particularly on the expansion of scope 3 reporting, work towards the implementation of the Taskforce on Climate-related Financial Disclosures (TCFD), and establish a Climate Change Committee and includes a current goal to reduce only Scope 1 and 2 emissions by 37.5% on a timeline of 2035 compared to a 2020 baseline. Metro has generally stated in its 2022 CDP response that “it aims to better understand its scope 3 emissions” with no timeframe disclosed. Metro is exposed to significant operational, financial, and regulatory risks associated with climate change and a lack of understanding of its full supply chain.

Although Metro has expressed plans to continue its evaluation of the feasibility and costs of achieving SBTi Net-Zero Standard, it lags behind peers. Loblaw has announced plans to reduce enterprise operation footprint by 59% by 2030 from a 2020 baseline, achieve net zero by 2040 for its enterprise operating footprint, and achieve net zero by 2050 for scope 3 emissions. Loblaw has also taken a step to submit its climate action plan to the SBTi for validation. Empire has made similar commitments.

A vote on Proposal # 1, Shareholder proposal on 1.5 degree-aligned greenhouse gas targets at Metro’s 2023 AGM received 28.54% of votes in favour. Metro has declined to meet and discuss consideration or progress on the 2023 proposal. In the intervening months, the company has made limited visible progress toward evaluating or updating its interim and long-term targets.

Metro should take the steps its peers have already taken in setting 1.5°C aligned GHG reduction targets. This would assure investors that it is appropriately managing the urgent and material risk of climate change and will remain competitive.

**We urge shareholders to vote FOR this Proposal.**

### The Company's response

METRO acknowledges the crucial role that businesses play in fighting against climate change and recognizes that climate change poses a systemic risk to society and the economy and is committed to addressing climate-related risks.

For many years, METRO has publicly disclosed GHG emissions from our scope 1-2 and some scope 3 categories in its Corporate Responsibility report and GHG emissions infosheet. As announced in 2022, METRO completed a comprehensive exercise to calculate all material GHG emissions for the year 2022. With the support of a third party, all relevant categories of our scope 3 and our land-based related emissions (FLAG emissions) originating from our supply chain, were calculated. As a result, a full scope 3 is now available in our GHG emissions infosheet. In fiscal 2024, we intend to calculate and disclose both FLAG and non-FLAG emissions.

To further support our efforts related to climate disclosure, we have submitted our CDP climate change questionnaire for the 15th consecutive year.

Furthermore, METRO announced in November 2023 its commitment to set near-term company-wide emission reduction targets in line with SBTi, following a rigorous evaluation of the feasibility and costs of achieving the SBTi Net-Zero Standard.

Our new near-term science-based targets, that have yet to be approved by SBTi[12], are consistent with the level of decarbonization required to keep global temperature increase to 1.5°C compared to pre-industrial temperatures. Our targets with a 2023 base year will consist of:

- Reducing absolute scope 1 and scope 2 GHG emissions by 42% by 2030;
- Having 45% of our suppliers by spend with science-based targets by 2028;
- Reducing absolute scope 3 GHG emissions from purchases of goods and services by 25% by 2030;
- Reducing absolute scope 3 GHG emissions from downstream transportation and distribution by 25% by 2030; and
- Reducing scope 3 FLAG GHG emissions by 30% by 2030.

More details about our new targets can be found in our November 7, 2023 press release.

Our plan outlines six (6) emission reduction priorities: use of natural refrigerant; invest in renewable energies; electrify part of our fleet of vehicles and improve its fuel efficiency; engage with key suppliers to reduce their emissions; install EV chargers for customers; and reduce food waste in the value chain. We will continue reviewing our priorities and goals as technologies evolve and will keep evaluating the feasibility of a Net-zero target.

METRO becomes one of the first Canadian companies to commit to set targets to reduce GHG emissions originating from FLAG emissions. With our new commitment, we are not only tackling emissions related to energy and industry, but also our scope 3 FLAG emissions within our supply chain.

Committing to near-term and to FLAG targets, while continuing to evaluate a Net-zero target in our decarbonization plan, is the best path forward for the Company to address climate change. We are setting targets that are ambitious but realistic. We are also demonstrating our commitment to review our goals and our priorities regularly as technologies evolve.

## ***Proposal 7***

Proposals 7, 8 and 9 were submitted, on an advisory basis, by the MÉDAC, 82, Sherbrooke Street West, Montréal (Québec) H2X 1X3, a holder of Shares of the Corporation, for consideration at the Meeting. The proposals were submitted in French by the MÉDAC and translated into English by the Corporation for the purposes of this English version of the Circular. On the date the MÉDAC submitted its proposal, it held 58 Shares for a period of at least six (6) months.

Following discussions between the Company and the MÉDAC, the general content of which can be found in the Company's responses to each proposal, the MÉDAC agreed to withdraw these proposals. As such, proposals 7, 8 and 9 are not subject to a vote at the Meeting.

**Text of the proposal as submitted:**

**It is proposed that the Board of Directors consider introducing a new approach to incentive compensation, with the aim of linking part of the compensation of all employees to the organization's performance in relation to its key ESG objectives.**

**SUPPORTING STATEMENT:**

In April 2022, *Mastercard* CEO Michael Miebach announced that the company was extending its ESG incentive compensation program to all employees[13]. Referring to the implementation of such a program among members of senior management in the previous year, he mentioned that this compensation strategy had enabled the company to meet and exceed its objectives. He added:

"Each and every one of us shares responsibility for our ESG commitments [...] That's why we'll be extending the scope of this model to all of our employees, everywhere, and that we will reflect this in our corporate *score*, raising a notch our collective duty and progress on the subject.[14]"

Likewise, we believe that the achievement of many ESG objectives is not senior management's sole responsibility, but the responsibility of all employees who, in their day-to-day work, can make a significant contribution to the achievement of the company's key objectives, to exceed them, and to suggest innovative ways of achieving these objectives more quickly. For *Mastercard*'s CEO, this new compensation strategy including all employees has led it to bring forward the achievement of carbon neutrality from 2050 to 2040[15].

## The Company's response

Given the nature of the work and remuneration of a large proportion of its employees, the Company cannot link part of the remuneration of all its employees to the achievement of ESG objectives. However, the Company does link a portion of the compensation of employees who may have an impact on the achievement of the objectives set out in its Corporate Responsibility Plan to the organization's performance with regard to its main ESG initiatives.

[12] Our science-based targets percentage have been calculated based on SBTi methodology. They will be communicated once they have been approved by SBTi.
[13] *Sharing accountability and success: Why we're linking employee compensation to ESG goals*, **Michael Miebach** (CEO), Mastercard, 2022-04-19 https://www.mastercard.com/news/perspectives/2022/esg-goals-and- employee-compensation/
[14] *Each and every one of us shares the responsibility to uphold our ESG commitments [...] That's why we're extending that model to our annual corporate score and all employees globally, taking our shared accountability and progress to the next level*." *Mastercard ties ESG to all employee pay*, **Rick Spence**, Corporate Knights, 2022-06-01 https://www.corporateknights.com/leadership/mastercard-ties-esg-to-all-employee-pay/
[15] *Mastercard to link all employee bonuses to ESG goals*, Reuters, 2022-04-19 https://www.reuters.com/business/finance/mastercard-link-all-employee-bonuses-esg-goals-2022-04-19/

For several years now, METRO has included ESG objectives in the AIP of employees eligible for the Company's bonus plan. For example, all Vice Presidents, including the President and Chief Executive, share an objective linked to the implementation of the Corporate Responsibility Plan, which includes numerous ESG initiatives. In addition, all store and distribution centre managers have had health and safety objectives for many years.

Since last year, store and distribution centre managers have targets for waste diversion rates. Targets for sustainable procurement, greenhouse gas reduction, plastic reduction, diversity and inclusion, customer satisfaction, etc. are also included in the annual AIP objectives of many staff members who are responsible for or contribute to these initiatives.

For example, 84% of AIP-eligible employees have at least one objective in support of our Corporate Responsibility Plan, and all objectives and initiatives under the Corporate Responsibility Plan are reflected in the objectives of bonus-eligible employees. In addition, ESG initiatives account for 10% or more of the value of the personal objectives of employees who have the achievement of these objectives in their AIP.

## ***Proposal 8***

**Text of the proposal as submitted:**

**It is proposed that the languages mastered by officers be disclosed in the Management Proxy Circular.**

**SUPPORTING STATEMENT:**

In 2023, we filed a shareholder proposal requesting disclosure of the languages spoken by directors of some 20 public companies. Following discussions, almost all of these companies - including the 7 major banks - agreed to do so. This new proposal calls for the same information to be disclosed with respect to officers, at a minimum the "named executive officers.[16]"

In recent years, a number of public controversies over language have tarnished the reputation of major public companies in terms of their social responsibility and their interpretation of their duties and obligations with regards to inherent diversity of our communities. Language, which is at the heart of our democratic institutions, is a fundamental attribute of the community. Such situations, harmful from every point of view, must be prevented from recurring. To this end – and for many other reasons – it is desirable for all interested parties (*stakeholders)* to know, through formal and official disclosure, the languages mastered by its officers. Of course, by "mastery" we mean a level of language sufficient to allow widespread use in all persons', physical or moral, activities; a level of language sufficient to enable each officer to assume his or her duties and functions fully and completely in relation to his or her teams, the shareholders and all other parties.

### The Company's response

The Company recognizes the importance of the French language. Its head office is in Quebec, and METRO understands the concerns brought up by the MÉDAC and this is why the Company has decided to disclose the languages mastered by its NEOs on page 32 of this Circular. As shown by the Company's disclosure, the majority of the Company's NEOs masters the French language. Since the disclosure presented by the Company addresses the concerns raised by the MÉDAC, the latter agreed to withdraw the proposal.

## ***Proposal 9***

**Text of the proposal as submitted:**

**It is proposed that the languages spoken by directors be disclosed in the skills and expertise matrix in the Management Proxy Circular.**

In recent years, a number of public controversies over language have tarnished the reputation of major public companies in terms of their social responsibility and their interpretation of their duties and obligations with regard to the inherent diversity[17] of our communities. Language, which is at the heart of our democratic institutions, is a fundamental attribute of the community. Such situations, harmful from every point of view, must be prevented from recurring. To this end – and for many other reasons – it is desirable for all interested parties (*stakeholders)* to know, through formal and official disclosure, the languages mastered by its directors. Of course, by "mastery" we mean a level of language sufficient to allow widespread use in all persons', physical or moral, activities; a level of language sufficient to allow each director to assume his or her duties and functions fully and completely.

### The Company's response

The Company recognizes the importance of the French language. Its head office is in Quebec, and METRO understands the concerns brought up by the MÉDAC and this is why the Company has decided to disclose the languages mastered by its directors in the Circular as shown on pages 12 to 20 of this Circular. As shown by the Company's disclosure, the majority of the Company's directors masters the French language. Since the disclosure presented by the Company addresses the concerns raised by the MÉDAC, the latter agreed to withdraw the proposal.

[16] As defined in, but not strictly limited to, *Regulation 51-102 respecting Continuous Disclosure Obligations.*

[17] https://medac.qc.ca/defense/dossiers/21-memoires/2045-memoire-diversite-documents-et-assemblees-virtuelles/

# Exhibit B – Mandate of the Board of Directors

1. **Purpose**

The Board of Directors (the "**Board**") is elected by the shareholders and is responsible for overseeing the management of the business and affairs of the Company in all respects.

2. **Scope**

The responsibilities of the Board extend to Metro Inc., its affiliated entities and their divisions. In this mandate, the word "Company" refers to Metro Inc., its affiliated entities and their divisions.

3. **Composition and Organization**

3.1 The Board determines its composition, size and the qualifications of its members taking into account applicable legal requirements and best practices.

3.2 Directors must have the knowledge, experience, skills and expertise and meet the expectations as determined by the Board from time to time.

4. **Duties and Responsibilities**

In addition to decisions requiring the Board's approval pursuant to the law or the Company's articles and by-laws, the Board assumes the responsibility for the following matters, either directly or through one of its committees:

4.1 Strategic planning and risk oversight

4.1.1 the approval of the Company's strategic plan and the oversight of its execution, the Board reviewing on an annual basis such plan to take into consideration relevant opportunities and risks;

4.1.2 the oversight and monitoring of the principal risks associated with the Company's activities to ensure the Company has appropriate systems, programs and practices to manage these risks;

4.2 Human resources

4.2.1 the appointment of the Company's senior executive officers;

4.2.2 the oversight of the Company's compensation philosophy and related practices;

4.2.3 the approval of objectives relevant to the President and Chief Executive Officer, the Executive Vice-President, Chief Financial Officer and Treasurer, and the Executive Vice-President and Chief Operating Officer;

4.2.4 the evaluation of the performance of the President and Chief Executive Officer with respect to objectives and the tracking of progress against such objectives of the Executive Vice-President, Chief Financial Officer and Treasurer and the Executive Vice-President and Chief Operating Officer;

4.2.5 the approval of the compensation of the Company's senior executive officers;

4.2.6 the oversight of the succession plans of the Company's senior executive officers;

4.2.7 the establishment of rules of ethics for the directors, officers and employees of the Company and ensuring their application;

4.2.8 the monitoring of any major labour relations or human resources issues;

4.3 Audit matters

4.3.1 the review and approval of a policy dealing with the Company's disclosure of material financial information to shareholders and the public at large as well as the oversight of its application;

4.3.2 the review and approval of the Company's audited annual and interim financial statements, the MD&A, and all press releases relating to the financial statements;

4.3.3 the review and approval of all material disclosure documents, including the Annual Report, Annual Information Form and the Management Proxy Circular;

4.3.4 the oversight and monitoring of the integrity of the Company's internal control and management information systems;

4.3.5 the appointment, subject to approval by shareholders, and, when deemed advisable, the termination of the external auditor;

4.3.6 the appointment and, when deemed advisable, the replacement, reassignment or termination of the individual leading the internal audit function; and

4.3.7 the review of the qualifications, performance and independence of the external auditor and the internal audit function.

4.4 Corporate responsibility

4.4.1 the oversight of the Company's activities with respect to the Company's corporate purpose and corporate responsibility, which includes environmental, social and governance matters (ESG), and the approval of the Company's Corporate Responsibility Plan and related disclosure;

4.5 All other important decisions

4.5 the approval of all other important decisions including those relating to material investments and transactions;

5. **Corporate governance**

With regards to corporate governance, the Board:

5.1 develops the Company's approach to corporate governance and its corporate governance principles; and

5.2 ensures that the Company complies with the relevant corporate governance guidelines and disclosure requirements.

6. **Board Structure and Composition**

With regards to the structure of the Board and its composition, the Board:

6.1 identifies and recommends to the shareholders the nominees proposed to be elected as directors;

6.2 is responsible for succession planning at the Board level and elaborates a selection process for new directors;

6.3 develops and provides an orientation and education program for new directors as well as a continuing education program for all directors.

6.4 determines and approves director compensation;

6.5 reviews the indemnification procedure regarding directors' liability as well as directors' liability insurance coverage;

6.6 self-assesses its own effectiveness as well as that of its committees and of individual directors; and

6.7 establishes the committees or subcommittees which it considers advisable for the performance of the Board's duties and responsibilities and approves their mandate.

7. **Management**

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

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

8. **Outside consultant**

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

# Exhibit C – Mandate of the Human Resources Committee

1. **Purpose of the Committee**

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

1.1 overseeing the Company's compensation philosophy and related practices as well as the annual compensation of the Company's executive officers;

1.2 overseeing the succession plans of the Company, particularly as they pertain to executive officers;

1.3 approving various policies and monitoring their application;

1.4 monitoring health and safety results and practices;

1.5 monitoring any major labour relations or human resources issues; and

1.6 overseeing and monitoring of the risks associated with the items described above

2. **Scope**

The responsibilities of the Committee extend to Metro Inc., its affiliated entities, and their divisions. In this mandate, the word "Company" refers to Metro Inc., its affiliated entities, and their divisions.

3. **Composition and Organization**

With regards to the composition and organization of the Committee:

3.1 The Committee is composed of a minimum of 3 members of the Board who are all independent directors. A member of the Audit Committee sits as a member of the Committee.

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

4. **Compensation philosophy and practices**

With regards to compensation philosophy and practices, the Committee:

4.1 approves or, as the case may be, recommends to the Board policies regarding human resources management and compensation;

4.2 reviews risk identification and management relating to compensation policies and practices and reviews disclosure in this respect; and

4.3 receives and examines reports regarding pension funds from management and the Company's pension committees and, in turn, report on a yearly basis to the Board.

5. **Executive compensation**

With regards to executive compensation, the Committee:

5.1 reviews and recommends to the Board policies and practices on management compensation including base salary, Short Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP);

5.2 reviews and approves objectives relevant to the President and Chief Executive Officer, the Executive Vice-President, Chief Financial Officer and Treasurer, and the Executive Vice-President and Chief Operating Officer;

5.3 evaluates the performance of the President and Chief Executive Officer with respect to objectives and tracks progress against such objectives for the Executive Vice-President, Chief Financial Officer and Treasurer and the Executive Vice-President and Chief Operating Officer;

5.4 makes recommendations to the Board regarding the compensation of the President and Chief Executive Officer, the Executive Vice-President, Chief Financial Officer and Treasurer, and the Executive Vice-President and Chief Operating Officer;

5.5 monitors the performance of the other NEOs and of the other Senior Vice-Presidents and makes recommendations to the Board with respect to their compensation (base salary, STIP and LTIP grants); and

5.6 reviews and approves the executive compensation information to be included in the annual disclosure documents prescribed by legal and regulatory authorities.

6. **Executive succession planning**

With respect to succession planning for executive officers, the Committee:

6.1 makes recommendations to the Board as to the appointment of the President and Chief Executive Officer and senior executives (Metro Inc. vice-presidents, including the executive and senior vice-presidents); and

6.2 reviews the succession plans for the President and Chief Executive Officer, senior officers and other executives yearly, ensures following-up on the action plans and makes appropriate recommendations to the Board.

7. **Policies regarding the ethical conduct of senior executives and employees**

With respect to the ethical conduct of senior executives and employees, the Committee:

7.1 approves or, as the case may be, recommends to the Board policies regarding the ethical conduct of senior executives, managers and employees; and

7.2 ensures that the policies and procedures regarding the ethical conduct of senior executives, managers and employees are being applied.

8. **Health and Safety**

The Committee monitors the Company's health and safety activities and results.

9. **Diversity and inclusion**

With respect to diversity and inclusion, the Committee:

9.1 approves the policy dealing with employee diversity and inclusion; and

9.2 monitors the application of such policy.

10. **Reporting**

The Chair of the Committee regularly reports to the Board on the business of the Committee at such time and in such manner as the Board may otherwise require.

11. **External consultants**

With respect to any external consultants, the Committee:

11.1 has the authority to retain, at the expense of the Company, any external consultant necessary to allow it to carry out its duties;

11.2 must pre-approve services, other than services the external consultant provides to the Committee, to be rendered by the external consultant to the Company at the request of management; and

11.3 may delegate to its Chair the power to pre-approve all services to be provided by the external consultant to the Company at the request of management. Nevertheless, the Chair, if this power is delegated to them, must disclose to the Committee, on an informational basis, all such preapproved decisions at the next Committee meeting.

# Exhibit D – 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 stakeholders in order to fulfill their responsibilities described herein and to assist the Board of Directors (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's 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 by management of the Company of the material risks that may affect the Company, their evolution and the implementation by management of the Company of appropriate measures to manage and monitor 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 for evaluating, through a systematic and methodical approach, the Company's risk management and control processes as well as making proposals to improve their effectiveness.

**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 activities and advise it about its recommendations.

4.1 Financial Information

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

4.1.2 The Committee reviews with the management of the Company and the external auditor the accounting policies and their 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 management of the Company 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 the management of the Company the conclusions of the work supporting the certifications to be filed with the authorities.

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

4.3. Internal Audit

4.3.1. The Committee oversees and approves the appointment, replacement, reassignment or resignation of the Senior Director of the Internal Audit Department as well as their compensation and reviews and approves the mandate, annual audit plan, annual budget and resources of the internal audit function.

4.3.2. The Committee receives communications from the Senior Director of the Internal Audit Department on the internal audit performance and activities in connection with the annual audit plan and any other relevant matters.

4.3.3. The Committee meets with 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, including with regards to material risks, including fraud risks, internal controls issues, governance issues and any other question requiring the attention of the Committee.

4.3.4. The Committee reviews the reports from the Senior Director of the Internal Audit Department on the Department's compliance with the Institute of Internal Auditors' Code of Conduct and standards, including any action plan to remedy any material noncompliance identified.

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

4.3.6. 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 resources. The Committee may request from management and the Senior Director of the Internal Audit Department any appropriate information needed on such matters.

4.3.7. The Committee ensures the effectiveness of the coordination between the internal audit function and the external auditor.

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 external auditor's reports sent to it directly which include the reports on its audit of the Company's annual financial statements, the reports on its review of the Company's interim financial statements as well as the reports on its review of the Non-IFRS financial measures found in the quarterly or annual financial disclosure to determine whether such measures comply 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 meets with the external auditor to discuss the problems encountered during the audit, in particular the existence, if any, 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 the authority, pre-approves all non-audit services that are given to the external auditor. The Committee may also adopt policies and procedures concerning the pre-approval of non-audit services that are given to the external auditor. It monitors the fees paid with respect to such mandates.

4.4.5. The Committee makes sure that the external auditor has received 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 management's reaction and response to the deficiencies identified.

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 a participating firm in the Canadian Public Accountability Board ("CPAB") and that the firm respects any sanctions and restrictions imposed by CPAB. The Committee takes into account the opinions of the management of the Company and internal audit function 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 with regards to 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 internal quality control procedures that it has implemented; ii) reports to the Committee as to its internal evaluation of the quality of work of the members of the firm involved in the audit of the Company; iii) reports to the Committee as to its registration as a participant in CPAB and its authorization to conduct external audits of Canadian reporting issuers; iv) provides the members of the Committee in a timely manner with any reports, opinions, information and findings from 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. 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.

4.6. Risk Management

4.6.1. The Committee reviews the material risks identified by the management of the Company . It examines the effectiveness of the measures put in place to manage these risks by questioning the management of the Company on the way in which the risks are managed and by obtaining opinions from management regarding the degree of integrity of the risk management systems and on acceptable thresholds;

4.6.2. The Committee regularly reviews the risk management policies for material risks recommended by the management of the Company and regularly obtains from the management of the Company reasonable assurance on the compliance with the Company's risk management policies for material risks. The Committee also reviews reports on material risks.

4.7. Miscellaneous

4.7.1. 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.

4.7.2. The Committee has the authority to engage any advisor it deems necessary to assist it in the performance of its duties, as well as to determine the compensation of such advisor and obtain the necessary funds to pay such fees.

4.7.3. 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 reporting process.

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

1. **Purpose of the Committee**

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

   1.1. developing and recommending to the Board corporate governance guidelines for the Corporation and making recommendations to the Board with respect to corporate governance practices;

   1.2. overseeing the Company's activities and disclosure on corporate responsibility and environmental, social and governance ("ESG") matters, including climate change strategy;

   1.3. establishing processes and criteria to ensure Board renewal; and

   1.4. developing processes to evaluate Board performance.

2. **Scope**

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

3. **Composition and Organization**

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

4. **Corporate Governance**

   With regards to general governance matters, the Committee:

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

   4.2. oversees the preparation of the Company's Statement of Corporate Governance Practices for annual disclosure as required by the legislative and regulatory authorities;

   4.3. regularly reviews the indemnification procedure regarding directors' liability and directors' liability insurance coverage;

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

   4.5. oversees the application of the Code of ethics of the Directors, including whether conflicts of interest are properly identified, reviewed and resolved;

   4.6. monitors, reviews and provides guidance in respect of potential conflicts of interest and makes recommendations to the Board as to the actions to be taken, if necessary, with respect to any situation giving rise to a conflict of interest;

   4.7. reviews the committee and Board mandates as well as Committee Chair and Board Chair mandates and makes recommendations on any changes deemed appropriate;

   4.8. ensures that the policies relating to communications with shareholders and communication of material information to the public in general are updated as needed and that Company discharges its responsibilities under these policies; and

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

5. **Corporate responsibility**

   With regards to corporate responsibility, the Committee:

   5.1. oversees the Company's activities with respect to the Company's corporate purpose and corporate responsibility which includes environmental, social and governance matters (ESG), including climate change;

   5.2. reviews the Company's disclosure on these matters; and

   5.3. reviews the Company's corporate responsibility plans and reports.

6. **Board renewal, composition and succession planning**

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

   6.1. is responsible for succession planning of the Board and elaborates the selection process for new directors;

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

   6.3. considers each candidate's profile in light of the competencies and skills that each current director possesses, the competencies and skills that the Board, as a whole, should possess and finally the requirements that the Board considers relevant such as independence, absence of conflicts of interest, diversity and others;

   6.4. maintains an up-to-date directors' skills matrix;

   6.5. makes recommendations to the Board with respect to the appropriate number of directors to compose the Board;

6.6. proposes to the Board the nomination of committee members and committee Chairs, upon recommendation from the Chair of the Board;

6.7. establishes processes and criteria for the selection of the director who will serve as Chair of the Board; and

6.8. makes recommendations to the Board on the directors' compensation based on their involvement, duties, the risks they assume and on best Canadian practices.

**7. Board performance**

With regards to Board performance, the Committee:

7.1. supports the Chair of the Board in the conduct of an assessment of the effectiveness of the Board, its committees and its committee Chairs with respect to their mandate;

7.2. reviews and recommends approval by the Board of the questionnaire on Board and director effectiveness on a yearly basis;

7.3. reviews the results of the Board and director effectiveness questionnaire;

7.4. submits a report and the analysis of the themes from said report to the Board; and

7.5. assesses the process, the effectiveness and/or the need for change in the composition of the Board, its committees or their Chairs.

**8. Reporting**

The Chair of the Committee reports regularly to the Board on the business of the Committee at such time and in such manner as the Board may otherwise require.

**9. Outside advisor**

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

# Exhibit F – 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 G – Statement of corporate governance practices

| **Canadian Securities Administrators Corporate Governance Guidelines and Disclosure Requirements** | **Observations** |
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| **Board of Directors** | |
| 1. The board should have a majority of independent directors. | 1. At the end of fiscal 2023, 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 fiscal 2023, 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 fiscal 2023, the independent directors serving on the Board at one time or another were: Mses. Lori-Ann Beausoleil, Maryse Bertrand, Stephanie Coyles and Christine Magee and Messrs. Pierre Boivin, Russell Goodman, Marc Guay, Christian W.E. Haub, Brian McManus and Pietro Satriano. 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 is a shareholder and an executive of companies which own pharmacies operating under one of the banners of the Jean Coutu Group, a wholly-owned subsidiary of the Company, and therefore carries a business relationship with the Company, and because he has one of his family members, Mr. Jean-Michel Coutu, who is the President of the Jean Coutu Group. Mr. Michel Coutu also cannot be considered independent as one of his family members, his son, Mr. Jean-Michel Coutu, is the President of the Jean Coutu Group, a wholly-owned subsidiary of the Company.<br><br>If, following the Meeting on January 30, 2024, the nominees proposed by the Corporation are elected, the Board of Directors will continue to be comprised of a majority of independent directors, in that nine (9) of the 12 proposed nominees will be independent directors, namely the following director nominees: Mses. Lori-Ann Beausoleil, Maryse Bertrand, Stephanie Coyles, Geneviève Fortier and Christine Magee and Messrs. Pierre Boivin, Marc Guay, Brian McManus and Pietro Satriano. |
| 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 12 to 20 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 Company. In addition, no more than two (2) directors of the Company shall hold a director seat on the same board of another public company at the same time. Therefore, the Governance Committee of the Company 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 on the same board of another public company. A director of the Company must obtain the prior approval of the 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 H to this Circular. Mr. Pierre Boivin, Chair of the Board of Directors, is an independent director. |
| 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 all meetings of the Board of Directors. In addition, a meeting of the independent directors, chaired by the Chair of the Board, also takes place at the end of all meetings 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 written mandate in which it acknowledges its stewardship responsibility. The text of said mandate can be found in Exhibit B to this Circular. Every year, the Governance Committee reviews the mandate of the Board of Directors to determine if it requires updating, and in such case, makes the recommendations to this effect to the Board of Directors. |

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| **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 H 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 I to this Circular.<br><br>The mandate of the President and Chief Executive Officer is described in the Company'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 Company'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 Company 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 Company.<br><br>At the beginning of each financial year, the President and Chief Executive Officer's objectives are approved by the Board of Directors, upon recommendation of the Human Resources Committee. |
| **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 Company'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 Company and the Company's expectations towards each director. The Chair of the Board of Directors also informs new directors about the Company's corporate governance practices and, in particular, the role of the Board of Directors, its committees and each director. This program also allows new directors to meet with the committee chairs, to visit the Company's distribution centers, food stores and pharmacies and to meet key management team members. Once this training and orientation program is completed, the Chair of the Governance Committee obtains feedback from the new directors to ensure they feel adequately prepared to carry on their duties as directors of the Company.<br><br>The Company acknowledges that a board of directors' good performance stems from directors who are well informed. As such, the Company provides each director with a handbook that contains relevant documentation and information about the Company, including the Information Policy and the Directors' Code of Ethics.<br><br>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 Company's operations. The directors also take part, periodically, in organized visits of the Company's facilities, including distribution centers as well as its retail network. The Governance Committee reviews and suggests matters upon which information sessions for Board members would be appropriate. Board members also have the opportunity to share their interest in that regard.<br><br>In fiscal 2023, six (6) formal educational sessions took place and focused on the Canadian private label market, capital expenditure allocation for budget purposes, the pharmacy and drug market, the real estate market in Québec, internal controls on vendor agreements and use of artificial intelligence in retail. Details on these sessions can be found in the "Director orientation and continuing education" section at page 23 of this Circular.<br><br>These sessions were presented by internal speakers and outside experts in the applicable fields.<br><br>Each year, Board members and executives also attend a strategic planning session.<br><br>The Company ensures that all directors are members of the Institute of Corporate Directors (ICD) and pays their ICD membership fees. |

| **Business Ethics** | |
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| 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+ (sedarplus.ca) and on the Company'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 Company from short selling, directly or indirectly, the Company's securities or Options or trading in put or call options relating to the Company's Shares, as well as provisions providing for the clawback of executives' compensation in the event of a restatement or misconduct (for further details on these provisions, please refer to the "Summary of the Company's compensation policies and practices and associated risks" section on page 34 of this Circular).The Board has also adopted a "Director Resignation Policy" which requires a director to offer his or her resignation to the Chair of the Board of Directors, same being subject to the approval of the Board of Directors, in the event that: i) such director no longer meets the legal requirements or those set forth by the Board of Directors; ii) there is a material change in the director's function, employment or assignment; or iii) such director has breached or noted a potential breach to the Directors' Code of Ethics. |
| 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 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 Company. The Company's Vice-President, Human Resources, makes recommendations to the Human Resources Committee whenever the Company'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 Company. No waivers have been sought for directors or senior executives during fiscal 2023 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 Company, or where their loyalty or judgement may be affected. Directors must report to the Chair of the Board and to the Chair of the Governance Committee any real or apprehended situation that could give rise to a conflict of interest as soon as they become aware of the situation. The Governance Committee shall review any situation involving a conflict of interest or situation that could give rise to a conflict of interest and make recommendations to the Board. If a member of the Governance Committee is involved in the situation potentially giving rise to a conflict of interest, such member must be excluded from the Governance Committee's proceedings and the discussions relating to the matter. In addition, the Code of conduct specifies, among other things, that executives and employees must avoid situations of conflict of interests. Moreover, the Code of conduct specifies that: "Employees shall avoid situations where they may become involved, directly or indirectly, in a business similar to, or in competition with, METRO's or in any entity that does or seeks to do business with METRO". Every year, the directors and senior executives of the Company must declare all conflicts of interest in a questionnaire, and must furthermore notify the Company of any subsequent change in their situation. The Company's Vice-President, General Counsel and Corporate Secretary, reviews the directors' questionnaires and reports back to the Governance Committee about all actual or potential breaches of the Directors' Code of Ethics regarding conflicts of interest. The Company'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. |

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| 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 Company 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 Company 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.<br><br>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.<br><br>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 Company 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 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 Company. The Governance Committee is comprised of six (6) 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 Governance Committee as well as an administrative resolution governing the procedure of all committees. The Governance Committee, pursuant to these documents, carries all of the responsibilities recommended in Policy Statement 58-201, and its mandate further provides that it has the authority to retain the services of an external advisor, if need be. Every year, the Governance Committee reviews its mandate to determine if it requires updating and in such case, makes recommendations to this effect to the Board of Directors.<br><br>For further details, the text of the Governance Committee's mandate is included in Exhibit E 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 F to this Circular. In addition, the Governance Committee has also established a skills and experience matrix of the directors currently serving on the Board of Directors. This matrix showing the skills and experience of the nominees for the positions of director can be found on page 13 of this Circular. The Governance Committee ensures that the choice of nominees takes into account the competencies, experience and skills that the Board of Directors should overall possess, and reports back to the Board of Directors accordingly. |
| 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. |

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| 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 Board of Directors recognizes the importance of ensuring proper succession planning for its directors.<br><br>Both the Chair of the Board and the Governance Committee are in charge of Board succession planning. The Governance Committee reviews the experience and expertise needs of the Board on an annual basis. The Chairs of the Board and the Governance Committee review annually the retirement dates of all directors according to the Board Retirement Policy to ensure succession is planned accordingly both at the Board and at the Committee levels.<br><br>The Governance Committee establishes processes for Board succession planning, including the use of the services of recruitment specialists who identify possible director candidates for vacancies on the Board. These recruitment specialists can focus on particular skills and profile, including diversity, identified by the Governance Committee.<br><br>The Governance Committee reviews the competence, experience and skills of each of the nominees for the position of director and recommends to the Board of Directors the nominees who best meet the required profile at the time of nomination.<br><br>The Chair of the Board and the Chair of the Governance Committee meet with potential director nominees together to discuss their interest and the contributions they could bring to the Board of Directors. The Chairs of the Audit and Human Resources Committees also meet with the potential director nominees. After these first meetings, if found suitable, potential director nominees will meet with the President and Chief Executive Officer of the Company. These discussions are reported to the Governance Committee which decides whether to recommend or not the potential director nominee.<br><br>The Governance Committee and the Chair of the Board make their recommendations to the Board of Directors which then chooses a nominee while taking into account, among other things, the list of competencies and expectations of directors that can be found in Exhibit F 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, background and personal attributes, including age, gender, ethnicity, being a member of a visible minority, having a visible or invisible disability, being a member of Indigenous Peoples and being a member of the LGBTQ2+ community.<br><br>The Board of Directors has adopted, upon recommendation of the Governance Committee, a Board Chair Selection Policy which serves to establish a process for planning the succession of the Chair of the Board as well as the selection process for the nomination of a new Chair of the Board. |
| 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 Board of Directors and the Governance Committee believe that directors should possess two (2) types of qualifications:<br>1) general qualifications that all directors must exhibit; and<br>2) particular skills and experience that should be represented on the Board as a whole, but not necessarily by each director.<br><br>The Governance Committee strives to maintain an engaged independent board with broad diverse experience and judgment that is committed to representing the long-term interests of its shareholders and stakeholders. As such, to serve on the Board, all directors must have extensive experience, meet expectations and have the core competencies listed in Exhibit F of this Circular, which the Company believes they all do.<br><br>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 Company's current and expected future priorities and strategic needs. The specific competency and experience matrix on page 13 of this Circular has been developed to ensure that the composition of the Board of Directors is appropriate and that the required skills and experience are appropriately represented on the Board of Directors. The Governance Committee reviews annually the different directors' skills and experience requirements to ensure that they reflect the evolving priorities and strategic needs of the Company. |
| **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. |

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| 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.<br><br>For further details, the text of the Human Resources Committee's mandate is included in Exhibit C 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 32 to 48 of this Circular, indicates the manner in which the Human Resources Committee performs its tasks. |
| **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 Governance Committee. The texts of these committees' mandates are included in Exhibits C, D and E 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 Governance Committee. This assessment occurs on an annual basis using questionnaires that are reviewed every year by the Governance Committee. These questionnaires cover a variety of subjects including but not limited to corporate governance, and include both quantitative and qualitative questions.<br><br>The regular assessment consists of a six-part questionnaire completed by each director. The first part consists of an evaluation of the corporate governance practices of the Board of Directors as a whole and of the effectiveness and performance of the Board and the Board committees. The second, third and fourth parts are more open-ended and seek additional comments that may not have been addressed in the first part. The fifth part consists of an assessment by each director of the other directors' performance. Finally, the sixth part is a self-assessment of the performance of the director.<br><br>Every three (3) years, a detailed questionnaire replaces the regular questionnaire and only includes qualitative questions. The fiscal 2021 evaluation was performed using this detailed questionnaire.<br><br>During the assessment process, the Governance Committee also ensures that the mandate of each committee of the Board of Directors is carried out and assesses the manner in which the Chair of the Board of Directors and the Chairs of each committee fulfill their duties.<br><br>The Chair of the Board meets with each director individually on an annual basis to discuss the performance and contributions of the director to the Board and its committees. These individual discussions are also an opportunity to address the Board's effectiveness and possible improvements. These meetings also allow the Chair of the Board to obtain feedback from directors on his performance as Chair of the Board and on the performance of the other directors. The Chair reports on the progress of these discussions to the Governance Committee.<br><br>Performance evaluation results are reviewed by the Governance Committee. The Chair of the Governance Committee submits a complete report of this analysis to the Board of Directors.<br><br>In light of the foregoing, the Chair of the Board of Directors, with the help of the Governance Committee, assesses the process, the effectiveness and/or the need for change in the composition of the Board of Directors, its committees or their Chairs. Following this analysis, management is advised of the relevant recommendations for improvements, in particular with respect to training and development programs for directors, which require its involvement.<br><br>A review of the Board and committee mandates is performed on an annual basis to ensure that the Board and its committees are fulfilling their mandate and that these mandates reflect the current responsibilities and activities of the Board and its committees. |

# Exhibit H – 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 or her. These responsibilities and expectations are in addition to the Chair of the Board's responsibilities pursuant to applicable legislation, the responsibilities and powers assigned to the Chair of the Board pursuant to the Corporation's articles and by-laws as well as those which may be specifically assigned to the Chair of the Board from time to time by the Board of Directors.

The Chair of the Board of the Corporation is responsible for the overall leadership of the Board of Directors and has the following responsibilities:

**Effectiveness of the Board**

- Ensuring that the members of the Board of Directors work as a team, in an effective and productive manner, and demonstrating the necessary leadership to achieve this objective;
- Ensuring that the Board of Directors has the administrative support necessary to perform its work;
- Ensuring that directors receive accurate, timely, complete, relevant, honest and clear information to perform their duties;
- Upholding rigorous standards of preparation for Board meetings so that all directors have read the materials in advance to ensure effective discussions and decision-making.

**Management of the Board**

- Ensuring that the Board of Directors fulfills its mandate;
- Chairing the meetings of the Board of Directors and the meeting of directors without management being present;
- Establishing with the President and Chief Executive Officer the agenda for each meeting of the Board of Directors;
- Taking the necessary measures so that the meetings of the Board of Directors are effective and productive and that an appropriate period of time is set aside to study and consider each item on the agenda;
- Once potential nominees for the position of director of the Corporation have been identified by the Governance and Corporate Responsibility Committee, meeting with such potential nominees to explore their interest and aptitude to sit on the Corporation's Board of Directors;
- Meeting at least once a year with Board members to seek their feedback on Board and committee effectiveness and other matters;
- Attending the meetings of Board committees and providing comments and advice to members of these committees, as needed
- Recommending Committee members and Chairs for their apppointment.

**Senior executives, shareholders and other stakeholders of the Corporation**

- Fostering a strong working relationship between the Board of Directors and senior management. Specifically, the Chair periodically meets with the President and Chief Executive Officer to discuss issues relating to governance and the Corporation's operations and results, and keeps the President and Chief Executive Officer informed of any comments and advice from directors;
- Chairing meetings of shareholders;
- Together with the President and Chief Executive Officer, fostering effective communications and strong relationships between the Corporation and key stakeholders including investors and shareholders;
- Ensuring that the Board participates in the Corporation's strategic planning process.

# Exhibit I – 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.